Al Sagr National Insurance Company (PSC)

Financial Statements

For the year ended 31 December 2024

الصقر للتأمين
AL SAGR INSURANCE

كة مساهمة عامة خاضعة لأحكام القانون رقم (٦) لسنة ٢٠٠٧ في شأن إنشاء هيئة التأمين وتنظيم أعماله ومقيدة في سجل شركات التأمين تحت رقم (١٦) وسجل الشركات التجارية تحت رقم (٤١٣٧٠) مركزها الرئيسي دبي رأس المال المدفوع بالكامل ٢٣٠ مليون درهم

ركة الصقر الوطنية للتأمين (شركة مساهمة عامة) – المنطقة الدبلوماسية، شارع السيف، بر دبي، هاتف : ٠٤-٧٠٢٨٥٠٠، فاكس : ٠٤-٣٩٦٨٤٤٢، ص.ب: ١٤٦١٤، دبي، إ.ع.م.
Al Sagr National Insurance Co. (PSC) - Diplomatic Area, Al Seef Road, Bur Dubai, Tel: 04-7028500, Fax: 04-3968442, PO Box 14614, Dubai, UA

Al-Sagr National Insurance Company (Public Shareholding Company)

Directors' Report

The Directors are presenting their report together with the audited financial statements of Al-Sagr National Insurance Company (Public Shareholding Company); for the period ended 31/12/2024

Financial Highlights

The company achieved insurance revenues of AED 943 million for the year 2024, compared to insurance revenues of AED 828 million for the previous year. The net result at the end of 2024 amounted to losses of AED 154 million, compared to profit of AED 6.4 million for the previous year. Net equity reached AED 55 million at the end of 2024, compared to AED 209 million at the end of the previous year. These figures are based on the financial statements prepared according to IFRS 17.

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, results of operation and cash flows of the company as of, and for, the periods presented in the periodic report.

Directors:-

Mr. Majid Abdulla Al Sari	Chairman
Mr. Khalid Abdulla Omran Tariam	Vice Chairman
Mr. Mohamed Ali Al Sari	Director
Ms. Jawaher Salim Almheri	Director

Auditors:-

Grant Thornton were appointed as auditors of the Al Sagr National Insurance Company for the year 2024 at the Annual General Meeting held on 24/04/2024

For and on behalf of the board

Abdel Muhsen Jaber
CEO
23/04/2025

AL SAGR NATIONAL INSURANCE CO.
الصقر للتأمين
AL SAGR INSURANCE
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Independent Auditor's Report

To the Shareholders of Al Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al Sagar National Insurance Company (PSC) (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material uncertainty related to going concern

We draw attention to note 26 of the financial statements, which states that as of 31 December 2024, the Company did not meet the Solvency Capital Requirement of AED 301.5 million and has solvency margin deficit of AED 477.6 million. Further, the Company have accumulated losses of AED 180.4 million (31 December 2023: AED 95.7 million) and negative operating cash flows of AED 62.5 million as at 31 December 2024. These conditions indicates that a material uncertainty exists that may cast significant doubt on the Company ability to continue as a going concern. The accompanying financial statements have been prepared on a going concern basis as the Board of directors have approved a solvency recovery plan. The Company's ability to comply with the solvency requirement depends on effective implementation of the solvency recovery plan, which has been submitted to the Central Bank of UAE. Our opinion is not modified in respect of this matter.

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Independent Auditor's Report

To the Shareholders of Al Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements (continued)

Emphasis of matter

We draw attention to note 28 of the financial statements, which discloses that subsequent to the year end, Al Sagr Cooperative Insurance Company, an associate of the Company, received a suspension notice from the Saudi Insurance Authority on 19 February 2025 for the issuance and/or renewal of Motor Third Party Liability insurance policies. This event may have a significant negative impact on the valuation of the associate. The Company is currently evaluating the potential implications of this matter on the carrying value of its investment in the associate. Our opinion is not modified in respect of this matter.

Key Audit Matter

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

Key Audit Matter	How our audit addressed the key audit matter
Valuation of Insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities	
As at 31 December 2024, the Company's insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities are valued AED 311.8 million, AED 125.2 million, AED 70.5 million and AED 178.2 million respectively. (Refer to note 10 to the financial statements). Valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities involves significant judgements and estimates particularly with respect to, eligibility of the premium allocation approach (PAA) and estimation of the liabilities for incurred claims. These liabilities primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries.	Our audit procedures in conjunction with our actuarial specialists: - Understood and evaluated the process, the design of controls in place to determine valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities; - Assessed the competence, capabilities and objectivity of the management appointed actuary; - Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; - Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied;

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Independent Auditor's Report

To the Shareholders of Al Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key matter
Valuation of Insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities	
The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows. As a result of all the above factors, we consider valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities as a key audit matter.	- We independently reperformed the calculation to assess the mathematical accuracy of the insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities. on selected classes of business, particularly focusing on largest and most uncertain reserves; - Evaluated and tested the calculation of the allowance for expected credit loss including the data, key assumptions and judgments used; and - Assessed the adequacy of disclosures included in financial statements against the requirements of IFRS.

Other Information

The Board of Directors are responsible for the other information. The other information comprises the information included in the *Directors' report* but does not include the financial statements and our auditor's report thereon.

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

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

Independent Auditor's Report
To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements (continued)

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) and their preparation in compliance with the applicable provisions of the articles of association of the Company, UAE Federal Decree Law No. (32) of 2021, Federal Decree Law No. (48) of 2023 regarding the regulation of Insurance activities and, Central Bank of the UAE Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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Independent Auditor's Report

To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements (continued

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Decree Law No. 32 of 2021, we report that:

i) We have obtained all the information we considered necessary for the purposes of our audit;

ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;

iii) The Company has maintained proper books of account in accordance with established accounting principles;

iv) The financial information included in the Board of *Directors' report* is consistent with the books of account of the Company;

v) As disclosed in note 6 to the financial statements, the Company has invested in shares during the year ended 31 December 2024;

vi) Note 23 to the financial statements discloses material related party transactions, and the terms under which they were conducted;

vii) The Company has not made any social contribution during the financial year ended 31 December 2024; and

viii) The accumulated losses of the Company exceed 50% of the share capital as of 31 December 2024. In order, to comply with the provision of Article 309 of Federal Law No. (32) of 2021, the Board of Directors should call a General Assembly meeting within (30) thirty days of publishing the financial statements and this meeting should be held within (30) thirty days of date of call. The shareholders should decide in this meeting about whether to continue the Company's operations or to dissolve it prior to its prescribed term. Except for above, based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2024, any of the applicable provisions of the Federal Decree Law No. 32 of 2021, or of its articles of association, which would materially affect its activities or its financial position as at 31 December 2024.

Grant Thornton

Independent Auditor's Report

To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on Other Legal and Regulatory Requirements (continued)

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

GRANT THORNTON UAE

GRANT THORNTON

Grant Thornton Public Accountants P.O. Box: 1620 DUBAI-U.A.E.

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

23 April 2025

Al-Sagr National Insurance Company (PSC)

Statement of financial position
As at 31 December 2024

	Notes	2024 AED	2023 AED
ASSETS			
Property and equipment	5	**9,173,720**	87,690,885
Investments in associates	6	**148,474,490**	110,801,857
Financial assets at fair value through profit or loss (FVTPL)	7	**20,008,354**	22,266,295
Investment property	9	**157,931,895**	157,931,895
Insurance contract assets	10	**125,191,875**	19,865,132
Reinsurance contract assets	10	**70,539,377**	121,009,533
Due from related parties	23	**8,793,779**	12,793,779
Other receivables and prepayments	11	**17,141,454**	22,412,249
Cash and bank balances	12	**280,210,566**	267,762,651
TOTAL ASSETS		**837,465,510**	822,534,276
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	**230,000,000**	230,000,000
Statutory reserve	14	**-**	70,848,081
Reinsurance reserve	15	**5,596,894**	4,235,793
Accumulated losses		(180,416,594)	(95,708,302)
TOTAL EQUITY		55,180,300	209,375,572
LIABILITIES			
Provision for employees' end of service benefits	16	**6,372,861**	6,844,648
Bank borrowings	17	**260,442,592**	218,486,962
Other payables	18	**18,781,305**	23,349,828
Insurance contract liabilities	10	**311,787,072**	279,427,369
Reinsurance contract liabilities	10	**178,228,859**	76,805,461
Lease liability	19	**6,672,521**	8,244,436
TOTAL LIABILITIES		**782,285,210**	613,158,704
TOTAL EQUITY AND LIABILITIES		**837,465,510**	822,534,276

These financial statements were approved and authorised for issue by the Board of Directors on 23 APR 2025 and signed on their behalf by:

Majid Abdulla Al Sari
Chairman

Abdel Muhsen Jaber
CEO

The attached explanatory notes from 1 to 29 form an integral part of these financial statements.

Al-Sagr National Insurance Company (PSC)

Statement of comprehensive income
For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Insurance revenue		**943,055,371**	827,695,043
Insurance service expenses	20	**(1,224,201,887)**	(799,692,263)
Insurance service result before reinsurance contracts held		**(281,146,516)**	28,002,780
Allocation of reinsurance premiums		**(274,538,396)**	(240,649,298)
Amounts recoverable from reinsurance for incurred claims		**418,680,135**	212,296,315
Net income/ (expenses) from reinsurance contracts held		**144,141,739**	(28,352,983)
Insurance service result		**(137,004,777)**	(350,203)
Insurance finance expense for insurance contracts issued	21	**(13,402,842)**	(10,563,192)
Reinsurance finance income for reinsurance contracts held	21	**7,674,333**	7,717,045
Net insurance financial expense		**(5,728,509)**	(2,846,147)
Net investment income	21	**25,677,368**	30,884,671
Other operating expenses	21	**(25,909,981)**	(11,512,771)
Finance costs		**(11,229,373)**	(9,726,800)
(Loss)/ profit before tax		**(154,195,272)**	6,448,750
Income tax credit		**-**	-
(Loss)/ profit after tax		**(154,195,272)**	6,448,750
Other comprehensive income for the year		**-**	-
Total comprehensive (loss)/ income for the year		**(154,195,272)**	6,448,750
Basic and diluted (loss)/ earnings per share	22	**(0.67)**	0.03

Statement of changes in equity
For the year ended 31 December 2024

	Share capital AED	Statutory reserve AED	Reinsurance reserve AED	Accumulated losses AED	Total equity AED
Balance at 1 January 2023, as previously reported	230,000,000	70,203,206	2,751,401	(96,596,057)	206,358,550
Adjustment on initial application of IFRS 17	-	-	-	(3,431,728)	(3,431,728)
Restated balance as at 1 January 2023	230,000,000	70,203,206	2,751,401	(100,027,785)	202,926,822
Total comprehensive income for the year					
Profit for the year	-	-	-	6,448,750	6,448,750
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	6,448,750	6,448,750
Transfer to statutory reserve (note 14)	-	644,875	-	(644,875)	-
Transfer to reinsurance reserve (note 15)	-	-	1,484,392	(1,484,392)	-
Balance as at 31 December 2023	230,000,000	70,848,081	4,235,793	(95,708,302)	209,375,572
Balance as at 1 January 2024	**230,000,000**	**70,848,081**	**4,235,793**	**(95,708,302)**	**209,375,572**
Transfer to accumulated losses (note 14)	-	**(70,848,081)**	-	**70,848,081**	-
Total comprehensive income for the year					
Loss for the year after tax	-	-	-	**(154,195,272)**	**(154,195,272)**
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	**(154,195,272)**	**(154,195,272)**
Transfer to reinsurance reserve (note 15)	-	-	**1,361,101**	**(1,361,101)**	-
Balance as at 31 December 2024	**230,000,000**	-	**5,596,894**	**(180,416,594)**	**55,180,300**

The attached explanatory notes from 1 to 29 form an integral part of these financial statements.

Al-Sagr National Insurance Company (PSC)

Statement of cash flows
For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/ profit before tax		**(154,195,272)**	6,448,750
Adjustment for:			
Share of profit from equity accounted investees	6	**(4,467,550)**	(11,326,469)
Net unrealised gain from financial assets at FVTPL	7	**(1,335,889)**	(2,861,716)
Depreciation	5	**2,360,147**	2,378,087
Finance costs		**11,229,373**	9,726,800
Gain on sale of financial assets at FVTPL		**(64,269)**	-
Impairment of investment in associate	6	**4,182,646**	-
Allowance for expected credit losses of related parties		**4,000,000**	-
Expected credit loss on financial asset at FVTPL	7	**2,500,000**	-
Allowance for expected credit loss of other receivables	11	**3,376,301**	1,376,301
Provision for employees' end of service indemnity	16	**919,807**	1,478,603
Loss/ (gain) on disposal of property and equipment		**6,750,806**	(19,750)
Interest on lease liability		**432,895**	152,480
Dividend income from financial assets at FVTPL		**-**	(484,769)
Interest income		**(13,061,022)**	(9,868,929)
Operating cash flows before movements in working capital		**(137,372,027)**	(3,000,612)
Changes in working capital			
Insurance contract assets and liabilities-net		**(72,967,040)**	(29,289,414)
Reinsurance contract assets and liabilities-net		**151,893,554**	39,347,945
Change in due from related parties		**-**	1,835,930
Change in other receivables and prepayments		**1,894,494**	(7,336,864)
Change in other payables		**(4,568,523)**	1,823,016
Cash (used in)/ generated from operations		**(61,119,542)**	3,380,001
Employees' end of service benefits paid	16	**(1,391,594)**	(1,208,963)
Net cash (used in)/ generated from operating activities		**(62,511,136)**	2,171,038
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	5	**(593,788)**	(262,856)
Proceeds from sale of property and equipment		**70,000,000**	94,252
Net proceeds from sale of financial assets at FVTPL		**1,158,099**	-
Dividends received from financial assets at FVTPL		**-**	484,769
Interest received		**13,061,022**	9,868,929
Subscription of right shares in investment in associates	6	**(37,387,729)**	-
Net cash generated from investing activities		46,237,604	10,185,094
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs paid		**(11,229,373)**	(9,726,800)
Payment of lease liability		**(2,004,810)**	(2,506,014)
Net cash used in financing activities		**(13,234,183)**	(12,232,814)
Net changes in cash and cash equivalents		**(29,507,715)**	123,318
Cash and cash equivalents at 1 January		**49,275,689**	49,152,371
Cash and cash equivalents at 31 December	12	**19,767,974**	49,275,689

The attached explanatory notes from 1 to 29 form an integral part of these financial statements.

1 LEGAL STATUS AND ACTIVITIES

Al-Sagr National Insurance Company (PSC), (the "Company") was incorporated on 25 December 1979 as a public shareholding company by an Emiri Decree from His Highness, The Ruler of Dubai, and is registered with the Ministry of Economy of the United Arab Emirates (U.A.E.) under registration No. (16). The Company's address in Dubai is P.O. Box 14614, Dubai, U.A.E. The Company is a subsidiary of Gulf General Investments Company (the "Parent Company"), a public company incorporated in U.A.E. The Company is subject to the regulations of the U.A.E. Federal Law No. (48) of 2023, concerning Financial Regulations of Insurance Companies issued by the Central Bank of UAE and regulation of its operations and is registered in the Insurance Companies Register of the Central Bank of the UAE, under the registration number 16.

The principal activity of the Company is the writing of insurance of all classes of general and life insurance. The Company operates through its head office in Dubai and its branches in Dubai, Sharjah, Abu Dhabi, Al Ain, Ras Al Khaimah and Ajman in the U.A.E.

These financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021.

On December 9, 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Company's accounting year ends on 31 December, the first tax period is from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% on taxable profits above AED 375,000. During the year ended 31 December 2024, the Company reported a loss of AED 154.2 million. This loss has created potential future taxable benefits (deferred tax assets). However, the Company has elected not to recognise a deferred tax asset due to uncertainty of generating sufficient taxable profit to realise the deferred tax assets.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE WITH IFRS

These financial statements are for the year ended 31 December 2024 and are presented in United Arab Emirates Dirham (AED), which is also the functional currency of the Company. The financial statements have been prepared in accordance with IFRS Accounting Standards promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee ("IFRS IC") and in compliance with the applicable requirements of the United Arab Emirates (U.A.E.) Federal Decree Law No. 32 of 2021, the United Arab Emirates (U.A.E.) Federal Decree Law No. 48 of 2023 regarding the regulation of Insurance activities and the Insurance Authority Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies.

As disclosed in note 26 of the financial statements, as at 31 December 2024, the Company did not meet the Solvency Capital Requirement of AED 301.5 million and solvency margin deficit of AED 477.6 million. Further, the Company have accumulated losses of AED 180.4 million (31 December 2023: AED 95.7 million) and negative operating cash flows of AED 62.5 million as at 31 December 2024. The Company's ability to comply with the solvency requirement depends on the effective implementation of its solvency recovery plan, which is submitted to the Central Bank of UAE. However, as certain actions included in the plan are not wholly within management's control, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Additionally, as the accumulated losses have exceeded 50% of the share capital, as required by Article 309 of Federal Law No. (32) of 2021, the Board of Directors should call a General Assembly meeting within (30) thirty days of publishing the financial statements and this meeting should be held within (30) thirty days of date of call. The shareholders should decide in this meeting about whether to continue the Company's operations or to dissolve it.

2 BASIS OF PREPARATION (continued)

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis except for the following which are measured at fair value.

i) financial instruments at fair value through profit or loss ("FVTPL"); and
ii) investment property.

The methods used to measure fair values are discussed in note 3.5.

2.3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

New and revised IFRSs and interpretations applied on the financial statements

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

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

These standards did not have a material impact on these financial statements.

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 - Lack of exchangeability	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 and 7 - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 19	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 18	Subsidiaries without Public Accountability: Disclosures	1 January 2027

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 IFRS 17 Insurance Contracts

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

Under IFRS 17, insurance revenue in each reporting year represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

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

Recognition

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

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date;
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous the Company recognises a group of reinsurance contracts held:
- If the reinsurance contracts provide proportionate coverage at the later of the beginning of the coverage period of the group, or the initial recognition of any underlying contract; and
- In all other cases, from the beginning of the coverage period of the group the Company adds new contracts to the group when they are issued or initiated.

Level of Aggregation

Level of aggregation relates to the unit of account under IFRS 17. The unit of account under IFRS 17 is referred to as a 'Group of Contracts' (GoCs) and requirements relating to level of aggregation define how groups of contracts have to be determined.

The standard has set out the following requirements to determine a group of contracts:

- Portfolio – contracts that have similar risks and that are managed together can be grouped.
- Profitability – contracts with similar expected profitability (at inception or initial recognition) can be grouped.

For this purpose, the standard has mandated at least the following three classifications however it is permitted to use more granular classifications:

- Contracts that are onerous at inception.
- Contracts that are not onerous and have no significant possibility of becoming onerous; and
- All other contracts

Cohorts

Contracts issued more than 12 months apart cannot be grouped together. However, in certain circumstances a one-time simplification upon transition for contracts as at the transition is allowed.

Measurement - Premium Allocation Approach

Insurance contracts – initial measurement

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

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

Or

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Measurement - Premium Allocation Approach (continued)

Insurance contracts – initial measurement (continued)

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

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

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

The length of the coverage year of the group of contracts.

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

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

Insurance contracts – subsequent measurement

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

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

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the entity and include an explicit adjustment for non-financial risk (the risk adjustment). The Company adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims.

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

Reinsurance contracts

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Reinsurance contracts (continued)

Insurance contracts – modification and derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired);

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

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

Presentation

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

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

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

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

Insurance revenue

For groups of insurance contracts measured under the PAA, the Company recognises insurance revenue based on the passage of time over the coverage period of a group of contracts where revenue is recognised based on expected timing of incurred insurance service expenses.

Loss components

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

Insurance finance income and expense

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Insurance finance income and expense (continued)

The Company do not disaggregate insurance finance income or expenses between statement of comprehensive income.

Net income or expense from reinsurance contracts held

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

Revenue (other than insurance revenue) comprises the following:

Fee and commission income

Fee and commissions received or receivable which do not require the Company to render further service are recognised as revenue by the Company on the effective commencement or renewal dates of the related policies.

Investment income

Investment income comprises income from financial assets, rental income from investment properties, realised and unrealised fair value gains or losses on investment property and financial assets at fair value through profit or loss (FVTPL).

Income from financial assets comprises interest and dividend income, net gains or losses on financial assets classified at FVTPL and realised gains or losses on other financial assets.
Interest income is recognised on a time proportion basis using effective interest rate method. Dividend income is recognised when the right to receive dividend is established. Usually this is the ex-dividend date for equity securities. Basis of recognition of net gains or losses on financial assets classified at FVTPL and realised gains on other financial assets is described in note 3.4.

Fair value gains or losses on investment property are included in the statement of comprehensive income in the period these gains or losses are determined.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property and equipment and is recognised net within other income/other expenses in statement of comprehensive income. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in statement of income as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate. No depreciation is charged on capital-work-in-progress.

The estimated useful lives for various categories of property and equipment are as follows:

Office fixture	8 years
Furniture and equipment	8 years
Motor vehicles	8 years
Right-of-use asset	3 years

3.3 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in statement of comprehensive income.

The Company determines fair value on the basis of valuation provided by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments

Recognition and measurement

The Company initially recognises insurance receivables and insurance payables on the date at which they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Company becomes party to the contractual provision of the instrument.

A financial assets or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Financial assets

Classification

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32 Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments.

Financial assets measured at amortised cost

A financial asset qualifies for amortised cost measurement only if it meets both of the following two conditions:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principle amount outstanding.

If a financial asset does not meet both conditions, then it is measured at fair value. The Company makes an assessment of a business model at portfolio level as this reflect the best way the business is managed, and information is provided to the management.

In making an assessment of whether an asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the Company considers:

- Management's stated policies and objectives for the portfolio and the operation of those policies in practice.
- How management evaluates the performance of the portfolio;
- Whether management's strategy focus on earning contractual interest revenue;
- The degree of frequency of any expected asset sales;
- The reason of any asset sales; and
- Whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

Financial assets measured at FVTPL

Financial assets held for trading are not held within a business model whose objective is to hold the asset in order to collect contractual cash flows.

The Company has designated certain financial assets at fair value through profit or loss because designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

Dividend in these investments in equity instruments are recognised in the statement of comprehensive income when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments (continued)

Financial assets (continued)

Financial assets measured at FVTPL (continued)

Financial assets are not reclassified subsequent to their initial recognition, except when the Company changes its business model for managing financial assets.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method.

Loans and receivables comprise mainly insurance receivables, due from related parties, deposits and other receivables.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, balances with the banks and fixed deposits that are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Equity securities

Ordinary shares of the Company are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Non-derivate financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

De-recognition of financial assets and financial liabilities

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risk and rewards of the ownership are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control over the transferred asset.

The Company derecognises a financial liability when its contractual obligation is discharged or cancelled or expire.

Impairment of financial assets

IFRS 9's impairment requirements use forward looking information under Expected credit loss (ECL) model for the financial assets measured at amortised cost which consist of insurance receivables, deposits, other receivables, due from related parties and cash and cash equivalents.

Measurement of ECLs

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments (continued)

Financial assets (continued)

Measurement of ECLs (continued)

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

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

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

Impairment of non-derivative financial assets carried at amortised cost

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets carried at amortised cost are impaired. A financial asset or group of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows relating to the asset that can be estimated reliably. The Company considers evidence of impairment at both a specific and collective level.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of an amount due to the Company on terms that the Company would not otherwise consider, indication that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse change in the payment status of borrowers or issuers, or economic conditions that correlate with defaults in the Company.

Impairment of loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

At each reporting date, the Company assesses on a case-by-case basis whether there is any objective evidence that an asset is impaired. Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off and/or any event resulting in a reduction in impairment loss, decreases the amount of the provision for loan impairment in the statement of comprehensive income.

Impairment losses are recognised in the statement of comprehensive income and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments (continued)

Financial assets (continued)

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than investment property) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.
The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 Foreign currency transactions

These financial statements are presented in U.A.E. Dirham (AED), which is the functional currency. Except as otherwise indicated, financial statements is presented in AED. Transactions denominated in foreign currencies are translated to AED at the spot exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to AED at the spot exchange rates ruling at the date of statement of financial position. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to AED at the foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising on translation are recognised in the statement of profit or loss. The assets and liabilities of foreign subsidiary and the equity of associates are translated at the rate of exchange ruling at the reporting date. The results of associates are translated at the average exchange rates for the year. The exchange differences on the retranslation are taken directly to the other comprehensive income.

3.7 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Company as a lessee
A lessee is to be account for a right of use asset and initial lease liability at the inception of lease. Before the application of IFRS-16, lessee has to classify lease as an operating lease or a finance lease.

3.8 Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.9 Employee terminal benefits

Defined benefit plan

The Company provides for staff terminal benefits based on an estimation of the amount of future benefits that employees have earned in return for their service until their retirement. This calculation is performed on a projected unit credit method.

The Company contributes to the pension scheme for nationals under the pension and social security law. This is a defined contribution pension plan and the Company's contribution are charged to the statement of profit or loss in the period in which they relate. In respect of this scheme, the Company has a legal and constructive obligation to pay the fund contribution as they fall due and no obligations exists to pay the future benefits.

3.10 Earnings per share (EPS)

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial stataments is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and value added tax assets and liabilities.

3.12 Investments in associates

Investments in associates are accounted for using the equity method. The carrying amount of the investment in associates is increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Company.

3.13 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or of gains and losses arising from a group of similar transactions such as in the Company's trading activity.

4 USE OF ESTIMATES AND JUDGEMENTS

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

Liability for remaining coverage

For insurance acquisition cash flows, the Company is eligible and chooses to recognise the payments as an expense immediately (coverage period of a year or less) for its property insurance product line. For personal accident insurance, marine insurance and liability reinsurance products, acquisition costs are capitalised.

The effect of recognising insurance acquisition cash flows as an expense on initial recognition of group of insurance contracts is to increase the liability for remaining coverage on initial recognition and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to statement of income on initial recognition, due to expensing acquisition cash flows, offset by an increase in profit released over the coverage period. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. For the marine and personal insurance product lines, the Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

4 USE OF ESTIMATES AND JUDGEMENTS (continued)

Liability for incurred claims

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

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs.

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

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

Some of the insurance contracts that have been written in the property line of business permit the Company to sell property acquired in settling a claim. The Company also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

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

Discount rates

The Company use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free rate was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a AAA credit rating were used. Management uses judgment to assess liquidity characteristics of the liability cash flows.

Discount rates applied for discounting of future cash flows are listed below:

	1 year		3 years		5 years		10 years	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Insurance contracts issued	**4.84%**	5.95%	**4.72%**	4.91%	**4.68%**	4.69%	**4.73%**	4.64%
Reinsurance contracts held	**4.84%**	5.95%	**4.72%**	4.91%	**4.68%**	4.69%	**4.73%**	4.64%

4 USE OF ESTIMATES AND JUDGEMENTS (continued)

Risk adjustment for non-financial risk

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

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Insurance and financial risk management

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2022. There have been no changes in any risk management policies since the year end. The material accounting policy information in respect of property and equipment, intangible assets and financial assets have been disclosed in these financial statements as required by Securities and Commodities Authority ("SCA") notification dated 12 October 2008.

Impairment losses on insurance receivables

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Impairment of investment is associates

At each reporting date, the Company reviews the carrying amounts of its investment in associates to determine whether there is any indication of impairment. If any indication exists, the management estimates recoverable amount of the investment. The recoverable amount of investment is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment. An impairment loss is recognised if the carrying amount of investment exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income. They are allocated first to reduce the carrying amount of any goodwill recognised, and then to the remaining carrying amount of the investment.

Valuation of investment property

Determining the fair value requires an estimation of future cash flows expected to arise from the investment properties, a suitable growth rate, expected occupancy and a suitable discount rate in order to calculate the present value. It is reasonably possible on the basis of the existing knowledge that outcomes within next financial year that are different from estimates made could require material adjustment to the fair value of the investment property.

4 USE OF ESTIMATES AND JUDGEMENTS (continued)

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used. The Company has taken the valuation for the fair value measurement of its investment property.

Valuation technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurements
1)Income capitalisation approach by comparable method	- Owner property	-The property is owned in full and free of any onerous restrictions.
	-Risk adjusted discount rates	-The risk adjusted discount rates were lower/higher.
	-Free of covenants, third party rights and obligations	-The property is subject to any covenants, rights and obligations.
	-Expected yield rate	-The expected yield rate is applied.
	-Operational expenditure of the rental value	-The property is subject to expenses in line with similar existing buildings.
	-Sales transactions of similar properties in similar location	-The property is subject to sales value fluctuations of surrounding properties in the area.

5 PROPERTY AND EQUIPMENT

	Land AED	Right-of-use asset AED	Office fixture AED	Furniture and equipment AED	Motor vehicles AED	Total AED
Cost						
At 1 January 2023	76,750,806	8,559,897	8,505,918	11,405,082	645,753	105,867,456
Additions	-	9,125,030	8,025	254,831	-	9,387,886
Disposals	-	(8,559,897)	(36,138)	-	(46,000)	(8,642,035)
At 31 December 2023	76,750,806	9,125,030	8,477,805	11,659,913	599,753	106,613,307
Additions	**-**	**-**	**-**	**586,266**	**7,522**	**593,788**
Disposals	**(76,750,806)**	**-**	**-**	**-**	**(156,330)**	**(76,907,136)**
At 31 December 2024	**-**	**9,125,030**	**8,477,805**	**12,246,179**	**450,945**	**30,299,959**
Depreciation						
At 1 January 2023	-	7,208,335	7,763,787	9,782,739	357,007	25,111,868
Charge for the year	-	1,807,814	124,914	386,072	59,287	2,378,087
Disposals	-	(8,559,897)	(1,886)	-	(5,750)	(8,567,533)
At 31 December 2023	-	456,252	7,886,815	10,168,811	410,544	18,922,422
Charge for the year	**-**	**1,825,006**	**123,328**	**411,375**	**438**	**2,360,147**
Disposals	**-**	**-**	**-**	**-**	**(156,330)**	**(156,330)**
At 31 December 2024	**-**	**2,281,258**	**8,010,143**	**10,580,186**	**254,652**	**21,126,239**
Carrying amounts						
At 31 December 2024	**-**	**6,843,772**	**467,662**	**1,665,993**	**196,293**	**9,173,720**
At 31 December 2023	76,750,806	8,668,778	590,990	1,491,102	189,209	87,690,885

Right of use asset

The table below describes nature of the Company's leasing activities by type of right-of-use assets recognised:

Right-of-use assets description	Number of right-of-use assets leased	Remaining term	Number of leases with extension option	Number of leases with purchase option	Number of leases with variable payments	Number of leases with termination option
Office building and premises	1	4	-	-	-	-

6 INVESTMENT IN ASSOCIATES

	2024 AED	2023 AED
Green Air Technology L.L.C., UAE (note 6.1)	**16,716**	16,716
Sogour Al Khaleej General Trading L.L.C., UAE (note 6.2)	**150,000**	150,000
Al Sagr Cooperative Insurance Company, KSA (note 6.3)	**148,307,774**	110,635,141
	148,474,490	110,801,857

6 INVESTMENTS IN ASSOCIATES (continued)

6.1 The Company holds 50% and the Parent Company holds 25% ownership respectively in Green Air Technology L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates.

6.2 The Company holds 50% ownership in Sogour Al Khaleej General Trading L.L.C., a limited liability Company incorporated in Dubai, United Arab Emirates. The remaining 50% ownership is owned by the Parent Company.

Although, the Company holds 50% equity and the voting rights in these two associates, these are controlled by the Parent Company.

6.3 As at 31 December 2024, the Company hold 26% shares of Al Sagr Cooperative Insurance Company ("Al Sagr Cooperative"). Out of the 26% shares, the Company holds 4.4% shares for the beneficial interest of other individuals. The Company accounts for the 21.6% (2023: 20%) holding as an investment in associate as the Company has significant influence over Al Sagr Cooperative under the equity method as follows:

	2024 AED	2023 AED
As at 1 January	**110,635,141**	99,308,672
Share of profit from equity accounted investees	**4,467,550**	11,326,469
Subscription of right shares	**37,387,729**	-
Impairment charged during the year	**(4,182,646)**	-
As at 31 December	**148,307,774**	110,635,141
Percentage of interest	**21.6%**	20%
Assets	**709,210,247**	566,202,875
Liabilities	**(344,440,470)**	(381,527,914)
Net assets	**364,769,777**	184,674,961
Company's share in net assets at 21.6% and 20%	**78,790,272**	36,934,992
Goodwill and other intangibles at acquisition	**73,700,148**	73,700,149
Impairment of investment in associate	**(4,182,646)**	-
Investment in associate	**148,307,774**	110,635,141
Revenue	**355,039,753**	472,752,287
Net profit for the year	**20,683,100**	56,632,345
Company's share of profit at 21.6% and 20%	**4,467,550**	11,326,469

On 17 July 2024, the Company subscribed to a right issue of 3,680,000 shares in its associate Al-Sagr Cooperative Insurance Company, at a price of SAR 10 (AED 9.8) per share totaling to AED 37.4 million.

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	2024 AED	2023 AED
Financial assets at fair value through profit or loss (FVTPL)	**20,008,354**	22,266,295

Following is the movement of financial asset at FVTPL during the year:

	2024 AED	2023 AED
As at 1 January	**22,266,295**	19,404,579
Disposals during the year	**(1,093,830)**	-
ECL charged during the year	**(2,500,000)**	-
Change in fair value	**1,335,889**	2,861,716
As at 31 December	**20,008,354**	22,266,295

8 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy of assets measured at fair value

The following table analyses assets measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement, as mentioned in note 3.5, is categorised. The amounts are based on the values recognised in the statement of financial position.

31 December 2024	**Level 1 AED**	**Level 3 AED**	**Total AED**
Financial assets			
Financial assets at FVTPL (note 7)	**19,043,719**	**964,635**	**20,008,354**
Non-financial assets			
Investment property (note 9)	**-**	**157,931,895**	**157,931,895**
	19,043,719	**158,896,530**	**177,940,249**
31 December 2023			
Financial assets			
Financial assets at FVTPL (note 7)	21,463,492	802,803	22,266,295
Non-financial assets			
Investment property (note 9)	-	157,931,895	157,931,895
	21,463,492	158,734,698	180,198,190

9 INVESTMENT PROPERTY

	2024 AED	2023 AED
As at 31 December	**157,931,895**	157,931,895

Investment property comprises of a property in Al Barsha First, Dubai. As at 31 December 2024, the fair value of the property is based on valuation performed by accredited independent valuers who are specialists in valuing these type of investment property.

The valuation model used are in accordance with recommended industry practice. The fair value of the investment property was estimated based on fair valuation techniques and assumptions with reference to recent rental value of similar properties in an active market.

10 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:

	31 December 2024			31 December 2023		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	AED	**AED**	**AED**	AED	AED	AED
Insurance contracts issued						
Life and Medical	**-**	**(3,201,619)**	**(3,201,619)**	-	(130,260,450)	(130,260,450)
General and Motor	**125,191,875**	**(308,585,453)**	**(183,393,578)**	19,865,132	(149,166,919)	(129,301,787)
Total insurance contracts issued	**125,191,875**	**(311,787,072)**	**(186,595,197)**	19,865,132	(279,427,369)	(259,562,237)
Reinsurance contracts held						
Life and Medical	**-**	**(94,966,694)**	**(94,966,694)**	40,883,960	-	40,883,960
General and Motor	**70,539,377**	**(83,262,165)**	**(12,722,788)**	80,125,573	(76,805,461)	3,320,112
Total reinsurance contracts held	**70,539,377**	**(178,228,859)**	**(107,689,482)**	121,009,533	(76,805,461)	44,204,072

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

The Company disaggregates information to provide disclosure in respect of major product lines separately: Life & Medical and General & Motor. This disaggregation has been determined based on how the Company is managed.

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

10 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
31 December 2024	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract liabilities as at 1 January	(2,350,304)	-	130,052,675	2,558,077	17,420,537	2,327,407	123,744,285	5,674,692	279,427,369
Insurance contract assets as at 1 January	-	-	-	-	(108,300,603)	-	85,664,804	2,770,667	(19,865,132)
Net contract liabilities as at 1 January	(2,350,304)	-	130,052,675	2,558,077	(90,880,066)	2,327,407	209,409,089	8,445,359	259,562,237
Insurance revenue	(455,859,540)	-	-	-	(487,195,831)	-	-	-	(943,055,371)
Insurance service expenses	33,866,040	3,208,350	481,750,030	(1,149,780)	78,988,404	8,892,945	615,994,627	2,651,271	1,224,201,887
Incurred claims and other expenses	-	-	378,508,328	4,075,450	-	-	626,302,683	19,458,852	1,028,345,313
Amortisation of insurance acquisition cash flows	33,866,040	-	-	-	78,988,404	-	-	-	112,854,444
Losses on onerous contracts and reversals of those	-	3,208,350	-	-	-	8,892,945	-	-	12,101,295
Changes to liabilities for incurred claims	-	-	103,241,702	(5,225,230)	-	-	(10,308,056)	(16,807,581)	70,900,835
Insurance service result	(421,993,500)	3,208,350	481,750,030	(1,149,780)	(408,207,427)	8,892,945	615,994,627	2,651,271	281,146,516
Insurance finance expenses	-	-	4,477,941	98,010	-	-	8,459,143	367,748	13,402,842
Total changes in the statement of comprehensive income	(421,993,500)	3,208,350	486,227,971	(1,051,770)	(408,207,427)	8,892,945	624,453,770	3,019,019	294,549,358
Cash flows									
Premiums received	372,429,063	-	-	-	481,841,024	-	-	-	854,270,087
Claims and other expenses paid	-	-	(540,849,752)	-	-	-	(541,679,044)	-	(1,082,528,796)
Insurance acquisition cash flows	(25,029,190)	-	-	-	(114,228,498)	-	-	-	(139,257,688)
Total cash flows	347,399,873	-	(540,849,752)	-	367,612,526	-	(541,679,044)	-	(367,516,397)
Net insurance contract liabilities as at 31 December	(76,943,931)	3,208,350	75,430,894	1,506,307	(131,474,967)	11,220,352	292,183,815	11,464,378	186,595,198
Insurance contract liabilities as at 31 December	(76,943,931)	3,208,350	75,430,894	1,506,307	112,219,254	9,857,118	178,714,868	7,794,212	311,787,072
Insurance contract assets as at 31 December	-	-	-	-	(243,694,222)	1,363,236	113,468,947	3,670,163	(125,191,876)
Net insurance contract liabilities as at 31 December	(76,943,931)	3,208,350	75,430,894	1,506,307	(131,474,968)	11,220,352	292,183,815	11,464,378	186,595,196

10 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
31 December 2023	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract liabilities as at 1 January	76,034,940	-	64,081,293	1,297,831	(10,851,752)	6,914,787	160,532,822	7,204,521	305,214,442
Insurance contract assets as at 1 January	-	-	-	-	(28,792,791)	-	11,907,137	522,863	(16,362,791)
Net contract liabilities as at 1 January	76,034,940	-	64,081,293	1,297,831	(39,644,543)	6,914,787	172,439,959	7,727,384	288,851,651
Insurance revenue	(465,691,327)	-	-	-	(362,003,716)	-	-	-	(827,695,043)
Insurance service expenses	37,074,972	-	437,909,366	1,225,935	64,787,822	(4,587,380)	262,979,335	302,213	799,692,263
Incurred claims and other expenses	-	-	336,736,182	3,335,554	-	-	256,610,154	7,064,905	603,746,795
Amortisation of insurance acquisition cash flows	37,074,972	-	-	-	64,787,822	-	-	-	101,862,794
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	(4,587,380)	-	-	(4,587,380)
Changes to liabilities for incurred claims	-	-	101,173,184	(2,109,619)	-	-	6,369,181	(6,762,692)	98,670,054
Insurance service result	(428,616,355)	-	437,909,366	1,225,935	(297,215,894)	(4,587,380)	262,979,335	302,213	(28,002,780)
Insurance finance expenses	-	-	1,485,713	34,311	-	-	8,627,406	415,762	10,563,192
Total changes in the statement of comprehensive income	(428,616,355)	-	439,395,079	1,260,246	(297,215,894)	(4,587,380)	271,606,741	717,975	(17,439,588)
Cash flows									
Premiums received	379,856,716	-	-	-	317,891,013	-	-	-	697,747,729
Claims and other expenses paid	-	-	(373,423,697)	-	-	-	(234,637,611)	-	(608,061,308)
Insurance acquisition cash flows	(29,625,605)	-	-	-	(71,910,642)	-	-	-	(101,536,247)
Total cash flows	350,231,111	-	(373,423,697)	-	245,980,371	-	(234,637,611)	-	(11,849,826)
Net insurance contract liabilities as at 31 December	(2,350,304)	-	130,052,675	2,558,077	(90,880,066)	2,327,407	209,409,089	8,445,359	259,562,237
Insurance contract liabilities as at 31 December	(2,350,304)	-	130,052,675	2,558,077	17,420,537	2,327,407	123,744,285	5,674,692	279,427,369
Insurance contract assets as at 31 December	-	-	-	-	(108,300,603)	-	85,664,804	2,770,667	(19,865,132)
Net insurance contract liabilities as at 31 December	(2,350,304)	-	130,052,675	2,558,077	(90,880,066)	2,327,407	209,409,089	8,445,359	259,562,237

10 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
31 December 2024	Excluding loss recovery component AED	Loss component AED	Estimates of the present 'alue of future cash flows AED	Risk adjustment AED	Excluding loss recovery component AED	Loss compone nt AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	(16,453,659)	-	56,237,363	1,100,255	(25,410,098)	-	100,773,173	4,762,499	121,009,533
Reinsurance contract liabilities as at 1 January	-	-	-	-	(98,351,155)	-	20,743,733	801,961	(76,805,461)
Net reinsurance contract assets as at 1 January	(16,453,659)	-	56,237,363	1,100,255	(123,761,253)	-	121,516,906	5,564,460	44,204,072
An allocation of reinsurance premiums	(168,552,233)	-	-	-	(105,986,163)	-	-	-	(274,538,396)
Amounts recoverable from reinsurers for incurred claims	-	1,189,780	209,374,581	(445,127)	-	993,054	208,117,781	(549,934)	418,680,135
Amounts recoverable for incurred claims and other expenses	-	-	164,792,666	2,056,578	-	-	279,725,467	9,689,709	456,264,420
Loss-recovery on onerous underlying contracts and adjustments	-	1,189,780	-	-	-	993,054	-	-	2,182,834
Changes to amounts recoverable for incurred claims	-	-	44,581,915	(2,501,705)	-	-	(71,607,686)	(10,239,643)	(39,767,119)
Net income or expense from reinsurance contracts held	(168,552,233)	1,189,780	209,374,581	(445,127)	(105,986,163)	993,054	208,117,781	(549,934)	144,141,739
Reinsurance finance income	-	-	2,177,859	47,131	-	-	4,984,352	239,441	7,448,783
Effect of changes in non-performance risk of reinsurers	-	-	124,094	-	-	-	101,456	-	225,550
Total changes in the statement of comprehensive income	(168,552,233)	1,189,780	211,676,534	(397,996)	(105,986,163)	993,054	213,203,589	(310,493)	151,816,072
Cash flows									
Premiums paid	52,605,392	-	-	-	98,630,348	-	-	-	151,235,740
Amounts received	-	-	(232,372,131)	-	-	-	(222,573,236)	-	(454,945,367)
Total cash flows	52,605,392	-	(232,372,131)	-	98,630,348	-	(222,573,236)	-	(303,709,627)
Net reinsurance contract assets as at 31 December	(132,400,500)	1,189,780	35,541,766	702,259	(131,117,068)	993,054	112,147,259	5,253,968	(107,689,482)
Reinsurance contract assets as at 31 December	-	-	-	-	(18,048,498)	788,570	83,958,418	3,840,887	70,539,377
Reinsurance contract liabilities as at 31 December	(132,400,500)	1,189,780	35,541,766	702,259	(113,068,570)	204,484	28,188,841	1,413,081	(178,228,859)
Net reinsurance contract assets as at 31 December	(132,400,500)	1,189,780	35,541,766	702,259	(131,117,068)	993,054	112,147,259	5,253,968	(107,689,482)

10 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
31 December 2023	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	(18,779,631)	-	22,793,472	449,671	(16,911,105)	-	118,501,421	5,862,788	111,916,616
Reinsurance contract liabilities as at 1 January	-	-	-	-	(30,916,211)	-	2,470,434	81,177	(28,364,600)
Net reinsurance contract assets as at 1 January	(18,779,631)	-	22,793,472	449,671	(47,827,316)	-	120,971,855	5,943,965	83,552,016
An allocation of reinsurance premiums	(138,211,923)	-	-	-	(102,437,375)	-	-	-	(240,649,298)
Amounts recoverable from reinsurers for incurred claims	-	-	164,745,472	636,414	-	-	47,643,596	(729,167)	212,296,315
Amounts recoverable for incurred claims and other expenses	-	-	119,952,154	1,492,468	-	-	68,853,692	3,109,213	193,407,527
Changes to amounts recoverable for incurred claims	-	-	44,793,318	(856,054)	-	-	(21,210,096)	(3,838,380)	18,888,788
Net income or expense from reinsurance contracts held	(138,211,923)	-	164,745,472	636,414		-	47,643,596	(729,167)	(28,352,983)
Reinsurance finance income	-	-	635,242	14,170	-	-	6,973,996	349,662	7,973,070
Effect of changes in non-performance risk of reinsurers	-	-	(189,870)	-	-	-	(66,155)	-	(256,025)
Total changes in the statement of comprehensive income	(138,211,923)	-	165,190,844	650,584		-	54,551,437	(379,505)	(20,635,938)
Cash flows									
Premiums paid	140,537,895	-	-	-	26,503,438	-	-	-	167,041,333
Amounts received	-	-	(131,746,953)	-	-	-	(54,006,386)	-	(185,753,339)
Total cash flows	140,537,895	-	(131,746,953)	-	26,503,438	-	(54,006,386)	-	(18,712,006)
Net reinsurance contract assets as at 31 December	(16,453,659)	-	56,237,363	1,100,255		-	121,516,906	5,564,460	44,204,072
Reinsurance contract assets as at 31 December	(16,453,659)	-	56,237,363	1,100,255	(25,410,098)	-	100,773,173	4,762,499	121,009,533
Reinsurance contract liabilities as at 31 December	-	-	-	-	(98,351,155)	-	20,743,733	801,961	(76,805,461)
Net reinsurance contract assets as at 31 December	(16,453,659)	-	56,237,363	1,100,255	(123,761,253)	-	121,516,906	5,564,460	44,204,072

10 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

Gross Insurance contract liabilities as at 31 December 2024

	2022 and prior AED	2023 AED	**2024 AED**	**Total AED**
At the end of each reporting year	2,715,979,944	649,753,350	**938,701,683**	**4,304,434,977**
One year later	2,705,118,244	701,358,189	**-**	**3,406,476,433**
Two years later	2,728,198,533	-	**-**	**2,728,198,533**
Estimate of cumulative claims	2,728,198,533	701,358,189	**938,701,683**	**4,368,258,406**
Cumulative payments to date	(2,706,093,710)	(683,150,269)	**(608,317,802)**	**3,997,561,781**
Unallocated loss adjustment expense reserve	-	-	**-**	**7,288,842**
Total gross undiscounted liabilities for incurred claims	22,104,823	18,207,920	**330,383,883**	**377,985,467**
Effect of discounting	-	-	**-**	**(10,370,758)**
Total discounted gross reserves included in the statement of financial position	22,104,823	18,207,919	**330,383,883**	**367,614,709**
Risk Adjustments	-	-	**-**	**12,970,682**

Reinsurance contract liabilities as at 31 December 2024

	2022 and prior AED	2023 AED	**2024 AED**	**Total AED**
At the end of each reporting year	873,151,229	232,744,873	**419,363,422**	**1,525,259,524**
One year later	859,385,676	230,124,917	**-**	**1,089,510,593**
Two years later	867,750,106	-	**-**	**867,750,106**
Estimate of cumulative claims	867,750,106	230,124,917	**419,363,422**	**1,517,238,445**
Cumulative payments to date	(847,913,247)	(217,088,566)	**(299,287,165)**	**(1,364,288,978)**
Total reinsurance undiscounted liabilities for incurred claims	19,836,859	13,036,352	**120,076,257**	**152,949,468**
Effect of discounting	-	-	**-**	**(5,260,446)**
Total discounted reinsurance reserves included in the statement of financial position	19,836,859	13,036,352	**120,076,257**	**147,689,022**
Risk Adjustments	-	-	**-**	**5,956,228**

11 OTHER RECEIVABLES AND PREPAYMENTS

	2024 AED	2023 AED
Deferred TPA fees	**6,109,947**	9,349,847
Accrued interest income	**4,570,964**	4,535,591
Prepayments	**622,753**	611,473
Staff advances	**-**	69,613
Other receivables	**9,214,091**	9,222,026
Less: Expected credit losses	**(3,376,301)**	(1,376,301)
	17,141,454	22,412,249

12 CASH AND BANK BALANCES

	2024 AED	2023 AED
Cash in hand	**146,608**	84,845
Bank balances:		
Current accounts	**14,013,998**	8,984,759
Fixed deposits	**266,083,941**	258,727,028
Less: Expected credit losses	**(33,981)**	(33,981)
	280,210,566	267,762,651

Fixed deposits with banks as at 31 December 2024 include AED 10.3 million (2023: AED 10.3 million) deposited in the name of the Company to the order of the Ministry of Economy and Trade of the United Arab Emirates as required by the Federal Law No. (48) relating to Central Bank of United Arab Emirates.

Fixed deposits amounting to AED 236 million (2023: AED 226 million) are under lien in respect of bank credit facilities granted to the Company. All fixed deposits with banks mature within different periods not exceeding one year from the date of deposit and carry interest rates between 4% to 5.5% (2023: 2% to 5.4%) per annum. Cash and cash equivalents for the purpose of statement of cash flows are analysed as follows:

	2024 AED	2023 AED
Cash and bank balances	**280,210,566**	267,762,651
Bank borrowings (note 17)	**(260,442,592)**	(218,486,962)
Cash and cash equivalents	**19,767,974**	49,275,689

13 SHARE CAPITAL

	2024 AED	2023 AED
Issued and fully paid 230,000,000 shares of AED 1 each	**230,000,000**	230,000,000

14 STATUTORY RESERVE

In accordance with the UAE Commercial Companies Law No. 32 of 2021 (the "Law") and the Company's Articles of Association, 10% of the profit for the year should be transferred to legal reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except in the circumstances stipulated by the Law. During the year, no amount was transferred to the statutory reserve (2023: AED 0.64 million).

During the year ended 31 December 2024, statutory reserves amounting to AED 70.8 million were transferred to accumulated losses with the approval of general assembly and regulatory authority.

15 REINSURANCE RESERVE

In accordance with Central Bank of United Arab Emirates' Board of Directors' Decision No. 23, Article 34, an amount of AED 1.36 million based on the reinsurance share of premium at a rate of 0.5% was transferred from accumulated losses to reinsurance reserve (2023: AED 1.49 million). The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of United Arab Emirates.

16 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision is as follows:

	2024 AED	2023 AED
As at 1 January	**6,844,648**	6,575,008
Charge for the year	**919,807**	1,478,603
Paid during the year	**(1,391,594)**	(1,208,963)
As at 31 December	**6,372,861**	6,844,648

17 BANK BORROWINGS

	2024 AED	2023 AED
Bank overdrafts	**260,442,592**	218,486,962

The Company has bank facilities in the form of overdrafts payable upon demand and bearing interest ranging from 4.5% to 5.8% per annum (2023: 2.65% to 5.65%). These facilities are secured by lien on fixed deposits amounting to AED 266 million (2023: AED 226 million). The bank overdraft limit provided under the facilities is AED 241 million (2023: AED 241 million).

18 OTHER PAYABLES

Other payables can be analysed as follows:

	2024 AED	2023 AED
Accrued expenses	**6,295,182**	5,538,231
Payable to suppliers	**4,134,796**	6,105,116
Rental deposits	**2,695,554**	2,264,439
VAT payable	**967,491**	822,573
Others	**4,688,282**	8,619,469
	18,781,305	23,349,828

19 LEASE LIABILITY

The Company has leases for the premises, head office building and its branch offices as at 31 December 2024. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Company classifies its right-of-use asset in a consistent manner to its property and equipment (see note 5). Future minimum lease payments at 31 December 2024 were as mentioned below:

	Within 1 year AED	1-2 years AED	2-3 years AED	Total AED
31 December 2024				
Lease payments	**2,004,810**	**4,310,341**	**1,125,362**	**7,440,513**
Finance charges	**(342,182)**	**(380,163)**	**(45,647)**	**(767,992)**
Net present values	**1,662,628**	**3,930,178**	**1,079,715**	**6,672,521**
31 December 2023				
Lease payments	2,004,810	4,109,860	3,307,936	9,422,606
Finance charges	(432,895)	(587,709)	(157,566)	(1,178,170)
Net present values	1,571,915	3,522,151	3,150,370	8,244,436

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset under property and equipment and lease liability, the payments in relation to these are recognised as an expense in statement of comprehensive income on a straight-line basis over the lease term. Operating lease payments represent rentals payable by the Company for its branch offices. At reporting date, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2024 AED	2023 AED
Less than one year	**215,687**	200,375

20 INSURANCE SERVICE EXPENSES

2024	Life and medical AED	General and motor AED	Total AED
Incurred claims and other expenses	**382,583,778**	**645,761,535**	**1,028,345,313**
Amortisation of insurance acquisition cash flows	**33,866,040**	**78,988,404**	**112,854,444**
Losses on onerous contracts and reversals of those losses	**3,208,350**	**8,892,945**	**12,101,295**
Changes to liabilities for incurred claims	**98,016,472**	**(27,115,637)**	**70,900,835**
	517,674,640	**706,527,247**	**1,224,201,887**
2023			
Incurred claims and other expenses	340,071,736	263,675,059	603,746,795
Amortisation of insurance acquisition cash flows	37,074,972	64,787,822	101,862,794
Losses on onerous contracts and reversals of those losses	-	(4,587,380)	(4,587,380)
Changes to liabilities for incurred claims	99,063,565	(393,511)	98,670,054
	476,210,273	323,481,990	799,692,263

21 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCIAL RESULT

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

	2024 AED	2023 AED
Investment income		
Interest income	**13,061,022**	9,868,929
Share of profit from equity accounted investees (note 6)	**4,467,550**	11,326,469
Rental income from investment property	**6,702,782**	5,919,702
Gain on sale of investments in financial assets at FVTPL	**64,269**	-
Dividend income from investment in financial assets at FVTPL	**-**	484,769
Net unrealised gain from investments in financial assets at FVTPL (note 7)	**1,335,889**	2,861,716
Other income	**45,856**	423,086
	25,677,368	30,884,671
Other operating expenses		
Unallocated general and administrative expenses	**(13,227,335)**	(11,512,771)
Impairment of investment in associate (note 6)	**(4,182,646)**	-
Impairment of financial asset at FVTPL (note 7)	**(2,500,000)**	-
Allowance for expected credit loss	**(6,000,000)**	-
	(25,909,981)	(11,512,771)

2024	Life and medical AED	General and motor AED	Total AED
Insurance finance expenses from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(4,632,669)	(8,980,627)	(13,613,296)
Due to changes in interest rates and other financial assumptions	56,718	153,736	210,454
Total insurance finance expenses from insurance contracts issued	(4,575,951)	(8,826,891)	(13,402,842)
Represented by:			
Amounts recognised in profit or loss	(4,575,951)	(8,826,891)	(13,402,842)
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	2,253,473	5,296,291	7,549,764
Changes in non-performance risk of reinsurer	124,094	101,456	225,550
Due to changes in interest rates and other financial assumptions	(28,482)	(72,499)	(100,981)
Total reinsurance finance income from reinsurance contracts held	2,349,085	5,325,248	7,674,333
Represented by:			
Amounts recognised in the profit or loss	2,349,085	5,325,248	7,674,333
Total finance expenses and reinsurance finance income			
Represented by:			
Amounts recognised in the profit or loss	(2,226,866)	(3,501,643)	(5,728,509)

21 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCIAL RESULT (continued)

2023	Life and medical AED	General and motor AED	Total AED
Insurance finance expenses from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(1,513,998)	(8,802,654)	(10,316,652)
Due to changes in interest rates and other financial assumptions	(6,025)	(240,515)	(246,540)
Total insurance finance expenses from insurance contracts issued	(1,520,023)	(9,043,169)	(10,563,192)
Represented by:			
Amounts recognised in profit or loss	(1,520,023)	(9,043,169)	(10,563,192)
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	645,786	7,115,788	7,761,574
Changes in non-performance risk of reinsurer	(189,885)	(66,140)	(256,025)
Due to changes in interest rates and other financial assumptions	3,626	207,870	211,496
Total reinsurance finance income from reinsurance contracts held	459,527	7,257,518	7,717,045
Represented by:			
Amounts recognised in the profit or loss	459,527	7,257,518	7,717,045
Total finance expenses and reinsurance finance income			
Represented by:			
Amounts recognised in the profit or loss	(1,060,496)	(1,785,651)	(2,846,147)

22 BASIC AND DILUTED (LOSS)/ EARNINGS PER SHARE

Basic (loss)/ earnings per share are calculated by dividing the (loss)/ profit for the year after tax attributable to shareholders by the weighted average number of shares outstanding at reporting date.

	2024	2023
(Loss) / profit for the year after tax (AED)	**(154,195,272)**	6,448,750
Weighted average number of shares outstanding during the year	**230,000,000**	230,000,000
Basic and diluted (loss)/earnings per share (AED)	**(0.67)**	0.03

The Company does not have potentially diluted shares and accordingly diluted earnings per share equals basic earnings per share.

23 RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, collects premiums from and settles claims of other businesses that fall within the definition of related parties as per IAS 24. These transactions are carried out at terms mutually agreed between the parties. Related parties comprise companies and entities under common ownership and/or common management and control, shareholders, directors and key management personnel of the Company, their close family members and entities controlled, jointly controlled or significantly influenced by such parties. The Company's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

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

	2024 AED	2023 AED
Gross premium	**2,022,778**	2,073,274
Claims paid	**(509,443)**	(386,307)
Balances from amount due from related parties		
Sagour Al Khaleej General Trading -Affiliate Company	**8,648,529**	12,648,529
Green Air Technology L.L.C -Affiliate Company	**145,250**	145,250
	8,793,779	12,793,779
Compensation of key management personnel		
Salaries and benefits	**2,806,345**	2,526,420

24 SEGMENTAL INFORMATION

Operating segment information

For management purposes the Company is organised into three operating segments, general insurance, life assurance and investments. These segments are the basis on which the Company reports its primary segment information.

2024	Life and medical AED	General and motor AED	Investments AED	Total AED
Insurance revenue	455,859,540	487,195,831	-	943,055,371
Insurance service expenses	(517,674,639)	(706,527,248)	-	(1,224,201,887)
Insurance service result before reinsurance contracts held	(61,815,099)	(219,331,417)	-	(281,146,516)
Allocation of reinsurance premiums	(168,552,232)	(105,986,164)	-	(274,538,396)
Amounts recoverable from reinsurance	210,119,234	208,560,901	-	418,680,135
Net income from reinsurance contracts held	41,567,002	102,574,737	-	144,141,739
Insurance service result	(20,248,097)	(116,756,680)	-	(137,004,777)
Net investment income	-	-	25,677,368	25,677,368
Other operating expenses	-	-	(25,909,981)	(25,909,981)
Insurance finance expenses for insurance contracts issued	(4,575,951)	(8,826,891)	-	(13,402,842)
Reinsurance finance income for reinsurance contracts held	2,349,084	5,325,249	-	7,674,333
	(22,474,964)	(120,258,322)	(232,613)	(142,965,899)
Finance costs	-	-	-	(11,229,373)
Loss before tax				(154,195,272)

24 SEGMENTAL INFORMATION (continued)

	2023			
	Life and medical AED	General and motor AED	Investments AED	Total AED
Insurance premium	465,691,327	362,003,716	-	827,695,043
Insurance service expenses	(476,210,273)	(323,481,990)	-	(799,692,263)
Insurance service result before reinsurance contracts held	(10,518,946)	38,521,726	-	28,002,780
Allocation of reinsurance premiums	(138,211,923)	(102,437,375)	-	(240,649,298)
Amounts recoverable from reinsurance	165,381,886	46,914,429	-	212,296,315
Net income/(expenses) from reinsurance contracts held	27,169,963	(55,522,946)	-	(28,352,983)
Insurance service result	16,651,017	(17,001,220)	-	(350,203)
Net investment income	-	-	30,884,671	30,884,671
Other operating expense	-	-	(11,512,771)	(11,512,771)
Insurance finance expenses for insurance contracts issued	(1,520,023)	(9,043,169)	-	(10,563,192)
Reinsurance finance income for reinsurance contracts held	459,527	7,257,518	-	7,717,045
	15,590,521	(18,786,871)	19,371,900	16,175,550
Finance costs				(9,726,800)
Profit before tax				6,448,750

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

	2024			
	Life and medical AED	**General and motor AED**	**Investments AED**	**Total AED**
Total assets	**8,567,385**	**502,483,387**	**326,414,738**	**837,465,510**
Total equity	**7,683,641**	**47,496,659**	**-**	**55,180,300**
Total liabilities	**883,744**	**781,401,466**	**-**	**782,285,210**

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

24 SEGMENTAL INFORMATION (continued)

Gross written premium

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

31 December 2024	**Life Insurance AED**	**Fund Accumulation AED**	**Medical Insurance AED**	**Property & Liability AED**	**All types of Business Combined AED**
Direct Written Premiums	**2,544,968**	**-**	**358,786,297**	**608,438,589**	**969,769,854**
Assumed Business					
Foreign	**-**	**-**	**-**	**678,041**	**678,041**
Local	**-**	**-**	**-**	**14,291,730**	**14,291,730**
Total Assumed Business	**-**	**-**	**-**	**14,969,771**	**14,969,771**
Gross Written Premiums	**2,544,968**	**-**	**358,786,297**	**623,408,360**	**984,739,625**

31 December 2023	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct Written Premiums	1,805,528	-	503,495,564	397,748,480	903,049,572
Assumed Business					
Foreign	-	-	-	1,124,082	1,124,082
Local	-	-	-	12,872,840	12,872,840
Total Assumed Business	-	-	-	13,996,922	13,996,922
Gross Written Premiums	1,805,528	-	503,495,564	411,745,402	917,046,494

25 CONTINGENT LIABILITIES AND COMMITMENTS

Guarantees

	2024 AED	2023 AED
Letters of guarantee	**11,705,951**	11,934,195

Contingent liabilities

The Company in common with other insurance companies, is involved as defendant in a number of legal cases in respect of its underwriting activities. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Company in terms of an outflow of economic resources and are liable estimate of the amount of outflow can be made.

26 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are:

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

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

The table below summarises the Minimum Capital Requirement, Solvency Capital Requirement and Minimum Guarantee Fund of the Company, and the total capital held to meet these solvency margins as defined in the Financial Regulations. In accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022.

	31 December 2024 AED	31 December 2023 AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**301,535,000**	227,665,000
Minimum Guarantee Fund (MGF)	**168,756,000**	146,135,000
Basic Own Funds	**(176,060,000)**	57,332,000
MCR Solvency Margin – Deficit	**(276,060,000)**	(42,668,000)
SCR Solvency Margin – Deficit	**(477,595,000)**	(170,333,000)
MGF Solvency Margin – Deficit	**(344,817,000)**	(88,803,000)

As of 31 December 2024, the Company had a SCR Solvency Margin Deficit of AED 477.6 million as compared to the SCR capital requirements of AED 301.5 million. The Company submitted a detailed solvency recovery plan to the Central Bank of UAE to restore the solvency position.

27 RISK MANAGEMENT

The Company issues contracts that transfer either insurance risk or both insurance and financial risks. The Company does not issue contracts that transfer only financial risks. This section summarises these risks and the way the Company manages them.

27.1 Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Management recognises the critical importance of having efficient and effective risk management systems in place.

27.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

27 RISK MANAGEMENT (continued)

27.2 Risk management framework (continued)

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

27.3 Capital management framework

The Company has an internal risk management framework for identifying risks to which each of its business units and the Company as a whole is exposed, quantifying their impact on economic capital.

27.4 Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and shareholders and monitor closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters. The operations of the Company are also subject to regulatory requirements within the U.A.E. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

27.5 Asset liability management (ALM)

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Company faces due to the nature of its investments and liabilities is interest rate risk and equity price risk. The Company manages these positions within an ALM framework that has been developed by management to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The Company's ALM is also integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities.

The Company's ALM (currently with the Risk committee) also forms an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance.

Insurance risks

The Company accepts insurance risk through its written insurance contracts. The Company is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts. The Company writes the following types of general insurance and life insurance contracts:

General insurance contracts include Liability insurance, Property insurance, Motor insurance, Fire insurance, medical insurance, Marine insurance and Engineering insurance contracts. Life insurance contracts include Group life and Credit life insurance contracts. The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Company only issues short term insurance contracts in connection with property, motor, marine and casualty risks. Two key elements of the Company's insurance risk management framework are its underwriting strategy and reinsurance strategy, as discussed on the next page:

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Insurance risks (continued)

Underwriting strategy

The Company's underwriting strategy is to build balanced portfolios based on a large number of similar risks. This reduces the variability of the portfolio's outcome.

The underwriting strategy is set out by the Company that establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Company is prepared to underwrite. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business, territory and industry in order to ensure appropriate risk selection within the portfolio.

All general insurance contracts except marine and property, are annual in nature and the underwriters have the right to refuse renewal or to change the terms and conditions of the contract at renewal.

The principal risk the Company faces under insurance contracts is that the actual claims and benefits payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guideline, as well as the use of reinsurance arrangements.

Property

Property insurance covers a diverse collection of risks and therefore property insurance contracts are subdivided into four risks groups, fire, business interruption, weather damage and theft. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured. The cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruptions are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from storm, flood damage or other weather-related incidents.

Motor

Motor insurance contracts are designed to compensate policies holders for damage suffered to vehicles, disability to third parties arising through accidents and fire or theft of their vehicles. Underwriting limits and guidelines are in place to enforce appropriate risk selection criteria.

The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims.

Marine

Marine insurance is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in the total or partial loss of cargoes.

For marine insurance, the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes. The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

Casualty

For casualty class of business, such as workmen's compensation, personal accident, general third-party liability and loss of money, the extent of loss or damage and the potential court awards are the main factors that influence the level of claims. For casualty class of business, such as workmen's compensation, personal accident, general third-party liability and loss of money, the extent of loss or damage and the potential court awards are the main factors that influence the level of claims.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Insurance risks (continued)

Casualty (continued)

The Company manage these risks through their underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk. Underwriting limits are in place to enforce appropriate risk selections.

The Company proactively manages and pursues early settlement of claims to reduce their exposure to unpredictable developments. The Company have adequate reinsurance arrangements to protect their financial viability against such claims for all classes of business.

The Company have obtained adequate non-proportionate reinsurance cover for all classes of business to limit losses to an amount considered appropriate by the management.

Medical

Medical selection is part of the Company's underwriting procedures, whereby contributions are charged to reflect the health condition and family medical history of the applicants. Pricing is based on assumptions, such as mortality and persistency, which consider past experience and current trends.

Contracts including specific risks and guarantees are tested for profitability according to predefined procedures before approval.

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

Concentration of risk

The Company's underwriting activities are carried out in the United Arab Emirates and other Middle East countries.

Reinsurance strategy

The Company reinsures a portion of the insurance risks it underwrites in order to control its exposure to losses and protect capital resources. Ceded reinsurance contains credit risk, as discussed in the financial risk management note. The Company has a Reinsurance department that is responsible for setting the minimum-security criteria for acceptable reinsurance and monitoring the purchase of reinsurance by the business units against those criteria. The department monitors developments in the reinsurance programme and its ongoing adequacy.The Company buys a combination of proportionate and non-proportionate reinsurance treaties to reduce the net exposure to the Company. In addition, underwriters are allowed to buy facultative reinsurance in certain specified circumstances. All purchases of facultative reinsurance are subject to business unit pre-approval and the total expenditure on facultative reinsurance is monitored regularly by reinsurance department.

Frequency and severity of claims

The Company has the right not to renew individual policies, re-price the risk, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation). Furthermore, the Group's strategy limits the total exposure to any one territory and the exposure to any one industry.

Property insurance contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Insurance risks (continued)

Frequency and severity of claims (continued)

Property insurance contracts are subdivided into four risk categories: fire, business interruption, weather damage and theft. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Company operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles. The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims. For marine insurance the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered. For medical insurance, the main risks are illness and related healthcare costs. For group life and personal accident, the main risks are claims from death and permanent or partial disability. The Company generally does not offer medical insurance to walk-in customers. Medical, group life and personal accident insurance are generally offered to corporate customers with large population to be covered under the policy.

Frequency and amounts of claims

The Company has developed its underwriting strategy to diversify the type of insurance risks accepted and within each of the categories to achieve sufficiently large populations of risk to reduce the variability of the expected outcome. The frequency and amounts of claims can be affected by several factors. Company underwrites mainly property, motor, general accident and marine risks. These are regarded as short- term insurance contracts as claims are normally advised and settled within one year of the insured event taking.

Sensitivity of underwriting profit and losses

The Company has exposures to risks in each class of business that may develop and that could have a material impact upon the Company' financial position. The geographical and insurance risk diversity within the Company' portfolio of issued insurance policies makes it impossible to predict whether material developments will occur and, if they do occur, the location and timing of such occurrences. The Company evaluate the concentration of exposures to individual and cumulative insurance risk and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR).

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims.

For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Company considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Insurance risks (continued)

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

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

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

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

In calculating the estimated cost of unpaid claims (both reported and not), the Company's estimation techniques are a combination of loss-ratio-based estimates, and an estimate based upon actual claims experience using predetermined formula where greater weight is given to actual claims experience as time passes. The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation.

The initial estimate of loss ratios used for the current year before and after reinsurance are analyses below by line of business where the insured operates for current and prior year premium earned.

	2024		2023	
	Gross loss ratio	**Net loss ratio**	Gross loss ratio	Net loss ratio
Life and medical	**122%**	**104%**	83%	73%
General	**257%**	**162%**	25%	27%
Motor	**138%**	**124%**	89%	85%

The Company believes that the claims liabilities under insurance contracts outstanding at the year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

A hypothetical 1% change in the loss ratio, net of reinsurance, would impact net underwriting income / (loss) as follows:

	2024 AED	2023 AED
Impact of change in loss ratio by +/- 1%		
Motor	**3,488,961**	1,997,074
General	**153,225**	29,705
Medical and Life	**2,769,909**	2,184,899
	6,412,095	4,211,678

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Process used to decide on assumptions

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

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

Reinsurance risk

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

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

Sensitivities

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

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous year.

2024	Change in assumptions	Impact on net profit (gross of reinsurance) AED	Impact on net profit (net of reinsurance) AED	Impact on equity (gross of reinsurance) AED	Impact on equity (net of reinsurance) AED
Risk Adjustment	+1%	6,574,335	5,082,361	6,574,335	5,082,361
Discount rate	-1%	(6,574,335)	(5,082,361)	(6,574,335)	(5,082,361)
Risk adjustment	+1%	3,054,114	2,198,799	3,054,114	2,198,799
Discount rate	-1%	(3,116,574)	(2,245,047)	(3,116,574)	(2,245,047)

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Sensitivities (continued)

2023	Change in assumptions	Impact on net profit gross of reinsurance	Impact on net profit net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
		AED	AED	AED	AED
Risk Adjustment	+1%	3,587,760	1,800,633	3,587,760	1,800,633
Discount rate	-1%	(3,587,760)	(1,800,633)	(3,587,760)	(1,800,633)
Risk Adjustment	+1%	1,841,801	909,570	1,841,801	909,570
Discount rate	-1%	(1,877,029)	(927,248)	(1,877,029)	(927,248)

Financial risk

The table below sets out the classification of each class of financial assets and liabilities along with their fair values. For financial assets and liabilities carried at amortised cost, management believes that the amortised cost of those instruments approximates to their fair values.

2024	**FVTPL**	**Amortised cost**	**Total**
Financial assets	**AED**	**AED**	**AED**
Investment in financial assets at FVTPL (note 7)	**20,008,354**	**-**	**20,008,354**
Due from related parties	**-**	**8,793,779**	**8,793,779**
Other receivables (excluding prepayments) (note 11)	**-**	**16,518,701**	**16,518,701**
Cash and bank balances (note 12)	**-**	**280,210,566**	**280,210,566**
	20,008,354	**305,523,046**	**325,531,400**
Financial liabilities			
Bank borrowings (note 17)	**-**	**260,442,592**	**260,442,592**
Other payables (note 18)	**-**	**18,781,305**	**18,781,305**
Lease liability (note 19)	**-**	**6,672,521**	**6,672,521**
	-	**285,896,418**	**285,896,418**
2023			
Financial assets			
Investment in financial assets at FVTPL (note 7)	22,266,295	-	22,266,295
Due from related parties	-	12,793,779	12,793,779
Other receivables (excluding prepayments) (note 11)	-	21,800,776	21,800,776
Cash and bank balances (note 12)	-	267,762,651	267,762,651
	22,266,295	302,357,206	324,623,501
Financial liabilities			
Bank borrowings (note 17)	-	218,486,962	218,486,962
Other payables (note 18)	-	23,349,828	23,349,828
Lease liability (note 19)	-	8,244,436	8,244,436
	-	250,081,226	250,081,226

The Company has exposure to the following primary risks from its use of financial instruments and operations:
(i) Credit risk;
(ii) Liquidity risk;
(iii) Market risk; and
(iv) Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Financial risk (continued)

i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Compliance with the policy is monitored and exposures and breaches are regularly reviewed for pertinence and for changes in the risk environment. For all classes of financial assets held by the Company the maximum credit risk exposure to the Company is the carrying value as disclosed in the financial statements at the reporting date. Reinsurance is placed with reinsurers' approved by the management, which are generally international reputed companies.

To minimise its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

At each reporting date, management performs an assessment of creditworthiness of reinsurers' and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment if required.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	2024 AED	2023 AED
Financial assets		
Due from related parties	**8,793,779**	12,793,779
Other receivables (excluding prepayments) (note 11)	**16,518,701**	22,412,249
Bank balances (note 12)	**280,063,958**	267,677,806
	305,376,438	302,272,361

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity requirements are monitored on a daily basis and management ensures that sufficient funds are available to meet any commitments as they arise.

Maturity profiles

The table below summarises the maturity profile of the financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations. Repayments which are subject to notice are treated as if notice were to be given.

	Less than 1 year AED	1-5 years AED	Total AED
2024			
Financial assets			
Financial assets at FVTPL (note 7)	**20,008,354**	**-**	**20,008,354**
Due from related parties	**-**	**8,793,779**	**8,793,779**
Other receivables (excluding prepayments) (note 11)	**16,518,701**	**-**	**16,518,701**
Cash and bank balances (note 12)	**280,210,566**	**-**	**280,210,566**
	316,737,621	**8,793,779**	**325,531,400**
Financial liabilities			
Other payables (note 18)	**18,781,305**	**-**	**18,781,305**

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Financial risk (continued)

ii) Liquidity risk (continued)

	Less than 1 year AED	1-5 years AED	Total AED
2023			
Financial assets			
Financial assets at FVTPL (note 7)	22,266,295	-	22,266,295
Due from related parties	-	12,793,779	12,793,779
Other receivables (excluding prepayments) (note 11)	21,800,776	-	21,800,776
Cash and bank balances (note 12)	267,762,651	-	267,762,651
	311,829,722	12,793,779	324,623,501
Financial liabilities			
Other payables (note 18)	23,349,828	-	23,349,828

	Less than 1 year AED	1-5 years AED	5+ years AED	Total AED
2024				
Insurance contract assets (note 10)	**136,175,809**	**(10,983,777)**	**(157)**	**125,191,875**
Reinsurance contract assets (note 10)	**60,405,198**	**10,134,179**	**-**	**70,539,377**
Insurance contract liabilities (note 10)	**266,587,281**	**45,187,292**	**12,499**	**311,787,072**
Reinsurance contract liabilities (note 10)	**192,086,840**	**(13,848,277)**	**(9,704)**	**178,228,859**
2023				
Insurance contract assets (note 10)	29,435,647	(9,567,117)	(3,398)	19,865,132
Reinsurance contract assets (note 10)	103,163,550	17,837,462	8,521	121,009,533
Insurance contract liabilities (note 10)	251,149,021	28,271,673	6,675	279,427,369
Reinsurance contract liabilities (note 10)	79,790,100	(2,984,639)	-	76,805,461

iii) Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in local equity and bond markets. In addition, the Company actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Financial risk (continued)

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in a foreign currency. The Company's functional currency is the U.A.E Dirham. The Company has exposures in USD, which is pegged with AED and the Company's exposure to currency risk is limited to that extent, since almost all reinsurance arrangements are denominated in USD.

b) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate relates to its bank deposits. As at 31 December 2024, fixed deposits carried interest rates ranging from 4% to 5.4% (2023: 2% to 5.4%) per annum.

If interest rates had been 100 basis points lower throughout the year and all other variables were held constant, the Company's net profit for the year ended 31 December 2024 would decrease by approximately AED 2.59 million (2023: net loss would decrease by approximately AED 2.59 million). Similarly increase in interest by 100 basis points would result in equal and opposite effect on profit for the year.

The Company is exposed to interest rate risk on:

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

c) Equity price risk

Equity price risk is the risk that the fair value of a financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices.

The Company's equity price risk policy requires is to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, sector and market. The fair values of financial assets are not different from their carrying values.

Sensitivities

The table below shows the results of sensitivity testing on the Company's profit or loss and equity by type of business. The sensitivity analysis indicates the effect of changes in price risk factors arising from the impact of the changes in these factors on the Company's investments:

	10% increase in price		10% decrease in price	
	Profit or loss AED	Other comprehensive income AED	Profit or loss AED	Other comprehensive income AED
31 December 2024				
Fair value through profit or loss	**2,000,835**	**-**	**(2,000,835)**	**-**
31 December 2023				
Fair value through profit or loss	2,226,630	-	(2,226,630)	-

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Financial risk (continued)

iv) Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks.

The Company has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes etc. with a compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

28 SUBSEQUENT EVENTS

On 19 February 2025, Al Sagr Cooperative Insurance Company, an associate of the Company announced that it received a letter from the Saudi Insurance Authority suspending the issuance and/or renewal of Motor Third Party Liability (TPL) issuance policies effective from the same date. Following this announcement, the share price of Al Sagr Cooperative Insurance Company has declined significantly. The Company is currently assessing the potential impact of this matter, including the decline in the market value of its investment in the associate.

29 RECLASSIFICATION

Comparative figures for the previous year have been reclassified wherever necessary to conform with the presentation in the current year's financial statements.

In the previous year, the Company recorded the premium withheld under operating expenses instead of under insurance service expenses. During the current year, this classification was corrected, and the balances were properly reclassified in the statement of financial position.

2023	As previously reported	Reclassification	As reclassified
	AED	AED	AED
Statement of financial position			
Reinsurance contract assets	149,059,062	(28,049,529)	121,009,533
Other payables	57,227,469	33,877,641	23,349,828
Reinsurance contract liabilities	70,977,349	(5,828,112)	76,805,461
Statement of comprehensive income			
Insurance service expenses	774,361,551	25,330,712	799,692,263
Other operating expenses	25,330,712	(13,817,941)	11,512,771
Investment income	19,371,900	(11,512,771)	30,884,671

GOVERNANCE REPORT FOR THE YEAR 2024

First introduction:

In Al Sagr National Insurance Company, we do not see governance as merely a regulatory obligation but as a lifeline that pumps transparency and integrity into all aspects of our operations, strengthening shareholder and stakeholder confidence in our journey. Throughout 2024, we continued our path toward excellence by completing and enhancing our corporate governance system, implementing a series of fundamental actions to ensure the efficient and effective application of best governance practices.

Actions Taken to Complete the Governance System for 2024

1. **Updating Internal Policies and Procedures**
   - We reviewed and updated the Corporate Governance Frameworkalong with the policies and procedures to align with the latest regulations issued by the Securities and Commodities Authority (SCA) and the Central Bank of the UAE (CBUAE), enhancing regulatory compliance and operational sustainability.

2. **Enhancing the Independence of the Board of Directors**
   - The board structure was strengthened by reinforcing the independence of subcommittees, such as the Audit and Risk Committee and the Nomination and Remuneration Committee, ensuring objective decision-making that serves the interests of the company and its shareholders.

3. **Establishing Principles of Transparency and Disclosure**
   - We are committed to providing clear and periodic disclosure reports on financial and operational performance, reinforcing investor confidence and ensuring full compliance with modern governance requirements.

4. **Strengthening the Internal Control and Risk Management System**
   - An integrated internal control system based on proactive risk assessment was developed to ensure the protection of company assets and balance risks and returns.

5. **Fostering a Governance-Based Corporate Culture**
   - We launched training programs for our employees to promote a culture of governance and integrity, ensuring that governance principles remain an integral part of our daily operations.

How is Governance Applied in the Company?

We have applied these procedures through an integrated approach that connects operational practices, legal obligations, and long-term strategies to ensure achieving the ideal balance between compliance, efficiency, and sustainability. A periodic monitoring system has also been adopted to ensure full compliance with governance principles, enhancing transparency and creating a work environment based on accountability and shared responsibility.

At Al Sagr National Insurance Company, we do not implement governance as an administrative procedure but rather live it as a fundamental value that reflects our commitment to leadership and sustainable growth, ensuring the company remains a beacon of trust and excellence in the insurance sector.

- Al Sagr National Insurance Company opened nominations for board membership twice:
    1. On 12/08/2024, and the independence conditions issued by the Central Bank were applied.
        - No one applied.
    2. On 13/11/2024, and the independence conditions issued by the Central Bank were also applied.
        - Three individuals applied, and their applications were sent for approval by the Central Bank.
- The insider list was updated quarterly during the year 2024.

Second:

Statement of Ownership and Transactions of Board Members, Their Spouses, and Their Children in the Company's Securities During the Year 2024:

The transactions of board members in securities are governed by **Securities and Commodities Authority Board Decision No. 2 of 2001** regarding trading, clearing, settlement, ownership transfer, and custody of securities, which states that the **Chairman, board members, the company's general manager, or any employee with access to the company's fundamental data** may not, by themselves or through others, engage in transactions involving the company's securities, its parent company, subsidiary, affiliate, or sister company during the following periods:

- **Before 10 business days from the announcement of any material information** that may affect the stock price upward or downward unless the information results from sudden and unexpected events.

- **Before 15 days from the end of the quarterly, semi-annual, or annual financial period and until the financial statements are disclosed.**

- The provisions of the law shall be considered when any of the above-mentioned people act, personally or through others, by dealing with the securities of the company itself or of the parent, subsidiary, or allied company, and any dealing that contradicts this shall be invalid. The company shall abide by the provisions of the laws regulating the dealings of members of the board of directors of listed companies. And other people are familiar with inside information in accordance with the provisions of Article 4-2 of Market Law.

- All members of the Board of Directors of Al-Saqr Insurance Company, in accordance with the provisions of the law, regulations and decisions issued pursuant thereto regarding their dealings in securities, have acknowledged their commitment to the Authority's Board of Directors Resolution No. 2 of 2001 regarding the system for trading and dealing in the company's securities during the year 2020.

- Members of the Board of Directors are committed to the requirements of disclosure and transparency in accordance with what is stipulated in the laws during their dealings in securities.

- The Chairman and members of the Board of Directors, the CEO of the company, and any employee are committed not to act, personally or through others, in any dealing in the company's securities except after disclosing - through the financial market - the purchase or sale process, its quantities and prices, and obtaining approval. Market manager to deal.

  - The people referred to above are also obligated to disclose in advance to the market any dealings in the securities of the parent, subsidiary, or sister company if this company is listed on the market.

- Below is a table of ownership and transactions for members of the Board of Directors, their spouses, and their children during the year 2024:

No.	Name	Position/Relation	Shares Owned as of 31/12/2024	Total Sale Transactions	Total Purchase Transactions
1	Khalid Abdullah Taryam	Vice Chairman of the Board	11,526,986	None	None

Third:

Formation of the Board of Directors.

1. Current composition of the Board of Directors

Name	Class in the council	Class in the council		Experience and qualifications.	Duration of membership
Majid Abdullah Al-Sirri	Chairman of Board of Directors	Not Independent	Non-executive	university graduate who runs several commercial companies	21 years
Khaled Abdullah Omran Taryam	Deputy Chairman of the Board	Not Independent	Non-executive	Chairman of the Board of Directors, Editor-in-Chief and General Manager of Dar Al-Khaleej Press, Printing and Publishing, and owner of the	30 years

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				International Private Group Company	
Muhammad Ali Al-Sirri	Member of the board of directors	Independent	Non-executive	A university graduate who runs several commercial companies	09 years
Jawaher Salem Al Muhairi	Member of the board of directors	Independent	Non-executive	Bachelor's degree in aviation management and master's degree in Economic Policy and Environmental Management	02 years
Sara Faridoni (appointed on 07/08/2024 and her membership ended on 11/14/2024)	Member of the board of directors	Independent	Non-executive	Bachelor of Science (Honours) in Finance and Accounting	4 months

Continued:

A. - Statement of the membership and positions of board members in other companies and institutions.

Name	Statement
Majid Abdullah Al-Sirri	- Member of the Board of Directors of the Investment Group (Private) Limited - Vice Chairman of the Board of Directors of the Gulf Company for General Investments - Member of the Board of Directors of Al Burj Real Estate Company - Chairman of the Board of Directors of Al-Soor Investments Company
Khaled Abdullah Omran Taryam	- Chairman of the Board of Directors, Editor-in-Chief and General Manager of Dar Al-Khaleej Press, Printing and Publishing - Chairman of the Board of Directors of the International Private Group. - General Manager of Gulf Economic Company Limited
Muhammad Ali Al-Sirri	Member of the Board of Directors of the Gulf General Investment Company
Abdul Mohsen Jaber	-
Jawaher Salem Al Muhairi	-

- **The board members acknowledge the accuracy of the information stated in Clause 2 and Clause 3-A.**

B. Presence of a Female Member on the Board of Directors

- There is a female member on the Board of Directors, as the candidate was elected in the 2023 elections, and the position is still held by **Ms. Jawaher Salem AlMheiri**.

C. Statement of Reasons for the Lack of Female Candidates for Board Membership

- Not applicable

D. Remuneration for members of the Board of Directors:

- Board members are granted remuneration in the form of fixed amounts only, including a fixed annual payment and reimbursement of costs directly associated with fulfilling their responsibilities, excluding any incentive payments based on the company's performance.
- The remuneration consists of a portion paid for service on the board and another portion paid for service on committees, with a greater weight applied to members who chair committees.
- The annual remuneration shall not exceed **10% of the net profit for the financial year**, after deducting depreciation and reserves.
- A board member who makes special efforts or undertakes additional tasks in serving the company beyond their regular duties as a board member is entitled to higher remuneration.
- Fines imposed on the company due to violations committed by the Board of Directors against the law or the company's Articles of Association during the concluded financial year shall be deducted from the board members' remuneration. However, the General Assembly may decide **not to deduct** such fines if it determines that they were not due to the Board of Directors' negligence or fault.
- Payments may also include **other non-monetary benefits**, such as **insurance and healthcare**. The agreement with each board member must clearly define all compensation details.
- **Negative financial performance or net losses reported by the company in the financial year** will generally lead to a reduction in total board compensation, senior management bonuses, and employee bonuses.
- **A lump sum payment of AED 200,000 per member may be granted** if the company does not achieve a profit, or if a member's entitlement is less than AED 200,000 in the case of company profitability.

- **Board of Directors' Remuneration for the Year 2023:**

    - Total **AED 500,000**, at a rate of **AED 100,000 per member**.
    - Members received committee attendance allowances totalling **AED 399,000**.
    - Two members received an additional **AED 421,000 each** for **management, restructuring, and cost control efforts**.
    - **Total Board of Directors' Remuneration for the Year 2024:**
    - Total **AED 400,000**, at a rate of **AED 100,000 per member.**

- **Details of Committee Meeting Allowances Received by Board Members for the Financial Year 2024:**

S. No	Investment Committee	Allowances for attending sessions of committees emanating from the Council			
		Investment Committee	*Exchange Value in Dirhams*	*No of Meetings*	*Total allowance in dirhams*
1	Mr. Majid Abdullah Al-Sirri	Chairman of the Committee	18750	4	75000
2	Mr. Khaled Abdullah Taryam	Member	18750	4	75000
3	Mr. Abdul Muhsen Jaber	Member	18750	4	75000

S. No	The Audit Committee	Allowances for attending sessions of committees emanating from the Council			
1	Mr. Khaled Abdullah Taryam	Chairman of the Committee	12000	2	24000
2	Mr. Muhammad Ali Al-Sari	vice president	12000	2	24000
3	Mrs. Jawaher Salem	Member	12000	2	24000

S. No	Nominations and Remuneration Committee	Allowances for attending sessions of committees emanating from the Council			
		Nominations Committee	**Exchange Value in Dirhams**	**No of Meetings**	**Total allowance in dirhams**
1	Mr. Muhammad Ali Al-Sari	Chairman of the Committee	15000	1	15000
2	Mrs. Jawaher Salem	vice president	15000	1	15000
3	Mr. Khaled Abdullah Taryam	Member	15000	1	15000

Details of allowances, salaries, or additional fees received by a Board Member, apart from committee attendance allowances, and their reasons: Management, restructuring, cost control, and business development allowance of AED 421,000 for the Chairman of the Board of Directors.

E, and F – The company's Board of Directors held six meetings during the year 2024 as shown below:

S. No	Date	Audience	Absences/notes
1	Feb 12, 2024	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber - Jawaher Salem Al-Muhairi	No absence
2	Mar 25, 2024	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber - Jawaher Salem Al-Muhairi	No absence
3	Mar 29, 2024	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber - Jawaher Salem Al-Muhairi	By circulation – No absence
4	May 1, 2024	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Jawaher Salem Al-Muhairi - Mai Shablaq (based on initial approval from the Central Bank) - Sara Faridouni (based on initial approval from the Central Bank)	By circulation – No absence
5	May 14, 2024	Majed Abdullah Al-Sirri - Muhammad Ali Al-Sirri - Jawaher Salem Al-Muhairi - Mai Shablaq (based on initial approval from the Central Bank) - Sara Faridouni (based on initial approval from the Central Bank)	Khaled Abdullah Omran Taryam
6	Jul 05, 2024	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Jawaher Salem Al-Muhairi - Mai Shablaq (based on initial approval from the Central Bank) - Sara Faridouni (based on initial approval from the Central Bank)	By circulation – No absence
7	Aug 27, 2024	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Jawaher Salem Al-Muhairi - Sara Faridouni	No absence
8	Nov 20, 2024	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Jawaher Salem Al-Muhairi	No absence
9	Dec 26, 2024	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Jawaher Salem Al-Muhairi	No absence

G - The tasks and powers delegated by the Board of Directors to Executive Management:
The Executive Management is authorized by the Board of Directors to do the following:

Name of authorized person	Abdel Muhsen Jaber
Duration of authorization	Not specified
Authorization validity	• Managing The Company. • Deposits and withdrawals from the company's current accounts at banks, concluding and signing contracts and agreements, and recording the relevant financial transactions. • Follow up and issue periodic financial reports to be presented to the company's board of directors. • Representing the company before the competent authorities and official departments. • Signing on behalf of the company in all its transactions, records, and documents at ministries, courts, municipalities, civil society bodies, chambers of commerce and industry, and the residence, traffic, police, labor, and immigration departments at airports. • Appointing and dismissing employees according to the policy of the Board of Directors and its committees. • Selling and marketing the company's production. • Renting branch offices and providing all supplies • Paying salaries and compensation to employees and employees of the company • Approval to pay compensation for the amounts due as a result of the investigation of insurance risks.

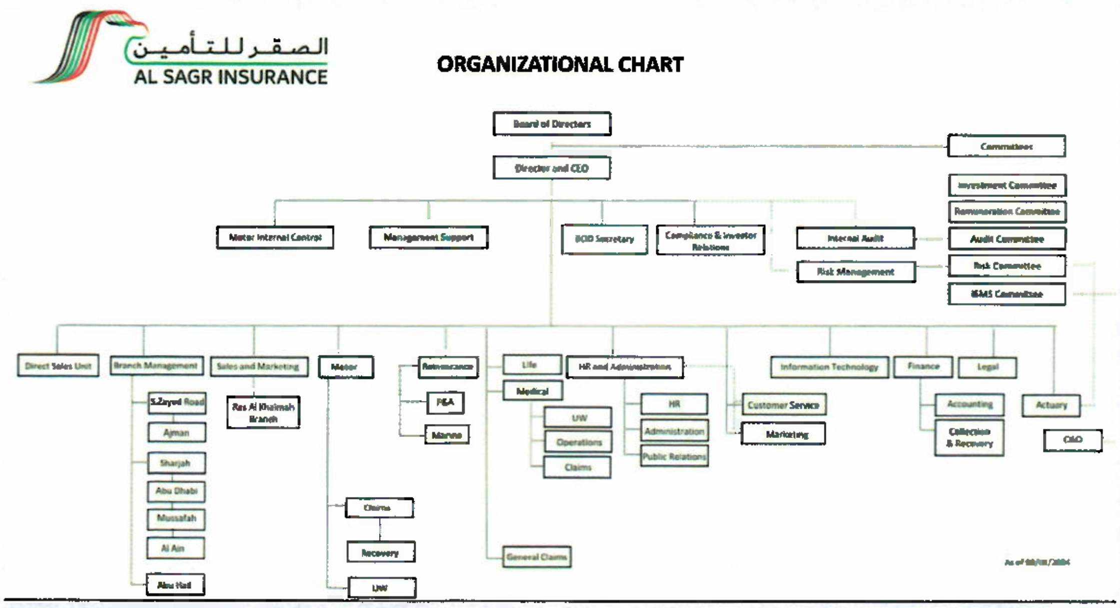
H. Transactions with related parties.

S. No	Related party	Nature of relationship	Dealing type	Volume of dealings
1	Al Sagr Cooperative Insurance Co. KSA	Associate company	Right issue	SAR 32.8 million

Premiums and claims – received and paid to related parties

	2024 **AED**
Gross premium	**2,022,778**
Claims paid	**(509,443)**

I. The Company's Organizational Structure for the Year 2024: Shown on the next page.



J. Names of senior executive employees:

S. No	Name	Designation	Date of hiring	Total salaries and allowances paid for the year 2024 (AED)	Total bonuses paid for the Year 2024 (AED)	Other rewards
1	Abdel Muhsen Jaber	CEO	2012/05/14	1,520,000	N/A	N/A
2	Samer Yared	Executive Vice President - Distribution Channels	2020/02/23	658,000	65,000	N/A
3	Santhosh Kumar (Resigned on 08-16-2024)	Vice President - Life and Medical Insurance	2006/11/05	282,000	N/A	N/A
4	Ahmed Bseiso	Executive Vice President - Technical Affairs	1995/11/07	506,200	40,100	N/A
5	Mahmoud Rahhal	Vice President - Human Resources and Administration	2020/10/20	529,100	41,800	N/A
6	Murgesh Palani Resigned on) (11-29-2024	Vice President - Finance	2019/08/21	395,000	19,150	N/A
7	Rathish Kanth Resigned on) (06-28-2024	Senior Vice President	2019/10/10	252,500	65,000	10,000
8	Amer Al-Far Resigned on) (13-12-2024	Senior Vice President	2019/10/10	577,000	65,000	55,000
9	Akram Al-Khatib	Vice President - Motor Claims Department	2021/06/20	456,000	40,000	N/A

Fourth:

The External Auditor:

A. About Grant Thornton: It is considered one of the largest consulting, auditing and professional services companies in the world and is recognized by financial markets, regulatory bodies and international standard-setting bodies and is among the top five companies in the field of auditing.

   Operations in the UAE are supported by more than 200 specialized people, and the local team is supported by the expertise of regional professionals distributed around the world.

B. An illustrative table of fees and details of working with the external auditor:

Name of the audit firm and partner auditor	**Grant Thornton - Osama Al-Bakri**
A number of years he spent as the company's external auditor.	**6 years**
The number of years the partner auditor spent auditing the company's accounts	**3 Years**
Total audit fees for the financial statements for the year 2024 (AED)	**Their fees were set at 395,000 UAE dirhams.**
Fees and costs for special services other than auditing the financial statements for the year 2024 (AED)	**Nothing**
Details and the nature of other services provided.	**Nothing**
A statement of other services that an external auditor other than the company's auditor provided during the year 2024	**Nothing**

C. **Reservations by the External Auditor on the Interim and Annual Financial Statements for 2024:**

The external auditor had a reservation on the interim financial statements for the third quarter of 2024 regarding solvency requirements:

Quote:

"The company has incurred **AED 90 million** total comprehensive losses for the period ended **September 30, 2024**, and its accumulated losses amounting to **AED 114.9 million** as of **September 30, 2024**. In addition to these losses, the company is not in compliance with the solvency requirements Of Central Bank of the United Arab Emirates, as stated in **Note 20** of these condensed interim financial information. we have not been provided with sufficient appropriate audit evidence to support the company's ability to continue as a going concern. These events and conditions indicate that a **material uncertainty** exists that may cast significant doubt on the company's ability to continue as a going concern."

Unquote

Company's Response to the External Auditor's Reservation:

The company has developed a recovery plan, which was approved by the Central Bank on February 25, 2025, and subsequently approved by the Board of Directors on February 27, 2025. Based on this plan, the company will meet the solvency requirements.

Fifth:

Audit Committee:

1. The Chairman of the Audit Committee, Mr. Mohamed Ali Al-Sari , acknowledges his responsibility for the committee's system in the company and for reviewing its work mechanism and ensuring its effectiveness.

2. The Audit Committee consists of the following Members:

- Mohamed Ali Al-Sari - Chairman of the Committee, Expert In Financial And Accounting Affairs.
- Ms. Mai - Committee Member and Vice-Chairman. (Ms. Mai was elected at the 2024 Assembly meeting but was not approved by the Central Bank)
- Mrs. Sara - Committee Member. (The member resigned on 11/14/2024)

The committee was formed at the Board of Directors meeting on May 1, 2024. However, the committee's quorum was not met due to the Central Bank's refusal to accept the nomination of one of the elected members (Ms. Mai Shiblaq) on July 8, 2024, and the resignation of Ms. Sara on November 14, 2024. The company opened nominations twice during 2024 to complete the committee's quorum and that of the Board of Directors. The necessary approvals are currently being obtained. Therefore, the table below shows the meetings held by the first committee, as the second committee's quorum was not met due to the resignation of one member and the refusal of the other member's nomination by the Central Bank.

The committee carries out all the powers and tasks stipulated in Article 61 of the Authority's Chairman of the Board of Directors' Decision No. 3/2020 regarding governance controls, which are as follows:

1. Reviewing the company's financial and accounting policies and procedures.

2. Monitoring the integrity of the company's financial statements and reports (annual, semi-annual, and quarterly) and focusing on the following:
3. Any change in accounting policies.
4. Highlighting the aspects subject to the Board of Directors' discretion.
5. Fundamental amendments resulting from the audit.
6. Ensure that the company updates its records on an annual basis.
7. Assuming the continuity of the company's business.
8. Compliance with accounting standards determined by the Authority.
9. Adherence to disclosure and listing rules.
10. Coordinating with the company's board of directors, executive management, and the financial director to perform tasks.
11. Consider any material and unusual items that should be included in those reports and accounts.
12. Submit a recommendation to the Board of Directors regarding the selection, resignation, or dismissal of the external auditor. In the event that the Board of Directors does not agree to the recommendations of the Audit Committee in this regard, the Board of Directors must include in the governance report a statement explaining the recommendations of the Audit Committee and the reasons that prompted the Board of Directors not to take them into account.
13. Develop a policy for contracting with the external auditor and submit a report to the Board of Directors specifying the issues on which a decision must be taken, along with appropriate recommendations.
14. Ensure that the external auditor fulfills the conditions stipulated in the applicable laws, regulations, decisions, and the company's bylaws, and follow up and monitor his independence.
15. Meeting with the company's external auditor without the presence of any person from the senior executive management or its representative at least once a year and discussing the nature and scope of the audit operations and the extent of their effectiveness in accordance with the approved auditing standards.
16. Discuss everything related to the work of the external auditor, his work plan, his correspondence with the company, his observations, proposals, reservations, and any fundamental inquiries raised by the external auditor to the senior executive management regarding accounting records, financial accounts, or control systems, and follow up on the extent of the company's management's response to them. Providing the necessary facilities to carry out his work.
17. Ensure that the Board of Directors responds in the required time to the clarifications and fundamental issues raised in the external auditor's letter.
18. Review and evaluate the company's internal control and risk management systems.
19. Discussing the internal control system with the Board of Directors and ensuring that it performs its duty in establishing an effective internal control system.
20. Considering the results of the main investigations into internal control issues.
21. Review the auditor's evaluation of internal control procedures and ensure that there is coordination between the internal and external auditors.
22. Ensure the availability of the necessary resources for internal control management and monitor the effectiveness of this management.
23. Study and evaluate internal control reports and follow up on the implementation of corrective measures for the observations contained therein.

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24. Establishing controls that enable company employees to report any potential violations in financial reports, internal control, etc. confidentially, and steps to conduct independent investigations into those violations.
25. Monitoring the company's compliance with the rules of professional conduct.
26. Reviewing the transactions of related parties with the company and ensuring that there are no conflicts of interest and recommending them to the Board of Directors before concluding them.
27. Ensuring the implementation of the work rules related to its tasks and the powers assigned to it by the Board of Directors.
28. Submit a report to the Board of Directors on the issues mentioned in this clause.
29. Consider any other topics determined by the Board of Directors.
30. Approving the additional work carried out by the external auditor and their fees

3. Details of the Audit Committee meetings held during the year 2024:

S.No	The Audience	Date
1	Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Jawaher Salem Al-Muhairi	Feb 12, 2024
2	Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Jawaher Salem Al-Muhairi -	Mar 25, 2024
3	There are no further meetings due to the lack of a quorum for the .committee	-

- **Actions Taken or Planned by the Committee to Address Any Deficiencies or Weaknesses in Cases of Internal Control or Risk Management Failures:**

The Audit Committee, during its periodic meetings, reviews the issues presented and the status of administrative actions submitted by the Internal Audit and Compliance Departments. In the event of any significant delays in addressing risks, direct coordination with management is undertaken to promptly and efficiently implement necessary measures, ensuring effective resolution and continuous compliance:

- **Evidence of the Committee's Review of All Internal Audit Reports Related to Medium and High-Risk Issues, Issued by Internal Audit, to Determine Whether They Stem from Violations or Significant Weaknesses in Internal Controls:**

The Internal Audit Department presented detailed reports in Audit Committee meetings, including the audit status, key findings, material issues, and the status of all items under audit, in addition to tracking delayed items, if any, to ensure the committee's effective review. A separate standard report was also presented, outlining key audit findings and the status of audited items during the year 2024, aiming to enhance transparency and provide a clear view of progress in audit processes.

- **Comprehensive Information on the Corrective Action Plan to Address Significant Deficiencies in Risk Management and Internal Control Systems:**

The Audit and Compliance Committee ensured the review of key issues identified during quarterly meetings, along with tracking the progress of the administrative remediation plan and the implementation of corrective actions. The committee also verifies any outstanding items, enabling management to take the necessary measures promptly to ensure effective implementation and risk mitigation.

- **Explanation of How the Independence of the External Auditor is Ensured When Providing Services Other Than the Company's Audit Process:**

  As part of Al Sagr National Insurance Company's commitment to ensuring the independence and neutrality of the external auditor, strict control procedures have been established when providing any services other than auditing, in accordance with international standards and best governance practices. In this context, the report includes the following points:

  - **Compliance with Regulations and Professional Standards**

    Ensuring that the external auditor complies with the requirements of the Securities and Commodities Authority and international auditing standards, which emphasize the necessity of separating auditing services from other advisory services.

  - **Prior Approval from the Audit Committee**
    The external auditor is not permitted to provide any non-audit services without prior approval from the Audit Committee, which reviews the nature of the proposed service and assesses its potential impact on the auditor's independence.

  - **Confirmation That the Committee Reviewed All Transactions Conducted with Related Parties, Including Any Observations or Results and the Extent of Compliance with Applicable Laws:**

Not applicable, as the committee was dissolved due to resignation of one member and rejection from CBUAE on the other, however the board approved the transaction related to the transaction of (Al Sagr Inscurance KSA).

Sixth:

Nominations and Remuneration Committee:

1. The Chairman of the Nominations and Remuneration Committee, Mr. Khalid Abdulla Omran Taryam, acknowledges his responsibility for the committee's system in the company and for reviewing its work mechanism and ensuring its effectiveness.

2. The Nominations and Remuneration Committee was formed from the following gentlemen:
   1. Khalid Abdulla Omran Taryam - Chairman of the Committee.
   2. Mohamed Ali Al Sari - Vice President
   3. Ms. Jawaher Salem Al Mheiri - Member

The Committee carries out the tasks stipulated in Article No. 59 of the Authority's Board of Directors Chairman's Decision No. 3/2020:

1. Develop a policy for nominations for membership in the Board of Directors and Executive Management
2. Organizing and following up on nomination procedures.
3. Ensure the independence of independent members.
4. Ensure that the membership conditions for Council members are still met
5. Presenting the case of loss of independence to the Council.
6. Preparing a policy of rewards, benefits and incentives.
7. Annual review of the required skills requirements for membership in the Board of Directors.
8. Review of the structure of the Board of Directors.
9. Determine the company's needs for competencies. Preparing a human resources policy.
10. Any other topics determined by the Board of Directors.

3. Details of the Nominations and Remuneration Committee meetings held during the year 2024:

S.No	The Audience	Date
1	Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Jawaher Salem Al-Muhairi	Mar 25, 2024

Seventh:

A Committee to follow up and supervise the dealings of insiders:

Mr. Rawad Shaker and Mr. Adeel Imtiaz acknowledge their responsibility for the system of monitoring and supervising the dealings of insiders in the company and for their review of its work mechanism and ensuring its effectiveness.

- follows up and supervises the dealings of insiders.

  The tasks assigned to this position are summarized in preparing a special register for insiders and submitting quarterly reports to the market on the names of insiders and other reports when any transactions by insiders occur.

  The Committee periodically reviewed the transactions in the company's securities, and it was not found that any transactions in securities by insiders occurred during the year 2024.
  Mr. Rawad Shaker resigned on 05/20/2024.

Eighth:

Investments Committee:

A. The Chairman of the Investments Committee, Mr. Majid Abdalla Al Sari, acknowledges his responsibility for the committee's system in the company and for reviewing its work mechanism and ensuring its effectiveness.

B. An Investments Committee was formed from the following gentlemen:
- Mr. Majid Abdalla Al Sari - Chairman of the Committee.
- Mr. Khalid Abdulla Omran Taryam - Committee Member.
- Mr. Abdel Muhsen Jaber - Committee Member.

C. The Committee sets investment rules and policies, monitors investments, and submits periodic reports to the Board of Directors.

D. Schedule of Committee Meetings during 2024:

S.No	The Audience	Date
1	Majid Abdalla Al Sari - Khalid Abdulla Omran Taryam - Abdel Muhsen Jaber	Feb 12, 2024
2	Majid Abdalla Al Sari - Khalid Abdulla Omran Taryam - Abdel Muhsen Jaber	Mar 25, 2024
3	Majid Abdalla Al Sari - Khalid Abdulla Omran Taryam - Abdel Muhsen Jaber	May 14, 2024
4	Majid Abdalla Al Sari - Khalid Abdulla Omran Taryam - Abdel Muhsen Jaber	Aug 27, 2024

Ninth:
Internal control system:

A. The Board of Directors acknowledged its responsibility for the Company's internal control system and acknowledged its direct responsibility for its review and effectiveness.

B. Name and qualifications of the Department Director: Adeel Imtiaz - An **Internal Auditor** with over **20 years of experience**, holding **CIA (USA), CISA (USA), and Professional Accounting Affiliate (ICAP)** certifications. Additionally, he holds **bachelor's and master's degrees in commerce**. He joined the company on **February 19, 2024**.

C. The name and qualifications of the compliance officer: Rawad Shaker - a degree in economics and accounting, secretary of the board of directors accredited by the Governance Institute, and an anti-money laundering officer accredited by the International Compliance Institute. He was appointed on 01/11/2010.

D. If it is discovered that there are any major risks in the company, the Internal Audit Department will conduct research and audit processes to find out the following:

- The causes of the problem and those responsible for its occurrence.
- The implications of the problem and of all administrative, financial and operational aspects.
- How to address the problem.
- Then put in place procedures to prevent or limit the possibility of this problem occurring in the future
- The company's internal Audit department also prepares a detailed report that includes all the points mentioned above and submits it immediately to the company's executive management and then includes it in the report submitted quarterly to the audit committee.
  - **Mr. Rawad Shaker resigned on May 20, 2024.**
  - **The necessary approvals are in progress for the appointment of a new Compliance Manager.**

    - The company faced a problem during the year 2024 related to financial solvency: As previously mentioned in the report, the company obtained the approval of the Central Bank for the recovery plan, and it is currently being implemented.

E. The Internal Audit department has issued four reports that were submitted to the Board of Directors.

<u>Tenth:</u>

- **A fine of AED 20,000 was paid to DOH.**
- **A fine Of AED 15,000 was paid to DOH.**

<u>Eleventh:</u>

The Company's contribution to preserving the environment and developing society:

- The company has published several awareness materials on social media regarding **fraud prevention.**
- In partnership with **Dubai Municipality**, the company organized a **beach cleanup activity** to protect marine life, with the participation of many employees.
- **Blood donation campaign** organized by company employees.
- Collaboration with specialized companies for **paper recycling**.
- **Celebration of Flag Day**.

<u>Twelfth:</u>

A. The Company's share price in the market during the year 2024.

1. The highest, lowest and closing prices (Table 1)
2. Comparative performance with the market index and the sector index (Table 2).

Table 1

ASNIC Share Price (Closing-Highest-Lowest) at end of each month for 2024:

Month Name	Month_High	Month_Low	Month Close
Jan-24	No Trading	No Trading	0.657
Feb-24	No Trading	No Trading	0.657
Mar-24	No Trading	No Trading	0.657
Apr-24	No Trading	No Trading	0.657
May-24	No Trading	No Trading	0.657
Jun-24	No Trading	No Trading	0.657
Jul-24	No Trading	No Trading	0.657
Aug-24	No Trading	No Trading	0.657
Sep-24	No Trading	No Trading	0.657
Oct-24	No Trading	No Trading	0.657
Nov-24	No Trading	No Trading	0.657
Dec-24	No Trading	No Trading	0.657

Table 2

B. Monthly Performance of ASNIC Shares for Year 2024:

Month Name	ASNIC	DFMGI	Financials
Jan-24	0.657	4169.08	2994.64
Feb-24	0.657	4308.77	3177.61
Mar-24	0.657	4246.27	2996.04
Apr-24	0.657	4155.77	2904.37
May-24	0.657	3977.93	2806.37
Jun-24	0.657	4030.0	2892.02
Jul-24	0.657	4268.05	3123.49
Aug-24	0.657	4325.45	3170.42
Sep-24	0.657	4503.48	3285.28
Oct-24	0.657	4591.05	3278.13
Nov-24	0.657	4847.34	3381.63
Dec-24	0.657	5158.67	3478.95

Statement of the distribution of shareholder ownership as of 12/31/2024 (Individuals - Companies - Governments) classified (local - Gulf - Arab - foreign)

S. No	Contributor Rating	Percentage of Shares Owned			
		Members	Companies	Government	Total
1	Local	36%	64%	0%	100%
2	Gulf	-	-	-	-
3	Arab	-	-	-	-
4	Foreign	-	-	-	-
	Total	36%	64%	0%	100%

الصقر للتأمين
AL SAGR INSURANCE

C. Statement of shareholders who own 5% or more of the company's capital as of 12/31/2024

S. No	Name	Number of shares	Ratio
1	Khalid Abdullah Omran Taryam	11,526,986	5.01 %
2	Gulf General Investment Company	108,281,254	47.08 %
3	Amjad Muhammad Yusri Mahmoud Dweik	11,500,000	5 %
4	Ayman Muhammad Yusri Mahmoud Dweik	11,500,000	5 %
5	شركة الشرق الادنى للاستثمار - Near East Investment Company	20,125,000	8.75 %

D. **Statement of how shareholders are distributed according to the size of ownership as of 12/31/2024 according to the following table:**

S. No	Share Ownership (Shares)	Number of Shareholders	Number of Shares Owned	Percentage of Shares Owned by Capital
1	Less than 50,000	9	30,302	0.01%
2	50,000 <500,000	1	315,944	%0.14
3	500,000 <5 ,000,000	7	24,342,028	10.58%
4	>5,000,000	11	205,311,726	89.27%

E. Investor Relations:

- Investor Relations Officer Name: Hanly Varghese
- Email: hanlyvarghese@alsagrins.ae
- Phone: 04 702 8500 - Fax: 04 396 8442 - Mobile: 050 8872577
- Website Link: http://www.alsagrins.ae
- A dedicated Investor Relations section has been created on the company's website, including all relevant investor information such as financial data, Board of Directors meeting minutes, General Assembly meetings, governance reports, and other related information.
- The 2024 data update is in progress.
- A link to the Investor Rights Guide in Securities issued by the Securities and Commodities Authority, has been added to the Investor Relations section.

F. Special decisions that were presented at the General Assembly held in 2024.

- Amendment of the Articles of Association (Articles 1, 5, 19, 20, 22, 23, 26, 28, 29, 30, 33, 34, 37, 38, 40, 57, 61, 64, 65, 69).

Name of the rapporteur of the Board of Directors meetings: Rawad Shaker, who was appointed on 11/01/2010.

- Bachelor's degree in economics and accounting - a course approved by the Hawkamah Institute
- His work tasks:

1. Supervising the preparation of work agendas and reports for the meetings of the Board of Directors and the committees emanating from them.

2. Supervising the preparation of minutes of meetings of the Board of Directors and its committees.
3. Arranging the procedures for holding the General Assembly and preparing its agenda, report, and minutes of its meetings.
4. Preparing the annual governance report and informing the Board of Directors of its contents
5. Responsible for implementing the company's governance system.

- **Mr. Rawad Shaker resigned on May 20, 2024.**
- **The necessary approvals are in progress for the appointment of a new Board secretary.**

G. Main events in 2024:

a. A property of the company was sold on **23-Sep-2024.**
b. The company's branch in **Dubai – Abu Hail Branch** has been closed.
c. The **Ajman branch** has been suspended for **three years.**

H. Transactions carried out by the company with related parties during the year 2024 and equal to 5% or more of the capital:

Participation in the Rights Issue in the Associate company Al Sagr KSA.

I. Percentage of Emiratization:

The Emiratization rate reached 18% at the end of 2024
The Emiratization rate reached 13% at the end of 2023.
The Emiratization rate reached 9.78% at the end of 2022.

J. Innovative projects and initiatives during 2024.

The company is pleased to announce the launch of our new **B2C medical portal** as part of our commitment to continuous improvement and growth. This portal provides a seamless **online experience** for our customers.

K. Board Nomination

1. Candidates for membership of the Board of Directors are selected to ensure a diversity of experience within the Board.

2. Candidates must meet the conditions contained in the governance system and standards issued by the Central Bank and the decision of the Chairman of the Board of Directors of the Securities and Commodities Authority No. 3 of 2020 regarding the adoption of the governance guide for public joint-stock companies.
3. The company maintains confirmation of receipt of nomination applications from females, equivalent to 20% of nomination applications.

4. Nominations were opened twice in February and March in order to increase the number of members of the Board of Directors to 7 members, in compliance with the governance system issued by the Central Bank.

Board Members' Signature on the 2024 Governance Report

Majid Abdalla Al Sari
Chairman of the Board of Directors & Chairman of the Investment Committee: ____________

Khalid Abdulla Omran Taryam
Deputy Chairman of the Board of Directors and Chairman of the Nominations Committee: ____________

Mohamed Ali Al Sari
Member of the Board of Directors and Chairman of the Audit Committee: ____________

Adeel Imtiaz
Internal Audit Department: ____________

Company Stamp

AL SAGR NATIONAL INSURANCE CO.
الصقر للتأمين
AL SAGR INSURANCE
01 01
P.O. BOX 14614, DUBAI, U.A.E

الصقر للتأمين
AL SAGR INSURANCE

SUSTAINABILITY REPORT



2024

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About the Report

Al Sagr National Insurance Company's 2024 Sustainability Report covers the period from January 1, 2024, to December 31, 2024, unless specified otherwise. Established on December 25, 1979, by an Emiri Decree from His Highness, the Ruler of Dubai, the company operates as a public shareholding entity and is officially registered with the UAE Ministry of Economy under Registration No. (16).

With a strong presence across the United Arab Emirates, Al Sagr National Insurance Company is headquartered at the Al Sagr National Insurance Building, Diplomatic Area, Al Seef Road, Bur Dubai, P.O. Box 14614, Dubai, UAE. The company also maintains branches in Dubai, Abu Dhabi City, Abu Dhabi Musaffah, Al Ain, Ras Al Khaimah, Sharjah, and Ajman. This report encompasses all seven branches along with the headquarters. While the company has three associate entities—Green Air Technology LLC, Sogour Al Khaleej General Trading LLC, and Al Sagr Cooperative Insurance Company—these organizations operate independently, and as such, they fall outside the scope of this report. Unless otherwise specified, the report's scope is determined by operational control.

We take operational control as the boundary for reporting, unless stated otherwise.

Basis of Preparation

This report has been prepared in compliance with the Global Reporting Initiative (GRI) Standards and in alignment with Dubai Financial Market's (DFM) ESG guidelines to promote transparency and accountability. Furthermore, it highlights Al Sagr National Insurance Company's commitment to the United Nations Sustainable Development Goals (SDGs).

Data Verification

To guarantee accuracy and completeness, the content of this report has been thoroughly reviewed internally by the relevant departments.

Forward - Looking Statements

It is essential to recognize that forward-looking statements are subject to uncertainty, as they rely on various external factors that may influence the company's operations. The company is not obligated to publicly update or revise these statements during the upcoming fiscal year, except as required by applicable laws and regulations. Consequently, evaluating forward-looking statements does not fall within the scope of our internal audit team.

Communication & Feedback

Each section begins with references to the GRI Standards and DFM ESG disclosures. The GRI content index, located on page 41 is prepared in accordance with the GRI Standards and encompasses DFM's ESG disclosures.

We welcome feedback and suggestions related to this report. Please contact us at:

ASNIC HQ

Email : ASNIC@alsagrins.ae

Phone number :+ 971 (04) 7028 500

Message from CEO

Abdel Muhsen Jaber
CEO

As we reflect on our achievements in 2024, I am proud to share the strong progress Al Sagr Insurance Company has made. This year, we've seen notable growth through effective customer acquisition, relationship-building, and market expansion. In an ever-changing insurance landscape, we've adapted our strategies to meet the evolving needs of our clients and the market.

Our commitment to agility drives us to deliver innovative insurance solutions while maintaining robust governance. We are also deeply invested in ESG (Environmental, Social, and Governance) principles, aligning with the UAE's focus on sustainability. By reducing our environmental impact, enhancing social well-being, and upholding high governance standards, we aim to create a responsible future. Innovation is essential to our mission, and we actively seek customer feedback and leverage technology to develop products that resonate with our clients. Our customer-centric approach focuses on open communication and proactive engagement, ensuring exceptional service throughout the insurance journey.

Looking ahead, we are dedicated to creating value for all stakeholders by upholding our ESG commitments, reinforcing governance, driving continuous innovation, and prioritizing customer satisfaction. Together, we will navigate the evolving landscape, foster sustainability, and deliver lasting value. Thank you for being part of our journey.

Al Sagr - An Overview

About Al Sagr Insurance

For over 40 years, Al Sagr National Insurance Company (Al Sagr) has been a premier multi-line insurance provider in the UAE, renowned for unwavering dedication to excellence and innovation. Headquartered in Dubai, the company operates strategically located branches across the emirates, including Abu Dhabi, Al Ain, Sharjah, Ras Al Khaimah, and Ajman. This extensive reach allows Al Sagr to serve a diverse clientele with a comprehensive portfolio of top-tier insurance solutions tailored for individuals, businesses of all sizes, and government entities.

Since its inception in 1979, we have adapted to the evolving needs of our customers, leveraging a skilled team committed to delivering exceptional service and developing innovative insurance offerings.

Fostering long-term relationships with stakeholders—investors, customers, and employees—remains central to our mission. A relentless pursuit of service excellence and innovation has established the company as a trusted partner for multinational corporations and local residents alike. By prioritizing customer-centric approaches and nurturing trust-based partnerships, Al Sagr has built a strong reputation for providing distinguished insurance solutions throughout the UAE. As the company continues to drive progress and excellence in the industry, the commitment to meeting clients' needs with integrity and dedication endures.

To establish ourselves as a leading insurance provider in the region, driven by a commitment to exceptional customer satisfaction. We aim to deliver innovative insurance solutions, uphold professionalism, leverage cutting-edge knowledge, and utilize local talent and resources, all for the benefit of our stakeholders.

To preserve Al Sagr's esteemed reputation by delivering top-tier customer service with passion and pride. Our mission is to build customer loyalty, as reflected in their experiences and testimonies regarding the quality of our service.

Our Core Values

- **Customer Commitment:** We prioritize retaining customer loyalty through reliable service and the cultivation of strong relationships.
- **Excellence:** We strive to reach the highest standards through hard work, wisdom, and dedication.
- **Quality:** We are committed to offering superior services at competitive prices, ensuring that our products consistently meet client expectations.
- **Reliability:** We hold ourselves accountable for always safeguarding the interests of our stakeholders.
- **Teamwork:** We promote collaboration to continuously enhance customer service, product quality, and client loyalty.

Our Portfolio

(GRI 201-1, GRI 203-2, GRI 418-1, G7)

We provide our customers with a complete range of top-tier insurance solutions. Our core goal is to be their trusted partner, helping to build resilience and protect their well-being. We offer a diverse selection of products tailored to meet a broad spectrum of needs, including:

To our corporate customers

- Group Medical Insurance
- Group Life Insurance
- Motor Fleet Insurance
- Marine Cargo Insurance
- Property Insurance
- Engineering Insurance
- Liability Insurance
- Group Life Insurance
- Miscellaneous Insurance
- Home Insurance

To our individual customers

- Medical Insurance
- Life Insurance
- Travel Insurance
- Motor Insurance
- Yachts & Pleasure Crafts Insurance
- Home Insurance

Our Partners

Al Sagr leverages partnerships to strengthen its offerings and service delivery. Collaborations with leading companies expand our product portfolio and expertise. Notably, partnerships with A-rated reinsurers fully secure all underwritten risks, solidifying our financial backing and client protection. These include renowned global and regional reinsurers such as Hannover Re, Swiss Re, Korean Re, GIC Re, and Liberty, among others.

hannover re

Swiss Re

KOREAN Re

LLOYD'S Underwriters

आपत्काले रक्षिष्यामि GIC Re

Liberty Insurance

CCR RE

MAPFRE

R+V RE

Kuwait Re

إعادة Saudi Re

Association Memberships:

الاتحاد العام العربي للتأمين هيئة عربية دولية GENERAL ARAB INSURANCE FEDERATION

اتحاد التأمين الخليجي Gulf Insurance Federation

جمعية الإمارات للتأمين Emirates Insurance Association

Sustainability at Al Sagr

(GRI 2-29, GRI 2-30, GRI 3-1, GRI 3-2)

Key ESG Highlights for 2024

3.4% Energy Intensity from 2023

40.4% Female Workforce

Zero Incident of Data Leakage

Understanding the interconnectedness of environmental, social, and economic well-being is crucial. A strong dedication to integrating sustainability into core operations fosters the creation of products that enhance resilience and encourage responsible investments. This report highlights ongoing efforts to cultivate a more sustainable future for both the organization and the communities it serves.

Our Sustainability Strategy

Al Sagr Insurance Company acknowledges its responsibility to generate long-term value for all stakeholders. This requires the integration of Environmental, Social, and Governance (ESG) considerations into our core operations. By prioritizing three key areas, we aim to enhance our impact as a sustainable insurance provider:

Responsible Employer

We cultivate a safe and healthy work environment that offers opportunities for employee growth and development. We promote sustainability awareness by minimizing our environmental footprint and attracting top talent who share these values.

Responsible Insurer

Acknowledging the increasing ESG risks, especially climate change, we are incorporating ESG factors into our risk management strategy. This enables us to create innovative underwriting solutions that contribute to a sustainable future.

Responsible Investor

Although our direct environmental impact is minimal, we maximize our influence through our investment activities. By applying ESG screening, we direct funds toward sustainable issuers and support the shift to sustainable finance.

SDG Roadmap

The UN's 17 Sustainable Development Goals (SDGs) serve as a global framework to eradicate poverty, protect the planet, and ensure prosperity by 2030. These interconnected goals require a coordinated global effort, with SDG 13 focusing specifically on climate change as a critical barrier to achieving all the goals.

Acknowledging the importance of collaboration, the UAE established a National Committee on SDGs to incorporate these goals into national and local agendas. Additionally, specialized advisory bodies, including the Private Sector Council, were formed to develop policies and initiatives aimed at achieving these objectives. The UAE's commitment extends internationally through the creation of the Global Councils on SDGs, a network of experts dedicated to advancing the implementation of these goals worldwide.

Key SDGs

We support the UAE's national sustainability agenda by aligning our business operations with the United Nations' Sustainable Development Goals (SDGs). This alignment is essential for amplifying our positive contributions to society. In this context, we have identified five key SDGs where we can make a meaningful impact. Notably, one of the most significant areas is health and well-being, particularly through our core offering of health insurance, which holds the potential to effect substantial change.

High Impact SDG: SDG 3

Core SDGs: SDGs 1, 5, 8, and 13

Al Sagr is dedicated to fostering a more sustainable future, and our insurance products play a crucial role in advancing several key UN Sustainable Development Goals (SDGs). Here’s how we contribute:

1 NO POVERTY

Insurance provides a vital safety net that shield families from the financial impact of unforeseen events, helping to prevent poverty and promoting economic stability.

3 GOOD HEALTH AND WELL-BEING

By providing health insurance, Al Sagr plays a crucial role in social protection, ensuring access to healthcare for individuals and families. This helps prevent financial hardship due to medical expenses.

5 GENDER EQUALITY

Al Sagr addresses gender risk by providing insurance solutions that protect women in the event of a spouse’s death, ensuring financial stability for their homes, businesses, and children’s education, and promoting gender equality.

8 DECENT WORK AND ECONOMIC GROWTH

Our asset protection insurance empowers Micro, Small, and Medium Enterprises (MSMEs) to secure loans and investments, unlocking financial resources for growth, job creation, and economic development.

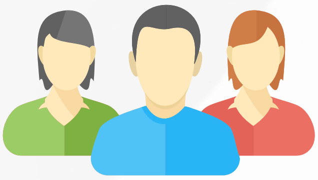
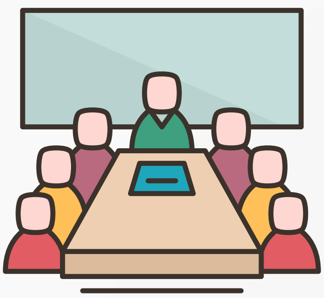
13 CLIMATE ACTION

By mitigating the financial burden of extreme weather events, Al Sagr's insurance strengthens climate resilience for individuals and businesses. This complements other climate change adaptation efforts.

Stakeholder Engagement

Recognizing the significance of continuous stakeholder engagement in today's rapidly evolving business landscape is crucial. By maintaining open lines of communication, valuable insights into stakeholders' needs and concerns can be gathered, enabling informed decision-making that leads to positive outcomes. This proactive engagement ensures alignment with shifting market dynamics and industry challenges, fostering adaptability, innovation, and long-term success. Transparent collaboration not only strengthens trust but also cultivates a shared purpose, reinforcing a collective commitment to sustainable growth.

The table below outlines our key stakeholders, the method of engagement we utilise, and the areas of focus:

Key Stakeholders	Method of Engagement	Focus Areas
 Customers	Website Marketing Material Social Media Online Customer Review Regulator Compliant Portal	Customer Needs Product Innovation Claims Experience Sustainability Preferences
 Employees	Yearly Performance Review Company Training Internal Announcements Company Events Exit Interviews	Employee Well-Being Skills Development Diversity & Inclusion Sustainability Initiatives within the company
 Board of Directors & Management Team	Regular Meetings Board of Directors Meetings Committee Meetings Management Meeting Corporate Disclosure	Governance Risk Management Sustainability Strategy Company Performance

Shareholders

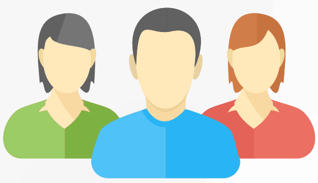
Annual General Meeting
Regular Corporate
Regulatory Disclosures

Financial Performance
ESG Strategy
Long-Term Value Creation

Community

Local initiatives and volunteering activities

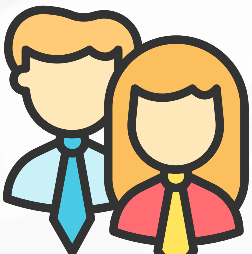
Social Responsibility
Community Development
Environmental Sustainability Initiatives



Business partners (Reinsurer, TPAs, and Brokers)

Code of Conduct
Assessment and Audits

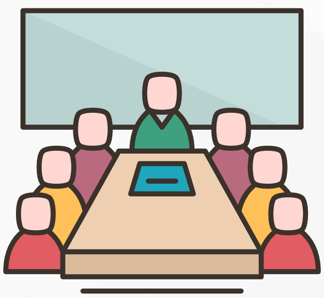
Risk Management
Product Development
Market Trends
Sustainability Practices within the Insurance Industry



Rating Agencies

Meetings with Rating Agencies
Public Disclosures on Sustainability Practices

Financial Strength
Risk Management Practices
ESG Integration within the Company



Government & Regulators (CB UAE, SCA, DFM, DHA, Department of Health Authority)

Regular interaction as per Regular Requirements
Regular Exchange of Emails
Webinars

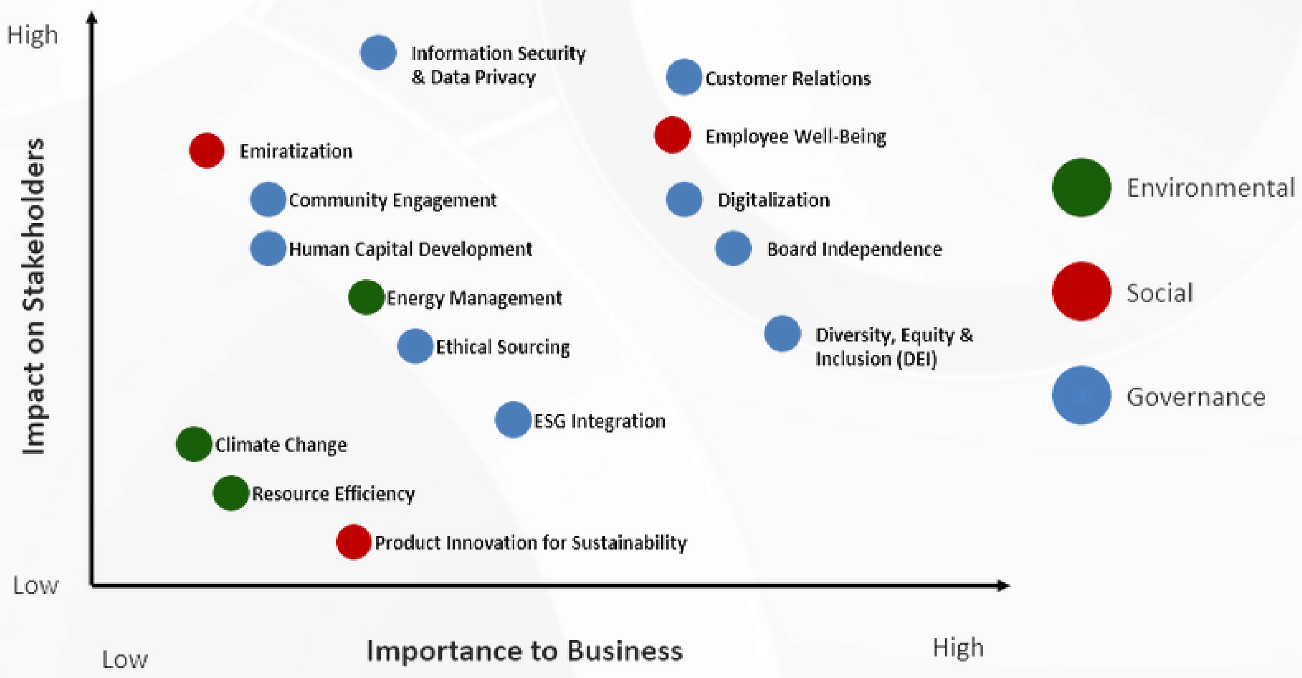
Regulatory Compliance
Industry Best Practices
Sustainability Reporting Requirements

Al Sagr is committed to continuously improving and enhancing stakeholder engagement. We are actively working towards a more structured and systematic approach and methodology for ESG-focused engagement. This could potentially involve additional surveys, workshops and dedicated communication channels to gain deeper insights into stakeholders' perspectives on environmental, social and governance (ESG) matters.

Materiality Assessment

Based on our previous year's comprehensive materiality assessment which included an internal stakeholder survey, insights from available reports and industry best practices, we have identified the key material topics impacting the stakeholders and having importance to the business. We are continuously working on improving our materiality assessment process, to incorporate and expand a broader range of both internal and external stakeholders and for understanding the sustainability priorities for a refined focus and delivery of better sustainability impact.

The materiality matrix highlights the importance of the material topics identified to the stakeholders and the importance of these to the business. The topics positioned at the top are the most significant and these topics will be the focus of our sustainability reporting efforts.



Key Focus Areas

To adopt a comprehensive and effective approach to sustainability, we have organized our key material topics into four core pillars. By concentrating on these pillars and their related topics, Al Sagr strives to create a meaningful impact on our stakeholders, the environment, and society.

Protecting Our Customers
- Information Security & Data Privacy
- Customer Relations

Investing in Our People
- Employee Wellbeing
- Diversity, Equity & Inclusion (DEI)
- Emiratization

Building a Sustainable Future
- Digitalization
- Energy Management
- Climate Change
- Resource Efficiency
- Ethical Sourcing
- Responsible Labelling & Marketing

Strong Governance & Community Focus
- Board Independence
- Community Engagement
- Economic Performance
- Product Innovation for Sustainability

Customer Engagement

(GRI 417-2, GRI 417-3, GRI 418-1, G7)

Customer well-being is at the heart of Al Sagr's sustainability journey. Through our insurance solutions, we offer risk mitigation and financial protection, promoting social stability and economic resilience. As a leader in the UAE's general insurance sector, we are constantly innovating and evolving to meet the customer needs. We enhance service efficiency and strengthen data security by leveraging digitization. The compliance team at Al Sagr upholds strict ethical standards, ensuring zero instances of non-compliance in the past three years. We are committed to maintaining transparency with customers with ethical marketing practices and transparent labels. We prioritise data security and privacy while leveraging digitization. Our customer-centric approach strengthens trust and loyalty, contributing to our long-term sustainability.

Transparency

Al Sagr believes in the importance of clear and transparent communication for building trust and enabling customers to make informed decisions. We prioritize transparency through product information, labelling, and marketing communications about our insurance products and services,

including policy details, coverage options, terms and conditions. We ensure that our insurance products are labelled transparently by adhering to the ethical marketing practices, this empowers the customers to choose the coverage that best fit the needs of the customers without any misleading information. We maintain a rigorous compliance program that ensures adherence to all the regulations relevant and industry best practices. We have recorded zero incidents of non-compliance with regulations related to product information, labelling or marketing communications in the last three years starting from 2022. Our commitment to transparency goes beyond regulatory requirements—we strive to provide clear, accessible information to foster trust and support informed decision-making for our customers.

Data Privacy

We deeply value the immense trust our customers place in us while sharing their personal information. Data privacy and security is of topmost priority, and we are committed to handling this data with the highest level of care. In today's digital world, we acknowledge the growing risks of data breaches.

To address these challenges, Al Sagr National Insurance follows the best. Our dedication to data has delivered tangible results. We feel proud that throughout 2024, Al Sagr has received no substantiated complaints from external parties. Additionally, there have been no complaints from regulatory bodies. Furthermore, there have been no identified incidents of data leaks, thefts, or losses involving customer information. This reflects our continued efforts to protect customer information. Moreover, we proactively comply with GDPR regulations, underscoring our commitment to global data privacy standards.

Technology & Innovation

The IT department of Al Sagr categorises and secures data using robust systems and solutions from industry leaders such as Microsoft and Oracle. We reinforce our security framework with regular data backups, stringent security protocols, and Data Leakage Protection (DLP) systems.

A company-wide Data Protection & Privacy Policy governs how employees and third parties collect, store, and share personal data, ensuring transparency and reinforcing our commitment to data privacy.

Al Sagr has implemented a comprehensive suite of advanced data protection tools, including data encryption and cutting-edge technologies such as Forti, NAC, DLP, PAM, Multi-Factor Authentication (MFA), Security Information and Event Management (SIEM) systems, Access Points and using reliable systems.

For transitioning to a paperless workplace, we are developing a digital token system and improving the main process in the insurance systems through the workflow process for reducing manual and printed documents. Al Sagr has short-term and long-term plans in Technology, Innovation and Digitalization:

Enhance Data Minimization Practices
Ensure that only necessary and relevant data is collected from users, maintaining a strict policy of data minimization to reduce privacy risks.

Scalable Infrastructure
Upgrade infrastructure to handle higher volumes of users and data, ensuring that performance remains consistent even during periods of high demand.

Short-Term Plans:

Strengthen Encryption & Access Control
Implement and refine robust encryption protocols for data in transit and at rest. Tighten access control measures to ensure that only authorized personnel and systems can access user data.

Improve Transparency & User Consent
Update privacy policies to provide clear communication to users about data collection and usage. Allow users to easily manage their privacy settings, such as opting out or deleting their data. Improve User Experience: Enhance the user interface and experience for AI tools, ensuring they are more intuitive and responsive. Integrate user feedback to identify and address pain points in real-time.

Improve Integration with Existing Digital Systems
Develop APIs and frameworks that allow businesses and organizations to integrate tools seamlessly into their existing digital ecosystems.

Scalable Infrastructure
Upgrade infrastructure to handle higher volumes of users and data, ensuring that performance remains consistent even during periods of high demand.

Long-Term Plans:

Improve Integration with Existing Digital Systems
Develop APIs and frameworks that allow businesses and organizations to integrate tools seamlessly into their existing digital ecosystems.

These initiatives reinforce the organization's commitment to technological advancement, innovation, and digital transformation.

Digital Sustainable Transformation

Al Sagr is undergoing a transformative shift towards complete digitalization, driven by a dedication to sustainability and an improved customer experience. Our vision is a future where every operation is fully digital, ensuring unmatched convenience and efficiency for our customers.

Optimizing Processes and Partnerships:

We have upgraded our core insurance platforms to boost efficiency and streamline operations, resulting in faster processing times and a smoother experience for our customers. Additionally, we are actively forming strategic partnerships with regulators and Third-Party Administrators (TPAs) to enhance key processes and services, ensuring a seamless and efficient insurance journey.

Security and Sustainability in Focus

We are committed to protecting customer data and maintaining system stability through strong security measures, including advanced protocols and a secure IT environment. To enhance efficiency, we leverage Document Management Systems (DMS) and workflow automation tools, ensuring seamless operations and comprehensive document archiving. This not only optimizes processes but also supports environmental sustainability by reducing paper consumption.

Looking Ahead: Continued Transformation

Our journey of digital transformation is an ongoing commitment. In the short term, we prioritize strengthening security by continuously refining our policies and procedures to stay ahead of evolving cyber threats. Looking ahead, our long-term vision includes a comprehensive revamp of our Enterprise Resource Planning (ERP) systems to enhance business processes and data management. Additionally, we are focused on optimizing IT infrastructure, with planned network and server upgrades to build a robust, scalable foundation that supports our long-term digital ambitions.

By focusing on operational excellence, data security, and sustainability, Al Sagr is laying the groundwork for a successful and sustainable digital future.

Sustainable Governance

(GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20, GRI 2-21, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, S1, S9, S10, G1, G2, G3, G6)

Al Sagr maintains a strong governance framework ensuring transparency, accountability and effective risk management, fostering trust among all stakeholders and supporting company in creating long-term value. Al Sagr publishes annual corporate governance report in line with the requirements of UAE Securities and Commodities Authority (SCA), detailing comprehensive overview of its governance structure including policies and mechanisms ensuring reliable and consistent governance, defining the roles and responsibilities of key stakeholders including the Board of Directors and its Committees.

Responsible Governance at Al Sagr

Al Sagr believes that strong governance is fundamental to long-term success and the achievement of our sustainability goals. By maintaining the highest standards of corporate governance, compliance, and risk management, we ensure sustainable value creation for all stakeholders.

Board Structure:

The Board of Directors at Al Sagr play a pivotal role in overseeing its strategic decisions, ensuring responsible business practices. The Board comprises of four non-executive directors, out of which, three are males and one female. This structure helps in fostering independent decision-making and oversight that helps in strengthening the board's effectiveness. These board of independent directors bring in valuable expertise and diverse perspectives, provide valuable guidance for Al Sagr's strategic direction. The CEO is prohibited from serving as a Board of Director, ensuring independent decision-making within governance structure.

Name	Designation
Majid Abdalla Juma Majid Alsari	Chairman
Khalid Abdulla Omran Taryam	Vice-Chairman
Mohamed Ali Abdalla Al Sari Al Mheiri	Board Member
Jawaher Salem Bilal Mubarak Almheiri	Board Member

The Board has established three committees for effective oversight:

Audit Committee: Provides independent oversight of the company's financial reporting and risk management practices.

Nominations and Remuneration Committee

Recommends qualified candidates for Board membership and management roles and establishes fair compensation practices.

Investment Committee

Oversees the implementation of the company's investment strategy, ensuring prudent decisions aligned with risk management best practices.

Ownership Structure

Al Sagr's ownership structure comprises of UAE nationals.

Building Sustainable Culture

Al Sagr believes that lasting sustainability is a shared responsibility. The department heads lead the implementation and monitoring of sustainability initiatives, integrating sustainability principles into their daily operations, inspiring teams to adopt sustainable practices. Employees are encouraged to contribute through innovation in their roles and active participation in sustainability initiatives. We provide regular training programs and maintain open communication channels for sharing ideas and feedback to employees. Al Sagr is building a sustainable culture for a sustainable future.

Upholding Regulatory Compliance

Responsible governance extends beyond financial performance at Al Sagr, encompassing the highest standards of compliance across all operations. We operate with transparency and accountability, adhering strictly to all relevant laws, regulations, and directives issued by the Insurance Authority, Central Bank, and other regulatory bodies. Our strong ethical foundation is reinforced by a strictly enforced Code of Conduct, ensuring responsible and ethical business practices in all interactions. Our commitment to compliance is reflected in our consistent record of zero non-compliance for the last three years.

Proactive Risk Management

Our comprehensive framework and proactive approach to risk management goes beyond internal audit and compliance functions, incorporating a dedicated Risk Management Committee. We have a comprehensive Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework in place that is reviewed and updated annually. There is whistleblowing policy enforced in the company to get the right information to the right people to counter the wrongdoings and to take the corrective actions where needed.

Understanding and Mitigating Key Risks

Al Sagr carefully navigates the various risks inherent in the insurance industry, safeguarding the company's long-term stability and reinforcing our commitment to policyholders. Below is an overview of key risks and our approach to managing them:

Underwriting Risk

This involves assessing and pricing the risk associated with the policies we underwrite. Factors such as the likelihood of claims, the severity of potential losses, and the accuracy of our pricing models all contribute to this aspect of our risk profile.

Operational Risk

This involves risks associated with our day-to-day operations, including technological failures, human error, regulatory compliance, and strategic risks. Managing operational risk is crucial to maintaining the stability and reliability of our services.

Reinsurance Risk

Insurance companies often transfer a portion of their risk to reinsurers. Our risk profile includes considerations of the effectiveness of our reinsurance arrangements and the potential impacts of reinsurer insolvency or inadequate coverage.

Investment Risk

Insurance companies often hold significant investment portfolios to generate returns and meet future obligations. Our risk profile includes considerations of the risks associated with these investments, such as market volatility, credit risk, and liquidity risk.

Market Risk

External factors such as changes in economic conditions, regulatory environments, and competitive landscapes pose risks to our business. Monitoring and adapting to market dynamics are essential components of our risk profile.

Overall, our risk profile reflects the balance between risk and reward inherent in the insurance business. We continuously assess and manage these risks to ensure the long-term viability and stability of our company while fulfilling our obligations to policyholders.

Continuous Improvement

Our risk management framework is an adaptive and continuous process. By proactively identifying, analyzing, and addressing potential risks, Al Sagr maintains a strategic balance between risk and reward. We consistently review and refine our risk assessments, mitigation strategies, and key performance indicators to align with evolving market dynamics and industry best practices. This steadfast commitment to risk management ensures a sustainable business environment and enables us to fulfill our obligations to policyholders with confidence.

Building Social Resilience

(GRI 202-2, GRI 401-1, GRI 401-2, GRI 403-8, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 406-1, GRI 413-1, S2, S3, S4, S5, S6, S7, S8, S11, G1, S12)

Investing in Our People

At Al Sagr, we recognize that our people are the cornerstone of our success. We remain committed to attracting top-tier talent—individuals who exemplify our dedication to customer excellence. Our team members are not only highly skilled but also continually strive for personal and professional growth. Beyond recruitment, we cultivate an environment that prioritizes the well-being of our employees, offering various programs and opportunities that enable them to thrive. By supporting their development, we have created a strong foundation for sustainable success at Al Sagr, ensuring that our employees contribute to the highest standards of customer service. This commitment benefits both our workforce and our customers, creating a true win-win scenario.

We are committed to fostering a work environment where employees feel valued, supported, and empowered to grow both personally and professionally. Recognizing that employee well-being is integral to long-term success, we provide a comprehensive benefits package designed to support their financial

security, health, and work-life balance. Our offerings include competitive salaries, annual flight allowances, comprehensive medical and life insurance, parental leave, and end-of-service benefits in full compliance with UAE Labour Law.

To ensure our workforce remains engaged, skilled, and motivated, we continuously refine our human resources policies, workplace initiatives, and professional development programs. Our commitment to excellence is reflected in our annual review of the Human Resources Manual, ensuring alignment with UAE Labour Law updates and industry best practices. Additionally, our Assuretech System streamlines HR processes by offering a centralized Employee Self-Service (ESS) platform, enhancing efficiency in performance appraisals, leave requests, and other key HR functions.

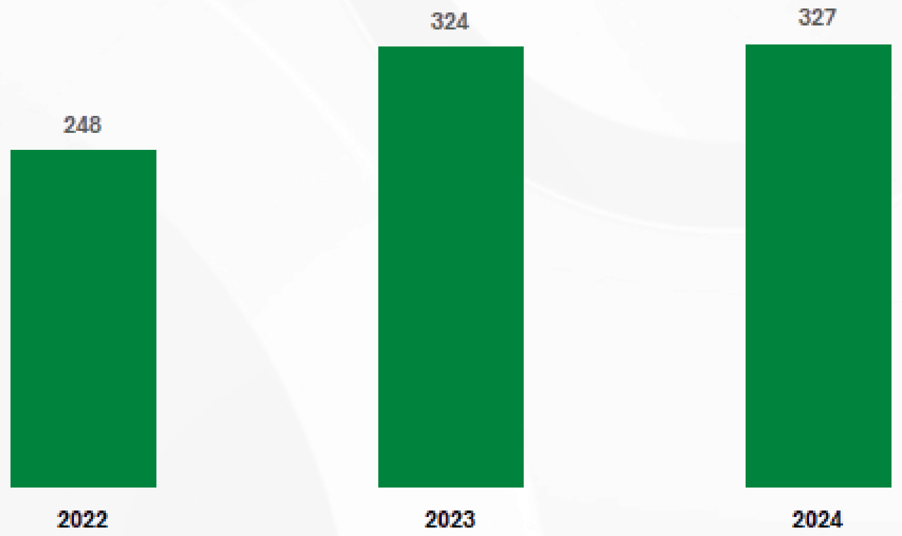
Beyond these fundamental benefits, we actively invest in our employees' professional development. We provide access to continuous learning opportunities, upskilling programs, and career advancement initiatives to help our workforce stay ahead in an evolving industry. Through targeted training sessions, leadership development programs, and mentorship opportunities, we equip our team with the skills and knowledge they need to build long-term, fulfilling careers with Al Sagr.

We also prioritize fostering an inclusive and engaging workplace culture. Our initiatives focus on employee well-being, mental health support, work-life balance, and diversity and inclusion, ensuring that every team member feels respected and motivated. Through open communication channels and regular feedback mechanisms, we create an environment where employees can voice their concerns, share ideas, and actively contribute to our collective success.

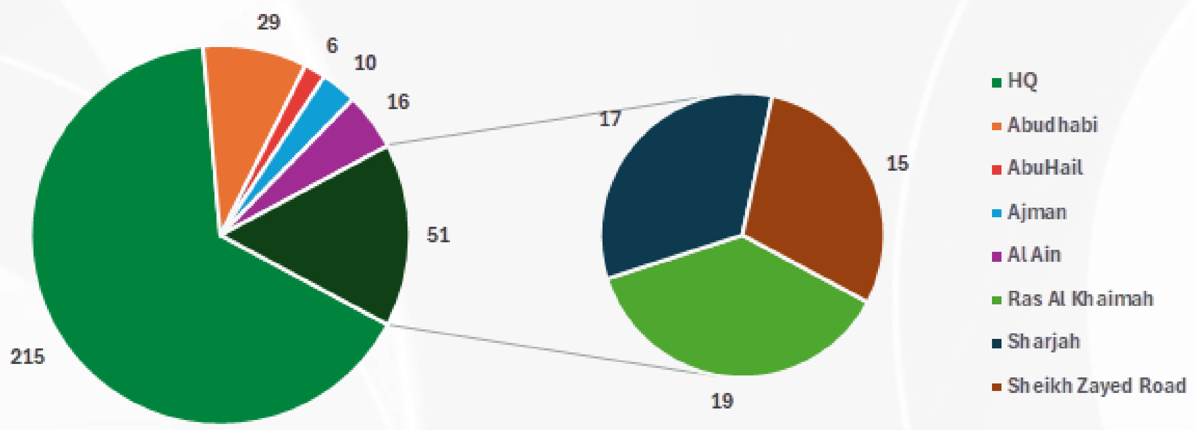
By continuously enhancing our workplace experience and investing in our people, we reinforce our commitment to building a resilient, high-performing workforce that drives both business excellence and customer satisfaction.

Building a Thriving Workforce

We value our employees as our most important asset. Their dedication, skills, and professionalism play a vital role in delivering exceptional customer service. Over the past two years, our workforce has grown significantly, increasing by 31.85%. This expansion reflects the resilience of our business operations and our dedication to attracting and retaining top talent. By fostering a thriving workforce, we continue to uphold our promise of excellence to our employees and customers alike.



Total Number of Employees



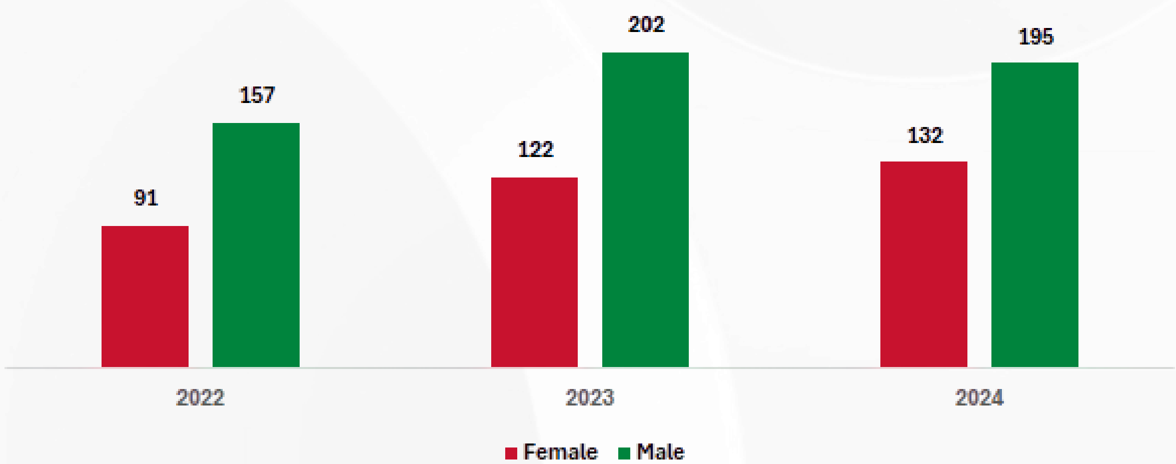
Breakdown by Branch (2024)

Diversity, Inclusion and Workforce Growth

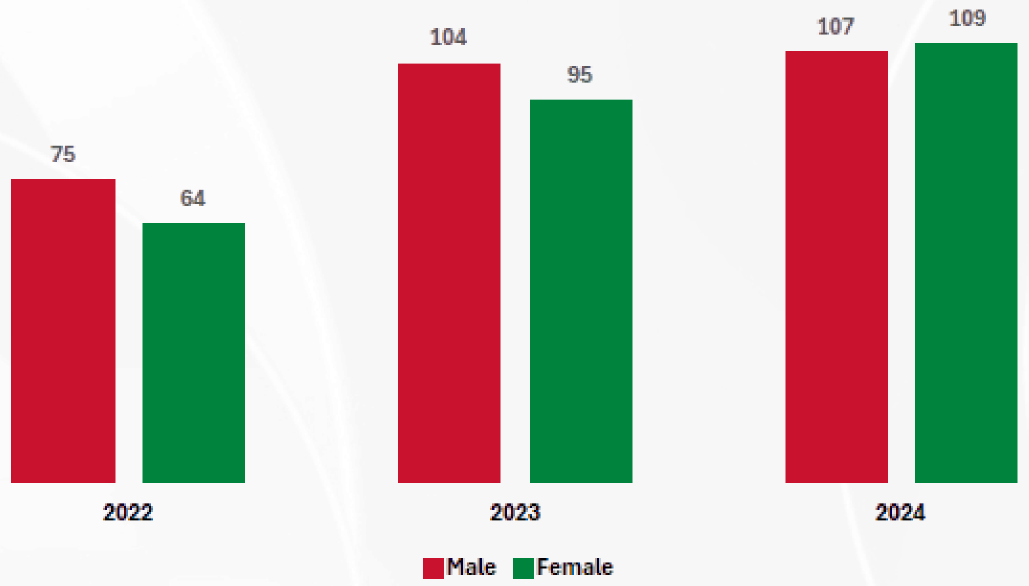
At Al Sagr, we are committed to building a diverse, inclusive, and thriving workforce. We believe that fostering a balanced and dynamic work environment enhances innovation, strengthens collaboration, and drives business success. Our dedication to attracting and retaining top talent is reflected in the increasing diversity across different job categories and age groups.

Expanding Workforce Diversity by Gender

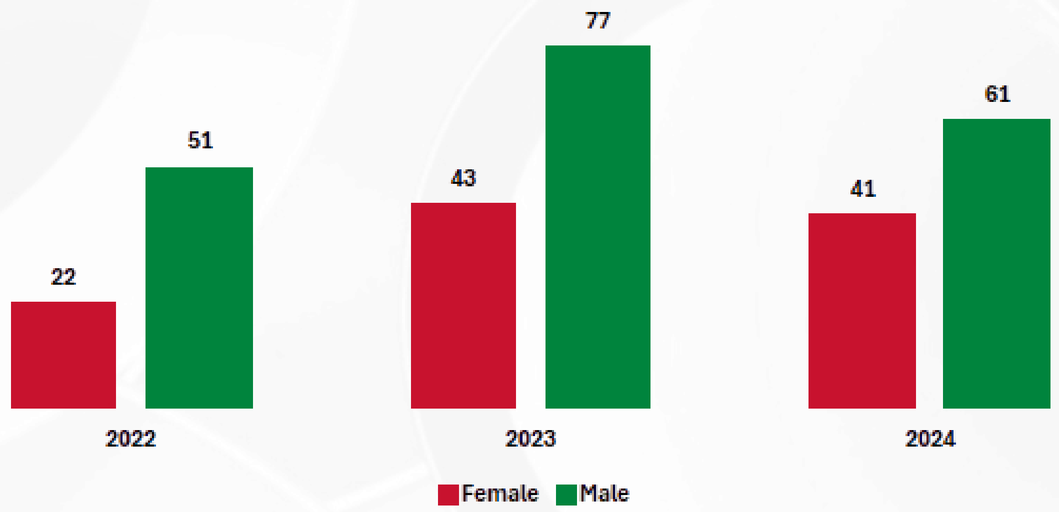
Over the past two years, we have witnessed significant progress in promoting gender diversity at all levels of the organization. In 2024, our entry-level workforce saw an increase in female representation, with 109 female employees compared to 95 in 2023, outpacing the growth in male employees (107 in 2024 vs. 104 in 2023). This upward trend highlights our focus on gender-balanced hiring and creating equal opportunities across different roles. Also, reflecting our ongoing commitment to fostering a more diverse and inclusive workforce, the percentage of female hires at Al Sagr increased from 35.83% in 2023 to 40.20% in 2024.



Gender Diversity



Entry Level Gender Diversity

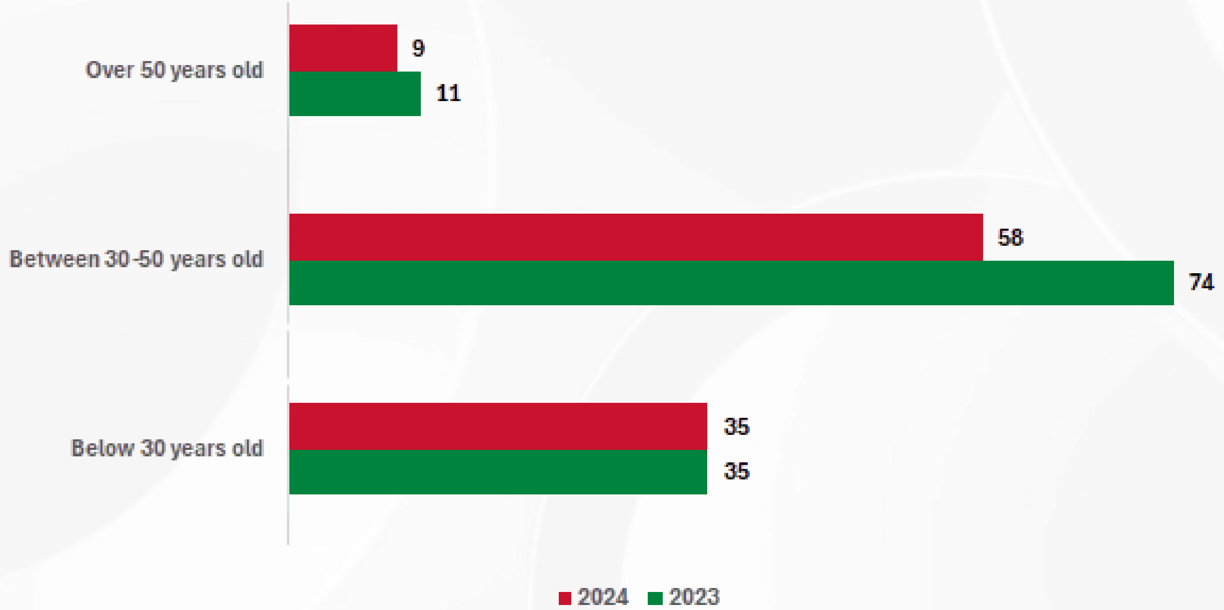


Number of New Hires (By Gender)

At the mid-level, we maintained a strong team with 81 male and 23 female employees in 2024. Although there was a shift in the composition, we remain committed to career advancement programs that support women in progressing to higher positions. As we move forward, we continue to implement leadership development initiatives aimed at fostering a more inclusive leadership pipeline.

Encouraging Multi-Generational Talent

Our workforce spans a broad age range, creating a well-balanced mix of fresh perspectives and experienced leadership. In 2024, young professionals at entry level in our workforce increased, with 86 employees under the age of 30 in entry-level positions, a notable increase from 60 in 2023. This growth underscores our ability to attract emerging talent and provide opportunities for career development. Also, the hiring of young professionals (below 30 years old) increased from 29.2% in 2023 to 34.3% in 2024, highlighting Al Sagr's commitment to attracting and nurturing emerging talent.



Number of New Hires (By Age Group)

At the mid-level, we continue to uphold a strong talent base, with 57 employees aged between 30-50 years old, alongside 34 employees under 30, reflecting a shift in generational dynamics. The senior-to-executive category remains stable, with six employees in the 30-50 age bracket and one employee over 50, ensuring continuity in leadership while fostering future-ready management.

Al Sagr takes pride in offering permanent contracts to all employees, ensuring job stability, security, and long-term career growth. Every member of our workforce is a full-time employee, allowing them to fully integrate into our organizational culture, participate in career development programs, and contribute meaningfully to our collective success. By providing permanent employment opportunities, we reinforce our commitment to nurturing a loyal and motivated workforce that drives sustained business excellence.

As we continue to evolve, we remain dedicated to fostering an equitable, diverse, and growth-oriented workplace. Through strategic talent acquisition, leadership development, and inclusive workplace policies, we ensure that Al Sagr remains an employer of choice, empowering individuals to reach their full potential while driving the company toward long-term success.

Employee well-being: a holistic approach

A thriving workforce is one that feels supported, valued, and empowered. At Al Sagr, we prioritize employee well-being through a multifaceted approach, ensuring a healthy work-life balance, access to well-being resources, and a culture of appreciation.

Work-Life Balance & Flexibility: We continue to offer flexible work arrangements to promote a healthier balance between professional and personal responsibilities, allowing employees to maximize productivity while maintaining their well-being.

Employee Recognition & Engagement: We foster a culture of appreciation through initiatives like the "Employee of the Quarter" award, which acknowledges outstanding contributions. Our team-building activities, annual events, and corporate social responsibility programs further enhance engagement and strengthen our organizational community.

Corporate Social Responsibility & Community Building: We actively encourage employee participation in social initiatives, such as blood donation drives and health awareness campaigns, reinforcing our commitment to making a positive impact beyond the workplace.

By cultivating a supportive and inclusive environment, we empower employees to perform at their best, contribute meaningfully, and grow within the organization.

Training & Development: Investing In Continuous Learning

In an increasingly dynamic market, continuous learning and skill enhancement are essential to maintaining a competitive edge. At Al Sagr, we invest in comprehensive training and development programs to ensure that our employees remain at the forefront of industry advancements.

Comprehensive Onboarding for New Talent

All newly hired employees participate in a structured onboarding program that provides:

- An in-depth understanding of the insurance sector, Al Sagr's product offerings, and operational processes.
- A clear introduction to our corporate values, ethics, and customer service standards.
- Assessments and feedback mechanisms to ensure knowledge retention and readiness for their roles.

Ongoing Skill Development & Certification Support

We offer a diverse range of training opportunities, tailored to different roles and career aspirations. These include:

- **Formal Education Support:** In collaboration with the Emirates Institute for Banking and Financial Studies (EIBFS), we facilitate access to specialized courses in banking, finance, and insurance.
- **Industry Certifications:** Employees are encouraged to pursue professional insurance certifications, such as those provided by the Chartered Insurance Institute (CII) and required by regulatory bodies like the Central Bank of the UAE.
- **Sales & Technical Training:** Our sales force undergoes specialized programs to enhance product knowledge and customer engagement strategies. Additionally, employees can access external training for specialized skills like advanced Excel and procurement management.
- **Soft Skills Development:** In-house programs focus on enhancing communication, leadership, and teamwork skills, ensuring that employees are well-equipped to navigate professional challenges.
- **Regulatory Compliance Training:** All employees undergo mandatory compliance training on topics such as anti-money laundering (AML), data protection, and ethical business practices to uphold industry standards and protect Al Sagr's reputation.

Performance-Driven Career Growth

To maintain a high-performing workforce, we implement a structured performance evaluation framework that ensures continuous professional development:

- Annual performance reviews identify skill gaps, recognize high-potential employees, and tailor development plans accordingly.
- Employees who complete their probation period undergo structured evaluations, with opportunities to provide feedback and discuss career growth.
- Career advancement pathways are designed for top-performing employees, fostering internal mobility and leadership development.

Employee Turnover & Retention

Fostering a stable and engaged workforce while continuously attracting top talent to support our growth is one of our main priorities. Over the past three years, we have seen a significant expansion in our workforce, accompanied by evolving employee turnover trends.

In 2024, Al Sagr's employee turnover rate rose to 34.41%, up from 18.88% in 2023. While this increase reflects shifts in the talent landscape and evolving workforce dynamics, Al Sagr remains committed to strengthening employee retention. Through strategic engagement initiatives, professional development programs, and a supportive work environment, we continue to foster a workplace culture that enhances job satisfaction and long-term career growth.

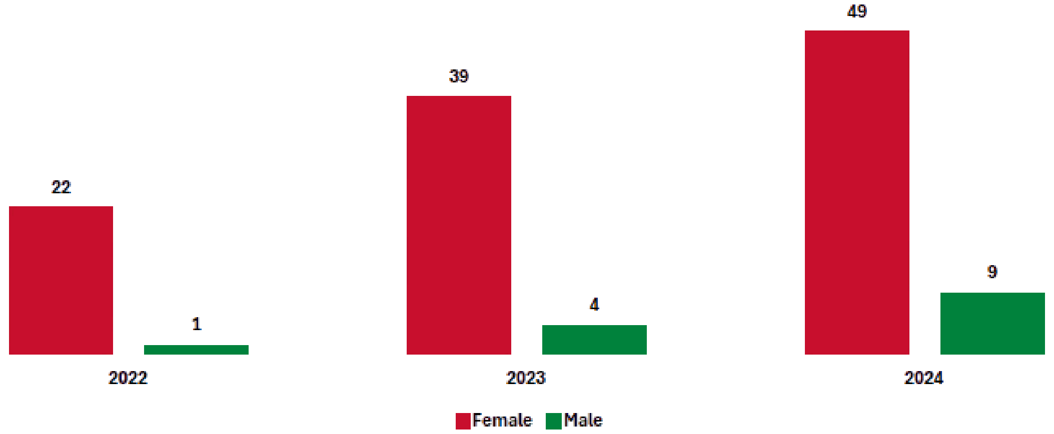
Strengthening Retention Strategies

Despite the fluctuations in turnover, Al Sagr remains proactive in addressing workforce challenges by:

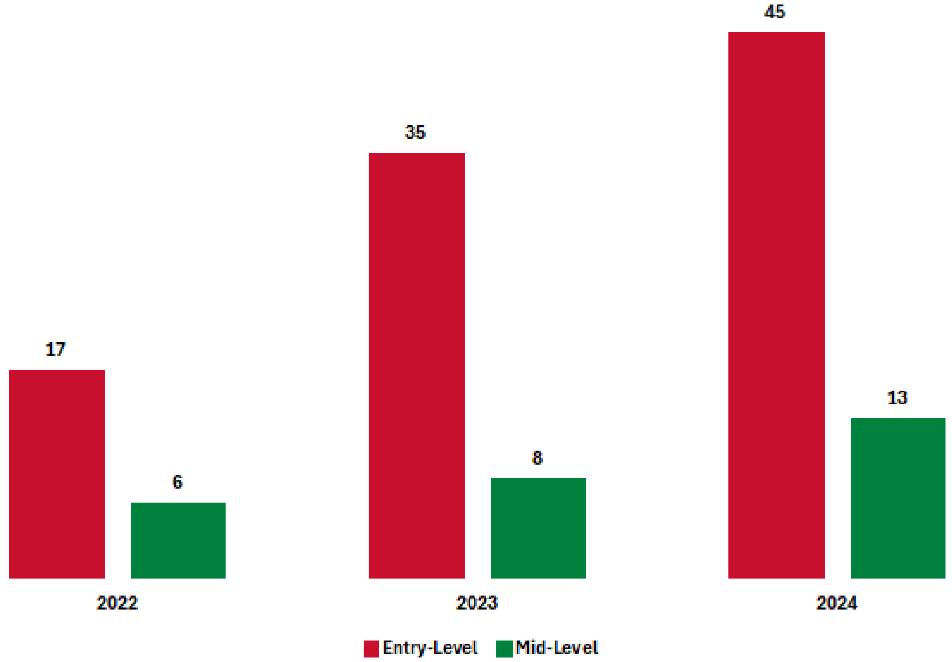
- Expanding career development opportunities, including leadership programs for mid-career employees.
- Enhancing employee engagement initiatives, such as mentorship programs and structured career progression pathways.
- Strengthening workplace policies to foster work-life balance, particularly for younger employees navigating career growth.
- Conducting in-depth exit analyses to gain insights into turnover drivers and implement targeted retention strategies.

Emiratization

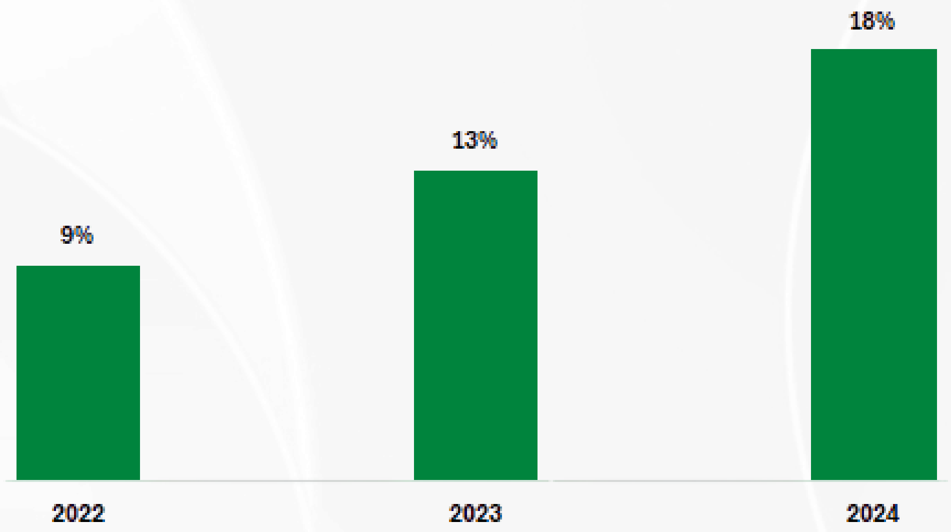
A key priority at Al Sagr is supporting the Emirati community and nurturing a highly skilled national workforce. We actively participate in government initiatives and make substantial investments in attracting and retaining top Emirati talent. Our Emiratization strategy is yielding positive results, with the proportion of Emirati employees increasing from 13% in 2023 to 18% in 2024, despite significant overall workforce expansion. Currently, most of the Emirati employees are holding entry-level and mid-level roles, seeing a significant jump from 2023 to 2024. We offer competitive benefits, including optional pension scheme, to further attract and retain Emirati talent. Moving forward, we are committed to enhancing our strategies, strengthening collaboration with the government, and empowering Emirati professionals to build a more diverse and skilled workforce. This commitment reflects both our social responsibility and our confidence in the immense potential of the Emirati community.



Number of UAE Nationals (By Gender)



Number of UAE Nationals (By Employee Category)



Emiratization Rate (%)

Empowering Communities Through Responsible Procurement

We recognize responsible procurement as the fundamental not just for our success but also for the communities in which we operate. Keeping this in mind, we place a strong emphasis on sourcing our needs from the local vendors, ensuring that our business practices contribute directly to the growth of the UAE economy. A significant achievement in this regard is that in 2024, 94% of the total number of suppliers is the local suppliers for sourcing IT hardware, software, stationaries, office furniture, printing stationery and network cabling, demonstrating our unwavering support and commitment to supporting homegrown businesses.

By prioritizing local suppliers, we play an active role in fostering job creation, strengthening small and medium-sized enterprises, and stimulating economic activity within our communities. We believe that building and maintaining long-term relationships with local vendors not only enhances the reliability and efficiency of our supply chain but also encourages sustainable business development at a national level.

Our dedication to responsible procurement remains a core principle of our operations. We continuously seek new opportunities to expand our partnerships with local vendors, further reinforcing our commitment to ethical, sustainable, and community-driven sourcing practices. Through these efforts, we aim to create a positive and lasting impact on both the economy and the society we serve.

Community Engagement

Al Sagr continues to demonstrate its commitment to community engagement, placing a strong emphasis on fostering relationships both internally and externally. In alignment with the UAE Leadership's vision and the 'Innovates Month' initiative, we organized an open session where employees had the opportunity to present their creative ideas directly to the management. This initiative encouraged a culture of innovation along with providing a platform for employees to contribute to the company's future. Al Sagr reinforces its belief that community engagement starts from the workforce, fostering a collaborative environment, creativity and mutual respect.

In line with the vision of the UAE leadership, Al Sagr National Insurance Company is proud to embrace the Year of Sustainability. Our commitment to a greener future is reflected in our eco-friendly practices, including reducing paper usage, diligent recycling, and e-waste recycling initiatives.

In addition to its efforts, Al Sagr actively participated in the World Police Summit 2024 in Dubai where we engaged with Esaad. In addition to its international efforts, we proudly participate in sustainability initiatives that benefit the local community such as partnership with Dubai Municipality for a beach cleaning activity, that demonstrated our commitment to environmental sustainability. We reinforced our role in corporate social responsibility by contributing to the preservation of the local ecosystems.

OUR TEAM AT BEACH CLEANING ACTIVITY

Al Sagr has made strides in supporting Emiratisation through its participation in employment fairs at the Emirates Financial Institute and Umm Al Quwain University, playing a pivotal role in empowering the local workforce and advancing the UAE's broader national goals.

Celebrating diversity and inclusion, Al Sagr marked International Women's Day at its head office, honoring the contributions of women in the workplace.

Furthermore, the company strengthened its internal community by hosting a memorable Iftar gathering for employees at Al Bandar Rotana - Creek Hotel in Dubai. These events foster a sense of belonging and unity among staff, reinforcing Al Sagr Insurance's ongoing commitment to professional excellence and creating a supportive environment for all. Through these various initiatives, Al Sagr Insurance continues to make significant strides in advancing innovation, community engagement, and corporate responsibility.

Environmental Sustainability

(GRI 302-1, GRI 302-2, GRI 302-3, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 306-3, GRI 307-1, E1, E2, E3, E4, E5, E6, E7, E8. E9, E10)

Environmental responsibility is a fundamental value shaping the operations at Al Sagr and driving our commitment to a sustainable future. We are committed to reducing our environmental footprint through efficient management of resources. We actively support the nation's pledge of achieving net zero emissions in alignment with the UAE government's sustainability agenda.

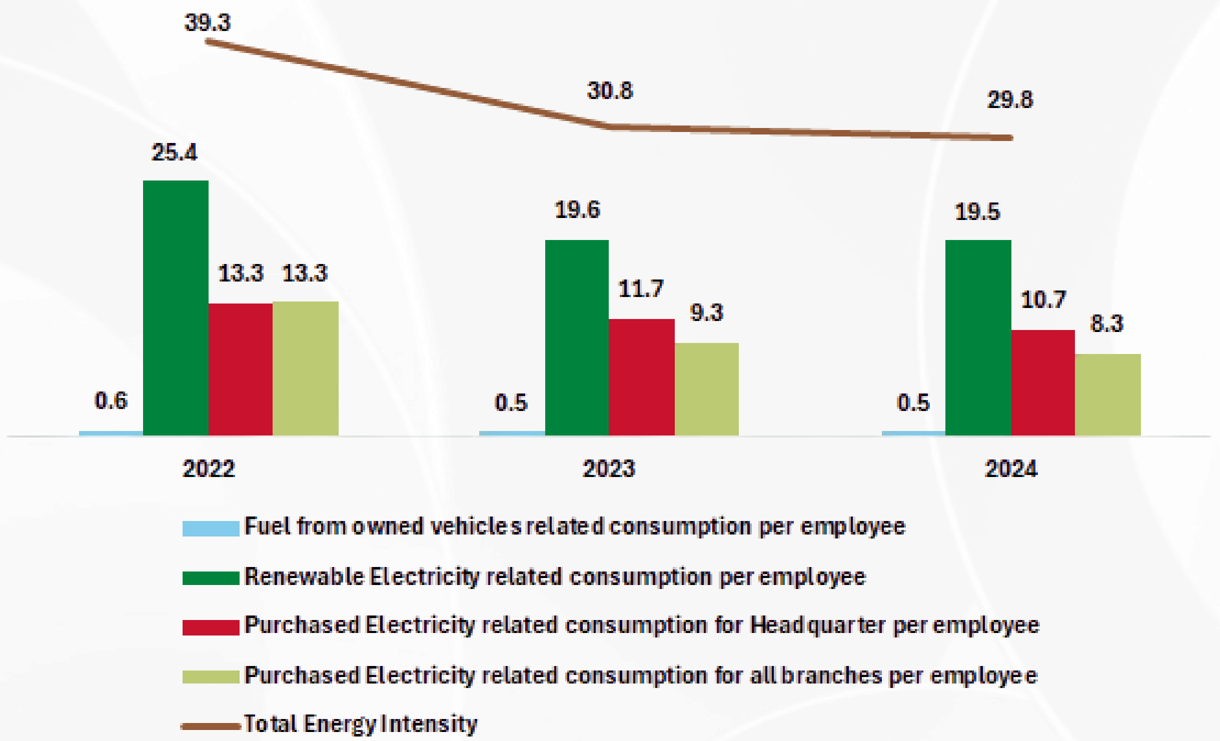
Al Sagr continuously assesses and manages its environmental footprint by recognizing its role in achieving the ambitious climate goals. We are committed to understanding and reducing the impacts of our operations on the environment, contributing to broader sustainability efforts. Our environmental initiatives are implemented at the management level, ensuring effective implementation.

This section outlines the comprehensive approach of Al Sagr for environmental sustainability. We prioritize transparency and accountability, by meticulously tracking energy and water consumption as well as greenhouse gas emissions. Adhering to the GHG Protocol and applying a rigorous control approach, we ensure accurate reporting of emissions across our headquarters, branches, and common areas within Al Sagr Plaza. By providing a detailed breakdown of Scope 1 and Scope 2 emissions, we offer a clear view of our environmental impact, enabling targeted mitigation strategies for a more sustainable future.

Energy Consumption

The total energy consumption has decreased from 9991.95 GJ in 2023 to 9740.60 GJ in 2024 even when there hasn't been a significant growth in our workforce. The energy intensity, which is considered per employee, has decreased from 2023 to 2024 by a small percentage of 3.4%, demonstrating our effectiveness in improving the energy efficiency. This progress reflects our commitment to optimizing operations by continuously reviewing processes and implementing energy-saving measures across all our facilities.

Energy Consumption in GJ	2022	2023	2024
Fuel from owned vehicles	147.519	150.7972	152.4363
Renewable Electricity	6300.00	6354.00	6372.00
Purchased Electricity for Headquarter	2204.07	2336.20	2290.61
Purchased Electricity for all branches	1092.96	1150.95	925.56
Total Energy Consumption	9744.55	9991.95	9740.60

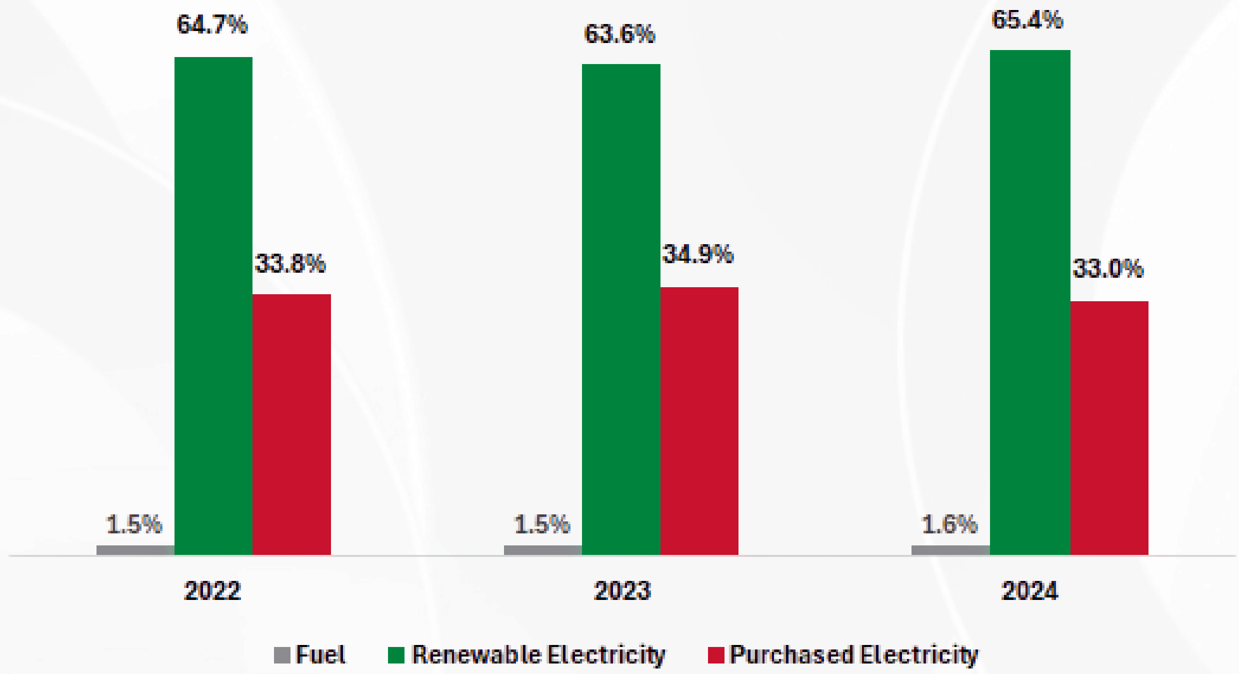


Energy Intensity (Energy Consumption in GJ per Employee)

Renewable Energy

A key pillar of our strategy is our unwavering commitment to renewable energy. We are proud to maintain a consistent renewable electricity share of over 63% in our total energy mix (increased from 63.59% to 65.42% from 2023 to 2024). We are continuously exploring new initiatives to reduce our dependency on fossil fuels and transition to cleaner transportation alternatives. This dedication reflects our commitment to environmental stewardship and strengthens our position as a leader in sustainable business practices in the UAE.

Energy Mix	2022	2023	2024
Fuel	1.51%	1.51%	1.56%
Renewable Electricity	64.65%	63.59%	65.42%
Purchased Electricity	33.83%	34.90%	33.02%



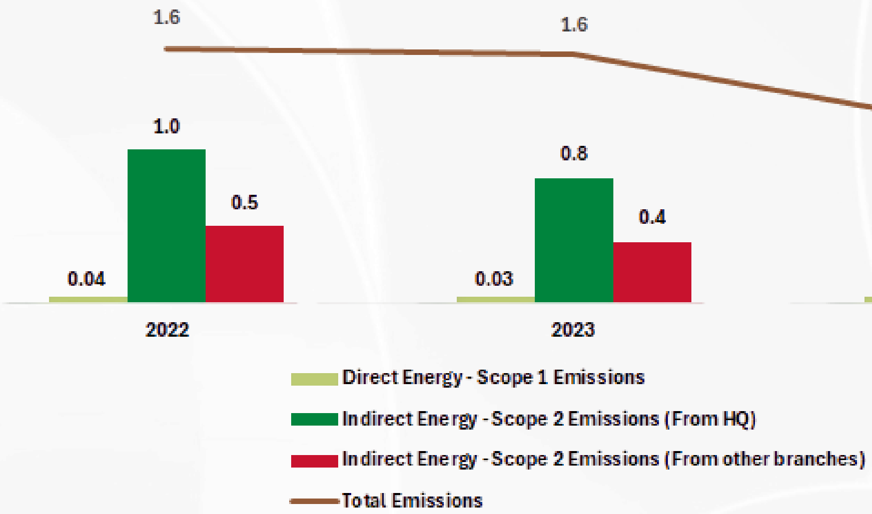
Energy Mix (%)

GHG Emissions

The GHG emissions have come down from 395.88 MT CO2e in 2023 to 366.04 MT CO2e in 2024 (a decrease of 7.54% from 2023 to 2024). This can be attributed to our focus on energy efficiency and increasing use of renewable electricity, which

GHG Emissions			
Total GHG Emissions (MT CO2e)	**2022**	**2023**	**2024**
Direct Energy - Scope 1 Emissions	10.22	10.45	10.56
Indirect Energy - Scope 2 Emissions (From HQ)	243.61	258.22	253.18
Indirect Energy - Scope 2 Emissions (From other branches)	120.80	127.21	102.30
Total Emissions	374.64	395.88	

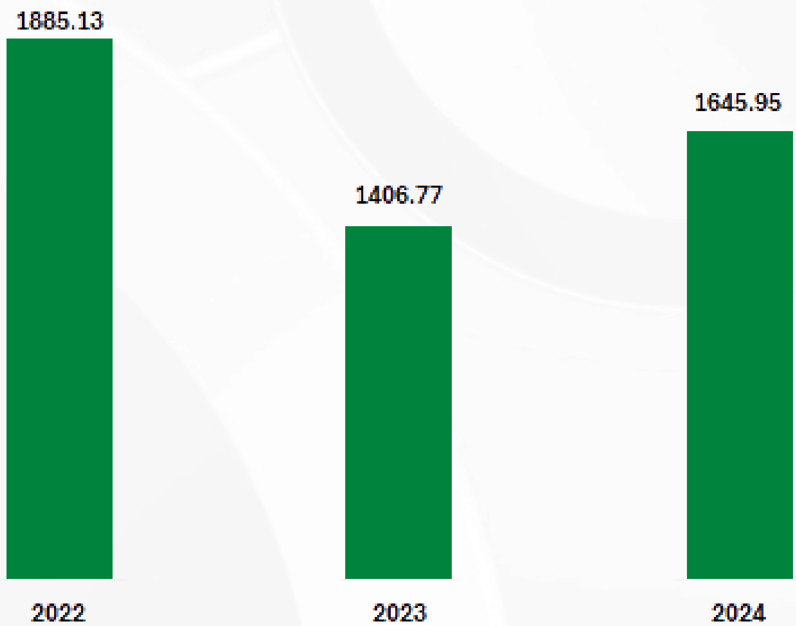
has a lower carbon footprint. Furthermore, our GHG emissions intensity, that's GHG emissions calculated per employee has decreased by 29.1% (the lowest in the last three years). This reflects our continuous efforts to improve energy efficiency and utilize cleaner energy sources.



GHG Emissions Intensity (MT CO2 per Employee)

Water Management

The water consumption figure shows a slight increase from 2023 to 2024 (1406.77 m3 in 2023 to 1645.95 m3 in 2024). We acknowledge the importance of ongoing efforts in this area and are committed to exploring water conservation strategies, such as installing low-flow fixtures and adopting water-saving practices in our operations.



Water Consumption (m3)

GRI and DFM Index

GRI 1: Foundation 2021				
GRI Disclosure Al Sagr National Insurance Company has reported the information cited in this GRI content index for the period 1 January – 31 December 2023 in accordance with the GRI Standards				
GRI 2: General Disclosures				
GRI Disclosure	**Content**	**DFM Disclosure**	**Reference Section**	**Notes**
The Organization and its Reporting Practice				
2-1	Organizational details	G8: Sustainability reporting G9: Disclosure Practices G10: External Assurance	3	
2-2	Entities included in the organisation's sustainability reporting	G8: Sustainability reporting G9: Disclosure Practices	3	
2-3	Reporting period, frequency and contact point		4	

2-4	Restatements of information			
2-5	External assurance	G10: External Assurance		
Activities and workers				
2-6	Activities, value chain and other business relationships		6-8	
2-7	Employees	S3: Turnover S4: Gender Diversity	24-33	
2-8	Workers who are not employees			
Governance				
2-9	Governance structure and composition	G1: Board Diversity	20	
2-10	Nomination and selection of the highest governance body	G2: Board Independence	21	
2-11	Chair of the highest governance body			
2-12	Role of the highest governance body in overseeing the management of impacts			
2-13	Delegation of responsibility for managing impacts			

2-14	Role of the highest governance body in sustainability reporting	G3: Incentivized Pay		
2-15	Conflicts of interest	G7: Ethics & Anti-Corruption		
2-16	Communication of critical concerns			
2-17	Collective knowledge of the highest governance body			
2-18	Evaluation of the performance of the highest governance body			
2-19	Remuneration policies	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio		
2-20	Process to determine remuneration	S2: Gender Pay Ratio		
2-21	Annual total compensation ratio	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio		
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	E8, E9: Environmental Oversight	36-40	
2-23	Policy commitments			
2-24	Embedding policy commitments			

2-25	Processes to remediate negative impacts	G3: Incentivized Pay		
2-26	Mechanisms for seeking advice and raising concerns			
2-27	Compliance with laws and regulations			
2-28	Membership associations	S1: CEO Pay Ratio		
Stakeholder engagement				
2-29	Approach to stakeholder engagement		12-15	
2-30	Collective bargaining agreements			
GRI 3: Material Topics				
3-1	Process to determine material topics		14	
3-2	List of material topics		14	
3-3	Management of material topics		14	
GRI 200: Economic Standard Series				
GRI 201: Economic Performance 2016				
GRI 201 Topic Specific				
3-3	Management Approach			
201-1	Direct economic value generated and distributed			
GRI 202: Market Presence 2016				
GRI 202 Topic Specific				

3-3	Management Approach			
202-2	Proportion of senior management hired from the local community	S11: Nationalization	32	
GRI 203: Indirect Economic Impacts 2016				
GRI 203 Topic Specific				
3-3	Management Approach			
203-2	Significant indirect economic impacts			
GRI 205: Anti-Corruption 2016				
GRI 205 Topic Specific				
3-3	Management Approach			
205-1	Operations assessed for risks related to corruption		22-23	
205-2	Communication and training about anti-corruption policies and procedures			
205-3	Confirmed incidents of corruption and actions taken	G6: Ethics & Prevention of Corruption		
GRI 300: Environmental Standard Series				
GRI 302: Energy 2016				

GRI 302 Topic Specific				
3-3	Management Approach	E10: Climate Risk Mitigation		
302-1	Energy consumption within the organization	E3: Energy Usage	37-40	
302-2	Energy consumption outside of the organization	E4: Energy Intensity E5: Energy Mix	37-40	
302-3	Energy Intensity	E4: Energy Intensity E5: Energy Mix	37-40	
GRI 303: Water and Effluents 2018				
GRI 303 Topic Specific				
3-3	Management Approach			
303-5	Water Consumption	E6: Water Usage	40	
GRI 305: Emissions 2016				
GRI 305 Topic Specific				
3-3	Management Approach	E8 & E9: Environmental Oversight	36-40	
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	39	
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	39	
305-3	Other indirect (Scope 3) GHG emissions	E1: GHG Emissions	39	

305-4	GHG emissions intensity	E1: GHG Emissions E2: Emissions Intensity	39-40	
GRI 307: Environmental Compliance 2020				
GRI 306 Topic Specific				
3-3	Management Approach			
307-1	Non-compliance with environmental laws and regulations	E7: Environmental Operations		
GRI 400: Social Standard Series				
GRI 401: Employment 2016				
GRI 401 Topic Specific				
3-3	Management Approach			
401-1	New employee hires and employee turnover	S3: Employee Turnover	31	
401-2	Benefits provided to full-time employees that are not provided to part-time employees			
GRI 404: Training & Education 2016				
GRI 404 Topic Specific				
3-3	Management Approach			
404-1	Average hours of training per year per employee			

404-2	Programs for upgrading employee skills and transition assistance programs		30	
404-3	Percentage of employees receiving regular performance and career development reviews			
GRI 405: Diversity and Equal Opportunity 2016				
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