

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2024

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information (Unaudited) For the nine-month period ended 30 September 2024

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**Report on review of the condensed interim financial information.
To the Board of Directors of Al Dhafra Insurance Company P.S.C.**

Introduction

We have reviewed the condensed interim financial information of Al Dhafra Insurance Company P.S.C. (the "Company"), which comprise the statement of condensed interim financial position as at 30 September 2024 and the related condensed interim statement of profit or loss and, the condensed interim statement of comprehensive income for the three-month and nine-month period then ended, the condensed interim statement of changes in equity and the condensed interim statement of cash flows for the nine-month period then ended and other related explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial information in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of review

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

Conclusion

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

Other Matters

The condensed interim financial information of the Company for the nine-month period ended 30 September 2023 were reviewed by another auditor, who expressed an unmodified review conclusion dated 9 November 2023.

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor, who expressed an unmodified opinion on those statements on 13 February 2024.

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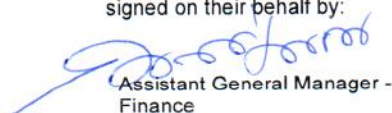
Umesh Narayanappa
Partner
Registered Auditor Number: 1234
Abu Dhabi, United Arab Emirates
13 November 2024

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

		30 September 2024 (Unaudited)	31 December 2023 (Audited)
	Note	AED	AED
ASSETS			
Property and equipment		819,623	796,119
Intangible assets		2,743,706	3,356,823
Right-of-use assets	17	5,219,590	5,759,263
Investment properties		70,012,225	70,012,225
Statutory deposit	4	9,980,000	9,980,000
Investments carried at fair value through other comprehensive income	5	254,129,412	246,026,664
Investments carried at fair value through profit and loss	6	126,376,155	124,002,913
Insurance contract assets	8	52,642,902	53,608,521
Reinsurance contract assets	8	770,715,012	583,999,781
Prepayments and other receivables	7	8,992,828	7,878,849
Deposits	9	169,981,738	183,932,075
Cash and cash equivalents	9	83,555,264	25,226,125
TOTAL ASSETS		1,555,168,455	1,314,579,358
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		100,000,000	100,000,000
Legal reserve		50,000,000	50,000,000
General reserve		145,000,000	145,000,000
Investment revaluation reserve		66,651,413	58,548,665
Reinsurance reserve		5,903,992	4,723,303
Retained earnings		112,036,764	105,529,846
TOTAL EQUITY		479,592,169	463,801,814
LIABILITIES			
Provision for employees' end of service benefits		7,849,680	7,655,079
Lease liabilities	17	4,911,326	5,939,744
Insurance contract liabilities	8	993,177,325	773,955,713
Reinsurance contract liabilities	8	56,781,382	47,796,208
Other payables	11	12,856,573	15,430,800
TOTAL LIABILITIES		1,075,576,286	850,777,544
TOTAL EQUITY AND LIABILITIES		1,555,168,455	1,314,579,358

This condensed interim financial information was approved by the Board of Directors on 13 November 2024 and signed on their behalf by:


Assistant General Manager -
Finance


General Manager


Board member



The accompanying notes from 1 to 24 form an integral part of this condensed interim financial information.

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024	2023	2024	2023
		(Unaudited) AED	(Unaudited) AED	(Unaudited) AED	(Unaudited) AED
Insurance revenue		90,523,363	77,086,495	256,108,515	238,652,564
Insurance service expenses	8,3.5	(162,970,700)	(55,630,503)	(435,377,141)	(163,075,836)
Insurance service result before reinsurance contracts held		(72,447,337)	21,455,992	(179,268,626)	75,576,728
Allocation of re-insurance premiums		(72,134,390)	(58,298,407)	(201,287,151)	(183,080,691)
Allowance recoverable from reinsurance for incurred claims	8,3.5	147,354,954	36,729,452	392,035,361	115,350,034
Insurance service result		2,773,227	(112,963)	11,479,584	7,846,071
Income from investments	14	10,436,503	6,445,444	33,466,871	30,932,199
Income from investments properties	14	510,401	444,519	1,549,789	1,531,725
Total investment income		10,946,904	6,889,963	35,016,660	32,463,924
Net insurance finance (expense)/income for insurance/re-insurance contracts issued/held		(892,183)	1,094,130	(2,636,492)	1,795,155
Net insurance and investment results		12,827,948	7,871,130	43,859,752	42,105,150
Other finance costs		(95,169)	(97,797)	(311,077)	(293,392)
Other operating expenses		(1,346,531)	(4,736,636)	(3,754,256)	(7,047,017)
Other operating income		1,209,731	2,677,314	6,694,230	10,598,308
Profit for the period before tax		12,595,979	5,714,011	46,488,649	45,363,049
Provision for corporate tax		(610,209)	-	(2,763,255)	-
Less: Deferred tax liability		(2,492,778)	-	(1,037,787)	-
Profit for the period after tax		9,492,992	5,714,011	42,687,607	45,363,049
Basic and diluted earnings per share	13	0.09	0.06	0.43	0.45

The accompanying notes from 1 to 24 form an integral part of this condensed interim financial information.

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024	2023	2024	2023
		(Unaudited) AED	(Unaudited) AED	(Unaudited) AED	(Unaudited) AED
Profit for the period		9,492,992	5,714,011	42,687,607	45,363,049
Other comprehensive income					
<i>Items that will not be reclassified to statement of income:</i>					
Change in fair value relating to investments carried at fair value through other comprehensive income	5	22,301,404	11,464,293	8,102,748	10,532,550
Other comprehensive income for the period		22,301,404	11,464,293	8,102,748	10,532,550
Total comprehensive income for the period		31,794,396	17,178,304	50,790,355	55,895,599

The accompanying notes from 1 to 24 form an integral part of this condensed interim financial information.

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

	Share capital	Legal reserve	General reserve	Investment revaluation reserve	Reinsurance reserve	Retained earnings	Total equity
	AED	AED	AED	AED	AED	AED	AED
Balance as at 1 January 2023, as previously reported	100,000,000	50,000,000	145,000,000	49,703,235	3,488,946	102,809,200	451,001,381
Adjustment on initial application of IFRS 17	-	-	-	-	-	(7,607,799)	(7,607,799)
Restated balance at 1 January 2023	100,000,000	50,000,000	145,000,000	49,703,235	3,488,946	95,201,401	443,393,582
Profit for the period	-	-	-	-	-	45,363,049	45,363,049
Other comprehensive Income for the period	-	-	-	10,532,550	-	-	10,532,550
Transfer to reinsurance reserve	-	-	-	-	1,035,030	(1,035,030)	-
Transfer to retained earnings on disposal of investment through other comprehensive income	-	-	-	-	-	259,755	259,755
Dividends declared and paid	-	-	-	-	-	(30,000,000)	(30,000,000)
Balance as at 30 September 2023 (Unaudited)	100,000,000	50,000,000	145,000,000	60,235,785	4,523,976	109,789,175	469,548,936
Balance as at 1 January 2024 (Audited)	100,000,000	50,000,000	145,000,000	58,548,665	4,723,303	105,529,846	463,801,814
Profit for the period after tax	-	-	-	-	-	42,687,607	42,687,607
Other comprehensive income for the period	-	-	-	8,102,748	-	-	8,102,748
Transfer to reinsurance reserve	-	-	-	-	1,180,689	(1,180,689)	-
Dividends declared and paid	-	-	-	-	-	(35,000,000)	(35,000,000)
Balance as at 30 September 2024 (Unaudited)	100,000,000	50,000,000	145,000,000	66,651,413	5,903,992	112,036,764	479,592,169

The accompanying notes from 1 to 24 form an integral part of this condensed interim financial information.

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

**Condensed interim statement of cash flow
For the nine-month period ended 30 September 2024**

		Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2023
	Notes	(Unaudited) AED	(Unaudited) AED
OPERATING ACTIVITIES			
Profit for the period		42,687,607	45,363,049
Adjustments for:			
Change in fair value of investments carried at fair value through profit or loss	6, 14	(4,903,422)	(12,404,233)
Gain on disposal of investments carried at fair value through profit or loss	14	(4,648,978)	(3,165,000)
Provision for employees' end of service benefits		390,968	403,708
Depreciation of property and equipment and right-of-use asset		870,911	1,071,050
Amortisation of intangible assets		995,467	778,549
Finance cost		311,077	293,392
Gain on disposal of property and equipment		(1,450)	(800)
Dividend income	14	(15,756,773)	(9,902,747)
Interest income	14	(8,642,188)	(6,069,863)
Cash flow from operating activities		11,303,219	16,367,105
Changes in insurance and reinsurance contract assets/liabilities	8	42,457,175	(2,955,020)
Decrease in other payables	11	(3,612,014)	(12,397,099)
Decrease in prepayments and other receivables	7	(758,183)	(2,109,265)
Cash generated/ (used in) from operations		49,390,197	(1,094,279)
Employees' end of service benefits paid		(196,367)	(132,898)
Net cash (used in)/ generated from operating activities		49,193,830	(1,227,177)
INVESTING ACTIVITIES			
Purchase of property and equipment		(339,742)	(412,241)
Purchase of intangible assets		(382,350)	(1,256,496)
Purchase of investments at FVTPL	6	(28,726,822)	(1,542,813)
Proceeds from disposal of FVTPL investments	5	35,905,980	19,529,489
Proceeds from disposal of FVOCI investments		-	4,035,116
Proceeds from disposal of property and equipment		1,450	800
Redemption of term deposits	9	13,950,337	10,578,591
Dividends received	14	15,756,773	9,902,747
Interest received	14	9,324,178	6,279,691
Net cash generated from investing activities		45,489,804	47,114,884
FINANCING ACTIVITIES			
Dividends paid	12	(35,000,000)	(30,000,000)
Payment of lease liabilities	17	(1,354,495)	(704,451)
Net cash used in financing activities		(36,354,495)	(30,704,451)
NET INCREASE IN CASH AND CASH EQUIVALENTS		58,329,139	15,183,256
Cash and cash equivalents at the beginning of the period		25,226,125	24,543,655
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	83,555,264	39,726,911

The accompanying notes from 1 to 24 form an integral part of this condensed interim financial information.

Al Dhafra Insurance Company P.S.C. Condensed Interim Financial Information

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

1 Legal status and principal activities

Al Dhafra Insurance Company P.S.C. (the "Company"), is a public shareholding company incorporated in Abu Dhabi by an Amiri Decree No. 8 of 1979. The Company is engaged in insurance of all classes of business with the exception of endowments and annuities. The Company is domiciled in the United Arab Emirates and its registered office address is P.O. Box: 319, Abu Dhabi, United Arab Emirates.

The Company is subject to the regulations of the U.A.E. Federal Decree Law No. 48 of 2023 (previously Federal Law No. 6 of 2007, as amended), issued by the Central Bank of UAE and is registered in the Insurance Companies Register of the Central Bank of the UAE, under registration number 005.

The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange.

2 Standards, interpretations, and amendments to existing standards

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

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

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2023, except for application of new standards effective as of 1 January 2024 and several amendments and interpretations apply for the first time in 2024. These standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not early adopted any of the forthcoming new or amended standards in preparing these condensed interim financial statements. Management anticipates that these standards will not have any significant impact on these financial statements.

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

New Standards or amendments	Effective date
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	No effective date set
Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16 Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
Amendments to IFRS 10 and IAS 28- Sale or Construction of assets between an Investor and its associate or joint venture	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2 Climate-related Disclosures	1 January 2024
Amendments to IAS 21 Lack of Exchangeability	1 January 2024

3 Material accounting policies

3.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as issued by the International Accounting Standard Board (IASB), and in compliance with the applicable requirements of the UAE Federal Decree Law No. 32 of 2021 ("Companies Law"), relating to commercial companies and UAE Federal Decree Law No. 48 of 2023 Regulating Insurance Activities (previously Federal Law no. 6 of 2007, as amended) concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations.

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)

For the nine-month period ended 30 September 2024

3 Material accounting policy information (continued)

3.2 Basis of preparation

This condensed interim financial information have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and is presented in Arab Emirates Dirham (AED) which is the functional currency of the Company.

This condensed interim financial information have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values.

The accounting policies and methods of computation adopted in preparing this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2023 which are the latest audited financial statements available.

All aspects of the financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2023.

This condensed interim financial information do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

The condensed result for the nine - months period ended 30 September 2024 is not necessarily indicative of the result that may be expected for the financial year ending 31 December 2024.

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements as at and for the year ended 31 December 2023 except mentioned in note 3.3 ,3.4 and 3.5.

Certain amendments to accounting standards and annual improvements, as disclosed in the Company's most recent annual financial statements for the year ended 31 December 2023, are applicable to the Company but do not have any material impact on these condensed interim financial statements.

3.3 Taxation

Current Tax

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

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

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)

For the nine-month period ended 30 September 2024

3 Material accounting policy information (continued)

3.3 Taxation (continued)

Deferred taxation

Deferred tax is accounted for in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the condensed interim income statement, except in the case of items credited or charged to condensed interim other comprehensive income or equity in which case it is included in condensed interim other comprehensive income or equity.

3.4 Critical accounting estimates and judgements in applying accounting policies

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 issued								
AED	6.25%	5%	6.25%	5%	6.25%	5%	6.25%	5%
Reinsurance contracts held								
AED	6.25%	5%	6.25%	5%	6.25%	5%	6.25%	5%

3.5 Methodology for Loss Component

The method for calculating the loss component in IFRS 17 involves assessing expected claims payments and expenses, adjusting for volatility through risk adjustment, and factoring in premiums' present value.

Previously, until 31 December 2023, the loss component under IFRS 17 included ultimate loss ratios, which considered large losses. However, in 2024, after reviewing the approach with the appointed actuary, management chose to exclude large losses from determining the period-end insurance contract liability and corresponding reinsurance contract asset. This change reduced the gross loss component from AED 80.583 million (as at 31 December 2023) to AED 44.76 million under insurance contract liabilities and from AED 67.756 million (as at 31 December 2023) to AED 42.42 million under reinsurance contract asset as at September 30, 2024. The reversal is accounted for in the statement of profit or loss through 'insurance service expense' and 'allowance recoverable from reinsurance for incurred claims.' The change in approach, coupled with the natural expiration of risk, results in a net positive impact of AED 10.49 million for the period.

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)

For the nine-month period ended 30 September 2024

4 Statutory deposit

In accordance with the requirements of UAE Federal Law No. 48 of 2023 (previously Federal Law No. 6 of 2007, as amended), the Company maintains the below deposit which cannot be utilized without the consent of the Central Bank of United Arab Emirates.

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Statutory deposit	10,000,000	10,000,000
Less: Allowance for expected credit losses	(20,000)	(20,000)
	9,980,000	9,980,000

5 Investments carried at fair value through other comprehensive income

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Quoted UAE equity securities	254,129,412	246,026,664

The movement in the investments at fair value through other comprehensive income is as follows:

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Fair value at beginning of period / year	246,026,664	240,956,595
Disposals	-	(3,775,361)
Change in fair value	8,102,748	8,845,430
Fair value at end of the period / year	254,129,412	246,026,664

6 Investments carried at fair value through profit or loss

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Managed funds (i)	77,604,145	79,511,873
Quoted UAE equity securities	37,053,497	34,283,128
Quoted debt securities (ii)	3,197,463	3,162,062
Unquoted equity security	8,521,050	7,045,850
	126,376,155	124,002,913

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

6 Investments carried at fair value through profit or loss (continued)

- (i) It represents investment in equity and credit funds.
(ii) Quoted debts securities carry interest at a rate ranging from 6.375% to 7.00% (2023: from 4.23% to 7.00%.)

The movement in investments at fair value through profit or loss is as follows:

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Fair value at beginning of period / year	124,002,913	116,532,321
Additions	28,726,822	6,300,996
Disposals	(35,905,980)	(20,296,569)
Profit on disposal	4,648,978	4,130,668
Change in fair value (Note 14)	4,903,422	17,335,497
Fair value at end of the period / year	126,376,155	124,002,913

7 Prepayments and other receivables

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Prepayments	3,059,962	1,092,263
Interest receivables	3,573,966	4,255,957
Other receivables	2,358,900	2,530,629
	8,992,828	7,878,849

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

8 Insurance and reinsurance contracts

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

	30 September 2024 (Un-audited)			31 December 2023 (Audited)		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	13,527,517	(34,814,610)	(21,287,093)	11,443,719	(40,541,190)	(29,097,471)
General and Motor	39,115,385	(958,362,715)	(919,247,330)	42,164,802	(733,414,523)	(691,249,721)
Total insurance contracts issued	52,642,902	(993,177,325)	(940,534,423)	53,608,521	(773,955,713)	(720,347,192)
Reinsurance contracts held						
Life and Medical	19,667,487	(1,421,349)	18,246,138	21,325,900	(104,408)	21,221,492
General and Motor	751,047,525	(55,360,033)	695,687,492	562,673,881	(47,691,800)	514,982,081
Total reinsurance contracts held	770,715,012	(56,781,382)	713,933,630	583,999,781	(47,796,208)	536,203,573

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

8 Insurance and reinsurance contracts (continued)

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

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 below:

2024 (unaudited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total Unaudited AED
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	
Insurance contract liabilities as at 1 January	40,814,016	80,583,626	552,891,644	46,057,906	720,347,192
Insurance revenue	256,108,515	-	-	-	256,108,515
Insurance service expenses	(32,578,534)	35,824,729	(412,848,474)	(25,774,862)	(435,377,141)
Incurred claims and other expenses	-	-	(262,634,865)	-	(262,634,865)
Losses on onerous contracts and reversals (Note 3.5)	-	35,824,729	-	-	35,824,729
Changes to liabilities for incurred claims	-	-	(150,213,609)	(25,774,862)	(175,988,471)
Acquisition cashflows amortization	(32,578,534)	-	-	-	(32,578,534)
Insurance service result	223,529,981	35,824,729	(412,848,474)	(25,774,862)	(179,268,626)
Insurance finance expense	-	-	(22,825,630)	(2,142,522)	(24,968,152)
Total changes in the statement of comprehensive income	223,529,981	35,824,729	(435,674,104)	(27,917,384)	(204,236,778)
<i>Cash flows</i>					
Premiums received	315,818,707	-	-	-	315,818,707
Claims and other expenses paid	-	-	(196,468,133)	-	(196,468,133)
Directly attributable expenses paid	-	-	(22,443,709)	-	(22,443,709)
Insurance acquisition cash flows	(80,956,412)	-	-	-	(80,956,412)
Total cash flows	234,862,295	-	(218,911,842)	-	15,950,453
Net insurance contract liabilities as at 30 September	52,146,330	44,758,897	769,653,906	73,975,290	940,534,423

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

8 Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

2023 (Audited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cashflows AED	Risk adjustment AED	
Insurance contract liabilities as at 1 January	29,996,781	39,824,856	368,466,310	31,955,658	470,243,605
Insurance revenue	320,617,883	-	-	-	320,617,883
Insurance service expenses	(45,121,330)	(40,758,770)	(403,387,918)	(12,504,465)	(501,772,483)
Incurred claims and other expenses	-	-	(226,251,320)	-	(226,251,320)
Losses on onerous contracts and reversals	-	(40,758,770)	-	-	(40,758,770)
Changes to liabilities for incurred claims	-	-	(177,136,598)	(12,504,465)	(189,641,063)
Acquisition cashflows amortization	(45,121,330)	-	-	-	(45,121,330)
Insurance service result	275,496,553	(40,758,770)	(403,387,918)	(12,504,465)	(181,154,600)
Insurance finance expense	-	-	(14,930,818)	(1,597,783)	(16,528,601)
Total changes in the statement of comprehensive income	275,496,553	(40,758,770)	(418,318,736)	(14,102,248)	(197,683,201)
<i>Cash flows</i>					
Premiums received	321,919,965	-	-	-	321,919,965
Claims and other expenses paid	-	-	(196,090,628)	-	(196,090,628)
Directly attributable expenses paid	-	-	(37,802,774)	-	(37,802,774)
Insurance acquisition cash flows	(35,606,177)	-	-	-	(35,606,177)
Total cash flows	286,313,788	-	(233,893,402)	-	52,420,386
Net insurance contract liabilities as at 31 December	40,814,016	80,583,626	552,891,644	46,057,906	720,347,192

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

8 Insurance and reinsurance contracts (continued)

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

2024 (unaudited)

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component Unaudited	Loss component Unaudited	Estimates of the present value of future cash flows Unaudited	Risk adjustment Unaudited	Total Unaudited
	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January	34,961,886	67,558,749	438,641,861	42,837,285	583,999,781
Reinsurance contract liabilities as at 1 January	(46,579,387)	197,462	(1,324,394)	(89,889)	(47,796,208)
Net reinsurance contract assets/(liabilities)	(11,617,501)	67,756,211	437,317,467	42,747,396	536,203,573
An allocation of reinsurance premiums	(201,287,151)	-	-	-	(201,287,151)
Amounts recoverable from reinsurers for incurred claims	26,125,095	(25,337,176)	364,880,182	26,367,260	392,035,361
Amounts recoverable for incurred claims and other expenses	-	-	208,807,163	-	208,807,163
Loss-recovery on onerous underlying contracts and adjustments (Note3.5)	-	(25,337,176)	-	-	(25,337,176)
Acquisition cashflow amortization	38,620,862	-	-	-	38,620,862
Changes to amounts recoverable for incurred claims	-	-	156,073,019	26,367,260	182,440,279
Changes in non-performance risk of reinsurer	(12,495,767)	-	-	-	(12,495,767)
Net income or expense from reinsurance contracts held	(175,162,056)	(25,337,176)	364,880,182	26,367,260	190,748,210
Reinsurance finance income	-	-	20,343,143	1,988,517	22,331,660
Total changes in the statement of comprehensive income	(175,162,056)	(25,337,176)	385,223,325	28,355,777	213,079,870
Cash flows					
Premiums paid	256,194,744	-	-	-	256,194,744
Amount received	-	-	(208,807,171)	-	(208,807,171)
Insurance acquisition cashflows	(82,737,386)	-	-	-	(82,737,386)
Total cash flows	173,457,358	-	(208,807,171)	-	(35,349,813)
Net reinsurance contract assets/(liabilities) as at 30 September	(13,322,199)	42,419,035	613,733,621	71,103,173	713,933,630
Reinsurance contract assets as at 30 September	42,600,676	41,384,564	615,526,937	71,202,836	770,715,013
Reinsurance contract liabilities as at 30 September	(55,922,875)	1,034,471	(1,793,316)	(99,663)	(56,781,383)
Net reinsurance contract assets/(liabilities) as at 30 September	(13,322,199)	42,419,035	613,733,621	71,103,173	713,933,630

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

8 Insurance and reinsurance contracts (continued)

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

2023 (Audited)	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Reinsurance contract assets as at 1 January	14,553,408	28,991,300	247,900,478	27,925,314	319,370,500
Reinsurance contract liabilities as at 1 January	(20,824,855)	-	(1,630,023)	(61,660)	(22,516,538)
Net reinsurance contract assets/(liabilities)	(6,271,447)	28,991,300	246,270,455	27,863,654	296,853,962
An allocation of reinsurance premiums	(247,708,191)	-	-	-	(247,708,191)
Amounts recoverable from reinsurers for incurred claims	48,123,054	38,764,911	323,329,893	13,490,559	423,708,417
Amounts recoverable for incurred claims and other expenses	-	-	144,596,404	-	144,596,404
Loss-recovery on onerous underlying contracts and adjustments	-	38,764,911	-	-	38,764,911
Acquisition cashflow amortization	48,217,554	-	-	-	48,217,554
Changes to amounts recoverable for incurred claims	-	-	178,733,489	13,490,559	192,224,048
Changes in non-performance risk of reinsurer	(94,500)	-	-	-	(94,500)
Net income or expense from reinsurance contracts held	(199,585,137)	38,764,911	323,329,893	13,490,559	176,000,226
Reinsurance finance income	-	-	12,313,522	1,393,183	13,706,705
Total changes in the statement of comprehensive income	(199,585,137)	38,764,911	335,643,415	14,883,742	189,706,931
<i>Cash flows</i>					
Premiums paid	259,864,119	-	-	-	259,864,119
Amount received	-	-	(144,596,403)	-	(144,596,403)
Insurance acquisition cash flow	(65,625,036)	-	-	-	(65,625,036)
Total cash flows	194,239,083	-	(144,596,403)	-	49,642,680
Net reinsurance contract assets/(liabilities) as at 31 December	(11,617,501)	67,756,211	437,317,467	42,747,396	536,203,573
Reinsurance contract assets as at 31 December	34,961,886	67,558,749	438,641,861	42,837,285	583,999,781
Reinsurance contract liabilities as at 31 December	(46,579,387)	197,462	(1,324,394)	(89,889)	(47,796,208)
Net reinsurance contract assets/(liabilities) as at 31 December	(11,617,501)	67,756,211	437,317,467	42,747,396	536,203,573

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)

For the nine-month period ended 30 September 2024

9 Cash and cash equivalents	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Cash on hand	175,333	229,227
Current accounts	83,379,931	24,996,898
Term deposits*	169,981,738	183,932,075
Bank balances and cash	253,537,002	209,158,200
Less: Term deposits with an original maturity of more than three months	(169,981,738)	(183,932,075)
	83,555,264	25,226,125

*Term deposits are stated net of expected credit losses amounting to AED 392,227 as at 30 September 2024 (31 December 2023: AED 392,227).

The interest rate on term deposits and current accounts with banks ranges between 0.50% and 6.25% (31 December 2023: 4.69% and 5.85%) per annum. All bank balances are held in local banks in the United Arab Emirates.

10 Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Company, and the companies of which are principal owners and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

	Nature of relationships	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Due from policyholders	Affiliates	1,202,704	290,866

Transactions with related parties during the period are as follows:

	Nature of relationships	30 September 2024 (Unaudited) AED	30 September 2023 (Unaudited) AED
Gross premiums written	Affiliates	1,542,131	1,519,966
Claims paid	Affiliates	631,967	661,925

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)

For the nine-month period ended 30 September 2024

10 Related party transactions and balances (continued)

Remuneration of key management personnel

	30 September 2024 (Unaudited) AED	30 September 2023 (Unaudited) AED
Remuneration of management personnel	1,762,290	1,762,290
Remuneration to the directors paid	4,000,000	3,375,000
Post-employment benefits	91,403	85,944
	5,853,693	5,223,234

11 Other payables

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Dividend payable	2,441	789,107
Authority supervision reserve	1,156,237	1,258,077
Deferred income	1,391,484	1,388,629
Provision for directors remuneration	-	3,375,000
Provision for corporate tax	2,763,255	-
Deferred tax liability	1,037,787	-
Other payables	6,505,369	8,619,987
	12,856,573	15,430,800

12 Dividends

On 26 March 2024, the shareholders at the Annual General Assembly approved cash dividends of 0.35 fils per share amounting to AED 35,000,000 (2023: 0.30 fils per share amounting to AED 30,000,000) which has been paid in current year.

13 Basic and diluted earnings per share

Basic earnings per share is computed by dividing the profit for the period by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
	(Unaudited) AED	(Unaudited) AED	(Unaudited) AED	(Unaudited) AED
Profit for the period after tax	9,492,992	5,714,011	42,687,607	45,363,049
Weighted average number of ordinary shares outstanding during the period	100,000,000	100,000,000	100,000,000	100,000,000
Basic and diluted earnings per share	0.09	0.06	0.43	0.45

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

14 Income from investments, net

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 (Unaudited) AED	2023 (Unaudited) AED	2024 (Unaudited) AED	2023 (Unaudited) AED
	Dividend income	1,475,231	1,270,958	15,756,773
Interest income	2,926,863	2,389,357	8,642,188	6,069,863
Change in fair value of investments at fair value through profit or loss	5,396,128	2,869,088	4,903,422	12,404,233
Gain on sale of investments at fair value through profit or loss	824,759	86,639	4,775,244	3,165,000
Investment expense	(186,478)	(170,598)	(610,756)	(609,644)
Income from investments	10,436,503	6,445,444	33,466,871	30,932,199
Income from investment properties	510,401	444,519	1,549,789	1,531,725
Income from investments, net	10,946,904	6,889,963	35,016,660	32,463,924

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

15 Segment reporting

15.1 Segment revenue and results

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units are managed separately because they require different approach, technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis.

The following summary describes the two main business segments:

- Underwriting of general insurance business - incorporating all classes of general insurance such as fire, marine, motor, medical, general accident and miscellaneous.
- Investments - incorporating investments in marketable equity securities and investment funds, development bonds, term deposits with banks and investment properties and other securities.

Information regarding the Company's reportable segments is presented below:

	For the nine-month ended 30 September 2024			For the nine-month ended 30 September 2023		
	(Unaudited)			(Unaudited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Insurance revenue	256,108,515	-	256,108,515	238,652,564	-	238,652,564
Insurance service expenses	(435,377,141)	-	(435,377,141)	(163,075,836)	-	(163,075,836)
Insurance service result before reinsurance contracts held	(179,268,626)	-	(179,268,626)	75,576,728	-	75,576,728
Allocation of reinsurance premiums	(201,287,151)	-	(201,287,151)	(183,080,691)	-	(183,080,691)
Amounts recoverable from reinsurance	392,035,361	-	392,035,361	115,350,034	-	115,350,034
Net income from reinsurance contracts held	190,748,210	-	190,748,210	(67,730,657)	-	(67,730,657)
Investment income	-	35,016,660	35,016,660	-	32,463,924	32,463,924
Net insurance finance (expense)/income for insurance/re-insurance contracts issued/held	(2,636,492)	-	(2,636,492)	1,795,155	-	1,795,155
Net insurance and financial result	8,843,092	35,016,660	43,859,752	9,641,226	32,463,924	42,105,150
Other finance cost	(311,077)	-	(311,077)	(293,392)	-	(293,392)
Other operating income	6,694,230	-	6,694,230	10,598,308	-	10,598,308
Other operating expense	(3,754,256)	-	(3,754,256)	(7,047,017)	-	(7,047,017)
Profit for the period before tax	11,471,989	35,016,660	46,488,649	12,899,125	32,463,924	45,363,049
Provision for corporate tax (net)	-	-	(3,801,042)	-	-	-
Profit for the period after tax	11,471,989	35,016,660	42,687,607	12,899,125	32,463,924	45,363,049

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

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

15 Segment reporting (continued)

15.2 Segment assets and liabilities

	As at 30 September 2024 (Un-audited)		
	Underwriting AED	Investments AED	Total AED
Total assets	<u>924,688,925</u>	<u>630,479,530</u>	<u>1,555,168,455</u>
Total liabilities	<u>1,069,204,431</u>	<u>6,371,855</u>	<u>1,075,576,286</u>

	As at 31 December 2023 (Audited)		
	Underwriting AED	Investments AED	Total AED
Total assets	<u>680,625,481</u>	<u>633,953,877</u>	<u>1,314,579,358</u>
Total liabilities	<u>849,327,870</u>	<u>1,449,674</u>	<u>850,777,544</u>

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)

For the nine-month period ended 30 September 2024

16 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of statutory deposit, investments carried at fair value through other comprehensive income, investments carried at fair value through profit and loss, insurance receivables, deposits, bank balances and cash, and certain other assets. Financial liabilities consist of insurance payables, lease liabilities and certain other liabilities.

The fair values of the financial assets and liabilities are not materially different from their carrying values.

The following table shows the analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 30 September 2024 and 31 December 2023:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
30 September 2024 (Unaudited)				
Investments at fair value through other comprehensive income	254,129,412	-	-	254,129,412
Investments at fair value through profit and loss	40,250,960	77,604,145	8,521,050	126,376,155
	<u>294,380,372</u>	<u>77,604,145</u>	<u>8,521,050</u>	<u>380,505,567</u>
31 December 2023 (Audited)				
Investments at fair value through other comprehensive income	246,026,664	-	-	246,026,664
Investments at fair value through profit and loss	37,445,190	79,511,873	7,045,850	124,002,913
	<u>283,471,854</u>	<u>79,511,873</u>	<u>7,045,850</u>	<u>370,029,577</u>

Valuation technique:

Level 1: Quoted bid prices in an active market

Level 2: Valuation based on selected observable market inputs

Level 3: Net assets value based on audited financials

17 Leasing

Lease liabilities are presented in the condensed interim information of financial position as follows:

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Current	1,285,033	847,420
Non-current	3,626,293	5,092,324
	<u>4,911,326</u>	<u>5,939,744</u>

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)

For the nine-month period ended 30 September 2024

17 Leasing (continued)

Carrying amount of right-of-use assets as presented in the condensed interim information of financial position is as follows:

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Right-of-use assets	<u>5,219,590</u>	<u>5,759,263</u>

18 Contingent liability

	30 September 2024 (Unaudited) AED	31 December 2023 (Audited) AED
Bank guarantees	<u>11,954,421</u>	<u>11,914,421</u>

19 Capital risk management

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Company is subject to solvency regulations which it has complied with during the period. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

	30 September 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Minimum Capital Requirement (MCR)	<u>100,000,000</u>	100,000,000
Solvency Capital Requirement (SCR)	<u>172,928,558</u>	145,125,233
Minimum Guarantee Fund (MGF)	<u>57,642,853</u>	48,375,078
Basic Own Funds	<u>285,560,118</u>	270,445,136
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	<u>185,560,118</u>	170,445,136
MCR Solvency Margin - Solvency Capital Requirement (Surplus)	<u>112,631,559</u>	125,319,903
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	<u>227,917,265</u>	222,070,058

20 Post reporting date events

No adjusting or significant non-adjusting events occurred between the reporting date and the date of authorization of the condensed interim financial statements.

Al Dhafra Insurance Company P.S.C. Condensed Interim Financial Information

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

21 Re-classification

During the current period, management has decided to reclassified balances related to general and administrative expenses relating to underwriting to insurance service expense within statement of profit or loss, to provide better understanding of the operation.

22 Significant events

Heavy rainfall in UAE:

First quarter, UAE witnessed unprecedented heavy rainfall causing widespread disruption across the country which led to a significant increase in insurance claims. As the Company has adequate coverage against such huge losses through various re-insurance arrangements, this event did not cause subsequent impact on net insurance service results of the Company.

23 General

The figures in the condensed interim financial information are rounded to the nearest Dirham of United Arab Emirates.

24 Approval of condensed interim financial information

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