

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information
(Unaudited)

For the three-month period ended 31 March 2025

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (Unaudited)
For the three-month period ended 31 March 2025

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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 accompanying condensed interim financial information of Al Dhafra Insurance Company P.S.C (the “Company”), which comprise the condensed interim statement of financial position as at 31 March 2025 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows for the three-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 (“IAS 34”) “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this condensed interim 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 condensed 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 three-month period ended 31 March 2024 was reviewed by another auditor, who expressed an unmodified review conclusion dated 14 May 2024.

The financial information of the Company for the year ended 31 December 2024 was audited by another auditor, who expressed an unmodified opinion dated 12 February 2025.

GRANT THORNTON UAE

Dr. Osama El-Bakry
Registration No: 935
Abu Dhabi, United Arab Emirates
Date: 7 May 2025



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

Condensed interim statement of financial position
As at 31 March 2025

	Notes	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
ASSETS			
Property and equipment		1,395,975	1,363,018
Intangible assets		3,482,287	2,684,184
Right-of-use assets		4,379,398	4,658,483
Investment properties		73,600,000	73,600,000
Statutory deposit	4	9,980,000	9,980,000
Investments carried at fair value through other comprehensive income (FVTOCI)	5		
Investments carried at fair value through profit and loss (FVTPL)	6	303,666,564	288,156,172
Insurance contract assets	8	148,747,849	151,652,452
Reinsurance contract assets	8	40,531,093	37,266,216
Prepayments and other receivables	7	604,258,435	773,881,086
Deposits	9	20,749,630	9,935,295
Cash and cash equivalents	9	136,317,537	171,961,590
		105,933,822	54,094,606
TOTAL ASSETS		1,453,042,590	1,579,233,102
EQUITY AND LIABILITIES			
EQUITY			
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		110,792,630	93,246,517
Reinsurance reserve		6,599,096	6,110,954
Retained earnings		100,069,810	107,522,187
TOTAL EQUITY		512,461,536	501,879,658
LIABILITIES			
Provision for employees' end of service benefits		8,050,113	7,936,603
Lease liabilities		4,325,459	4,918,565
Insurance contract liabilities	8	818,086,843	880,088,015
Reinsurance contract liabilities	8	60,863,918	154,385,772
Deferred tax liability		1,851,603	3,887,324
Provision for tax		3,416,477	2,334,956
Other payables	11	43,986,641	23,802,209
TOTAL LIABILITIES		940,581,054	1,077,353,444
TOTAL EQUITY AND LIABILITIES		1,453,042,590	1,579,233,102

This condensed interim financial information was approved by the Board of Directors on 07 May 2025 and signed on their behalf by:

Assistant General Manager -
Finance

General Manager

Board member



The accompanying notes from 1 to 21 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 three-month period ended 31 March 2025

	Notes	31 March 2025 (Unaudited) AED	31 March 2024 (Unaudited) AED
Insurance revenue		91,708,821	80,121,463
Insurance service expenses	8, 3.5	(36,154,363)	(14,293,342)
Insurance service result before reinsurance contracts held		55,554,458	65,828,121
Allocation of re-insurance premiums		(73,729,541)	(62,358,542)
Amount recoverable from reinsurance for incurred claims	8, 3.5	24,019,117	2,922,741
Net expenses from reinsurance contracts held		(49,710,424)	(59,435,801)
Insurance service result		5,844,034	6,392,320
Income from investments, net	14	23,507,331	19,928,910
Income from investment properties, net	14	559,532	596,328
Total investment income		24,066,863	20,525,238
Net insurance finance expense for insurance/re-insurance contracts issued/held		(662,119)	(865,545)
Net insurance and investment results		29,248,778	26,052,013
Other finance cost		(124,910)	(113,758)
Other operating expenses		(1,100,614)	(1,147,007)
Other operating income		1,094,032	2,856,245
Profit for the period before tax		29,117,286	27,647,493
Provision for corporate tax		(1,081,521)	(1,343,882)
Profit for the period after tax		28,035,765	26,303,611
Basic and diluted earnings per share	13	0.28	0.26

The accompanying notes from 1 to 21 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 three-month period ended 31 March 2025

	Note	31 March 2025 (Unaudited) AED	31 March 2024 (Unaudited) AED
Profit for the period after tax		28,035,765	26,303,611
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss:			
Change in fair value relating to investments carried at fair value through other comprehensive income, net of tax	5	<u>17,546,113</u>	<u>(6,246,498)</u>
Other comprehensive income/ (loss) for the period		17,546,113	(6,246,498)
Total comprehensive income for the period		<u>45,581,878</u>	<u>20,057,113</u>

The accompanying notes from 1 to 21 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 three-month period ended 31 March 2025

	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 2024	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	-	-	-	-	-	26,303,611	26,303,611
Other comprehensive loss for the period	-	-	-	(6,246,498)	-	-	(6,246,498)
Total comprehensive loss for the period	-	-	-	(6,246,498)	-	26,303,611	20,057,113
Transfer to reinsurance reserve	-	-	-	-	390,139	(390,139)	-
Dividends declared and paid	-	-	-	-	-	(35,000,000)	(35,000,000)
Balance as at 31 March 2024 (Unaudited)	100,000,000	50,000,000	145,000,000	52,302,167	5,113,442	96,443,318	448,858,927
Balance as at 1 January 2025(audited)	100,000,000	50,000,000	145,000,000	93,246,517	6,110,954	107,522,187	501,879,658
Profit for the period after tax	-	-	-	-	-	28,035,765	28,035,765
Other comprehensive income for the period, net of tax	-	-	-	17,546,113	-	-	17,546,113
Total comprehensive income for the period	-	-	-	17,546,113	-	28,035,765	45,581,878
Dividends declared (note 12)	-	-	-	-	-	(35,000,000)	(35,000,000)
Transfer to reinsurance reserve	-	-	-	-	488,142	(488,142)	-
Balance as at 31 March 2025 (Unaudited)	100,000,000	50,000,000	145,000,000	110,792,630	6,599,096	100,069,810	512,461,536

The accompanying notes from 1 to 21 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 flows
For the three-month period ended 31 March 2025

		31 March 2025 (Unaudited) AED	31 March 2024 (Unaudited) AED
	Notes		
OPERATING ACTIVITIES			
Profit for the period before tax		29,117,286	27,647,493
Adjustments for:			
Change in fair value of investments carried at fair value through profit or loss	6, 14	(2,842,996)	468,988
Gain on disposal of investments carried at fair value through profit or loss	14	(264,795)	(3,761,595)
Provision for employees' end of service benefits		118,275	127,372
Depreciation of property and equipment and right-of-use asset		405,176	304,635
Amortisation of intangible assets		465,564	321,190
Finance cost		124,910	113,758
Gain on disposal of property and equipment		(36,190)	(150)
Dividend income	14	(17,884,880)	(14,100,191)
Interest income	14	(2,728,296)	(2,753,367)
Cash flows from operating activities		6,474,054	8,368,133
Changes in working capital			
Change in insurance and reinsurance contract assets/liabilities		10,834,747	(3,447,202)
Decrease in other payables		(14,815,568)	(4,463,283)
Decrease in prepayments & other receivables		(10,902,341)	(7,523,174)
Cash used in operations		(8,409,108)	(7,065,526)
Employees' end of service benefits paid		(4,763)	(8,522)
Net cash used in operating activities		(8,413,871)	(7,074,048)
INVESTING ACTIVITIES			
Purchase of property and equipment		(159,048)	(47,143)
Proceeds from disposal of property and equipment		36,190	150
Purchase of intangible assets		(1,263,667)	(63,000)
Purchase of investments at FVTPL		-	(24,035,878)
Proceeds from disposal of investments at FVTPL		6,012,393	11,281,728
Movement in term deposits		35,644,053	10,791,244
Dividends received		17,884,880	14,100,191
Interest received		2,816,302	1,585,165
Net cash generated from investing activities		60,971,103	13,612,457
FINANCING ACTIVITIES			
Lease liability instalment paid		(718,016)	(734,831)
Net cash used in financing activities		(718,016)	(734,831)
NET INCREASE IN CASH AND CASH EQUIVALENTS		51,839,216	5,803,578
Cash and cash equivalents at the beginning of the period		54,094,606	25,226,125
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	105,933,822	31,029,703

The accompanying notes from 1 to 21 form an integral part of this condensed interim financial information.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (un-audited)

Notes to the condensed interim financial information
For the three-month period ended 31 March 2025

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 subject to the regulations of the U.A.E. Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), issued by the Central Bank of UAE and is registered in the Insurance Companies Register of the Central Bank of the UAE, under registration number 5.

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’s ordinary shares are listed on the Abu Dhabi Securities Exchange.

2 Standards, interpretations, and amendments to existing standards

2.1 Application of new and revised IFRS Accounting Standards (“IFRS”)

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in this condensed interim financial information. Their adoption has not had any material impact on the disclosures or on the amounts reported in this condensed interim financial information.

- Lack of Exchangeability (Amendment to IAS 21)

2.2 New and revised IFRS in issue but not yet effective and not early adopted

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

New Standards or amendments	Effective date
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	1 January 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	1 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company’s condensed financial information for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the financial information of the Company in the period of initial application.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (un-audited)

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

3 Summary of material accounting policies

3.1 Statement of compliance and basis of preparation

The condensed interim financial information is prepared in accordance with International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*” 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.

The condensed interim financial information does not contain all the information and disclosures required in the annual financial information and should be read in conjunction with the Company’s annual financial information as at 31 December 2024. In addition, the results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

3.2 Basis of measurement

The condensed interim financial information has been prepared on the historical cost basis except for the investments carried at fair value through profit or loss, investments carried at fair value through other comprehensive income and investment properties and the provision for employees’ end of service indemnity which is calculated in line with UAE labour laws.

3.3 Functional currency

The condensed interim financial information is presented in United Arab Emirates Dirhams (“AED”), being the functional and presentation currency of the Company.

3.4 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 information as at and for the year ended 31 December 2024. There have been no changes in any risk management policies since the year end.

3.5 Use of estimates and judgements

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the financial information as at and for the year ended 31 December 2024.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (un-audited)

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

4 Statutory deposits

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

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Statutory deposit	10,000,000	10,000,000
Less: Allowance for expected credit losses	(20,000)	(20,000)
	<u>9,980,000</u>	<u>9,980,000</u>

5 Investments carried at fair value through other comprehensive income

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Quoted UAE equity securities	<u>303,666,564</u>	<u>288,156,172</u>

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

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Fair value at beginning of period / year	288,156,172	246,026,664
Additions	-	4,000,000
Change in fair value	15,510,392	38,129,508
Fair value at end of the period / year	<u>303,666,564</u>	<u>288,156,172</u>

6 Investments carried at fair value through profit or loss

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Managed funds (i)	93,354,412	97,263,500
Quoted UAE equity securities	43,702,006	42,678,988
Quoted debt securities (ii)	3,170,381	3,188,914
Unquoted equity security	8,521,050	8,521,050
	<u>148,747,849</u>	<u>151,652,452</u>

(i) It represents investment in equity and credit funds.

(ii) Quoted debts securities carry interest at a rate ranging from 4.5% to 7.00% (2024: from 3.88% to 8.00%)

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (un-audited)

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

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

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

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Fair value at beginning of period / year	151,652,452	124,002,913
Additions	-	55,119,115
Disposals	(5,847,258)	(38,036,135)
Change in fair value	2,842,996	10,566,559
Reversal/adjustments on disposal of shares	99,659	-
Fair value at end of the period / year	<u>148,747,849</u>	<u>151,652,452</u>

7 Prepayments and other receivables

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Prepayments	1,735,695	1,568,245
Interest receivables	5,282,785	5,370,791
Other receivables	13,731,150	2,996,259
Prepayments and other receivables	<u>20,749,630</u>	<u>9,935,295</u>

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

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:

	31 March 2025 (Unaudited)			31 December 2024 (Audited)		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	6,044,175	(30,812,373)	(24,768,198)	8,816,477	(32,220,061)	(23,403,584)
General and Motor	34,486,918	(787,274,470)	(752,787,552)	28,449,739	(847,867,954)	(819,418,215)
Total insurance contracts issued	40,531,093	(818,086,843)	(777,555,750)	37,266,216	(880,088,015)	(842,821,799)
Reinsurance contracts held						
Life and Medical	19,828,635	(47,483)	19,781,152	19,151,376	(1,483,713)	17,667,663
General and Motor	584,429,800	(60,816,435)	523,613,365	754,729,710	(152,902,059)	601,827,651
Total reinsurance contracts held	604,258,435	(60,863,918)	543,394,517	773,881,086	(154,385,772)	619,495,314

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	
	2025	2024	2025	2024	2025	2024	2025	2024
Insurance issued	5%	6.25%	5%	6.25%	5%	6.25%	5%	6.25%
Reinsurance contracts held	5%	6.25%	5%	6.25%	5%	6.25%	5%	6.25%

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

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

Contracts measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
2025	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Insurance contract liabilities as at 1 January	41,674,725	36,448,540	720,825,586	43,872,948	842,821,799
Insurance revenue	91,708,821	-	-	-	91,708,821
Insurance service expenses	(11,724,299)	11,302,046	(40,559,506)	4,827,396	(36,154,363)
Incurred claims and other expenses	-	-	(127,933,797)	-	(127,933,797)
Losses on onerous contracts and reversals (Note 3.5)	-	11,302,046	-	-	11,302,046
Changes to liabilities for incurred claims	-	-	87,374,291	4,827,396	92,201,687
Acquisition cashflows amortisation	(11,724,299)	-	-	-	(11,724,299)
Insurance service result	79,984,522	11,302,046	(40,559,506)	4,827,396	55,554,458
Insurance finance expense	-	-	(7,773,100)	(538,422)	(8,311,522)
Total changes in the statement of comprehensive	79,984,522	11,302,046	(48,332,606)	4,288,974	47,242,936
Cash flows					
Premiums received	111,333,906	-	-	-	111,333,906
Claims and other expenses paid	-	-	(106,007,650)	-	(106,007,650)
Directly attributable expenses paid	-	-	(7,677,995)	-	(7,677,995)
Insurance acquisition cash flows	(15,671,374)	-	-	-	(15,671,374)
Total cash flows	95,662,532	-	(113,685,645)	-	(18,023,113)
Net insurance contract liabilities as at 31 March	57,352,735	25,146,494	655,472,547	39,583,974	777,555,750

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

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)

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	Audited AED	Audited AED	Audited AED	Audited AED	Audited AED
2024					
Insurance contract liabilities as at 1 January	40,814,016	80,583,626	552,891,644	46,057,906	720,347,192
Insurance revenue	346,290,305	-	-	-	346,290,305
Insurance service expenses	(44,198,013)	44,135,086	(499,070,184)	5,063,576	(494,069,535)
Incurred claims and other expenses	-	-	(387,032,590)	-	(387,032,590)
Losses on onerous contracts and reversals	-	44,135,086	-	-	44,135,086
Changes to liabilities for incurred claims	-	-	(112,037,594)	5,063,576	(106,974,018)
Acquisition cashflows amortization	(44,198,013)	-	-	-	(44,198,013)
Insurance service result	302,092,292	44,135,086	(499,070,184)	5,063,576	(147,779,230)
Insurance finance expense	-	-	(30,667,736)	(2,878,618)	(33,546,354)
Total changes in the statement of comprehensive income	302,092,292	44,135,086	(529,737,920)	2,184,958	(181,325,584)
Cash flows					
Premiums received	395,483,111	-	-	-	395,483,111
Claims and other expenses paid	-	-	(324,316,418)	-	(324,316,418)
Directly attributable expenses paid	-	-	(37,487,560)	-	(37,487,560)
Insurance acquisition cash flows	(92,530,110)	-	-	-	(92,530,110)
Total cash flows	302,953,001	-	(361,803,978)	-	(58,850,977)
Net insurance contract liabilities as at 31 December	41,674,725	36,448,540	720,825,586	43,872,948	842,821,799

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

8 Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)
2025

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Reinsurance contract assets as at 1 January	26,842,498	29,214,028	672,416,777	45,407,783	773,881,086
Reinsurance contract liabilities as at 1 January	(59,952,757)	53,444	(90,460,168)	(4,026,291)	(154,385,772)
Net reinsurance contract assets/(liabilities)	(33,110,259)	29,267,472	581,956,609	41,381,492	619,495,314
An allocation of reinsurance premiums	(73,729,541)	-	-	-	(73,729,541)
Amounts recoverable from reinsurers for incurred claims	11,421,014	(9,559,652)	27,155,836	(4,998,081)	24,019,117
Amounts recoverable for incurred claims and other expenses	-	-	111,706,298	-	111,706,298
Loss-recovery on onerous underlying contracts and	-	(9,559,652)	-	-	(9,559,652)
Acquisition cashflows amortization	11,354,652	-	-	-	11,354,652
Changes to amounts recoverable for incurred claims	-	-	(84,550,462)	(4,998,081)	(89,548,543)
Changes in non-performance risk of reinsurer	66,362	-	-	-	66,362
Net income or expense from reinsurance contracts held	(62,308,527)	(9,559,652)	27,155,836	(4,998,081)	(49,710,424)
Reinsurance finance income	-	-	7,141,556	507,842	7,649,398
Total changes in the statement of comprehensive income	(62,308,527)	(9,559,652)	20,014,280	(5,505,923)	(42,061,026)
Cash flows					
Premiums paid	99,484,887	-	-	-	99,484,887
Amount received	-	-	(111,734,976)	-	(111,734,976)
Insurance acquisition cash flow	(21,789,682)	-	-	-	(21,789,682)
Total cash flows	77,695,205	-	(111,734,976)	-	(34,039,771)
Net reinsurance contract assets/(liabilities) as at 31 March	(17,723,581)	19,707,820	504,519,025	36,891,253	543,394,517
Reinsurance contract assets as at 31 March	51,621,733	7,715,542	507,802,536	37,118,624	604,258,435
Reinsurance contract liabilities as at 31 March	(69,345,314)	11,992,278	(3,283,511)	(227,371)	(60,863,918)
Net reinsurance contract assets/(liabilities) as at 31 March	(17,723,581)	19,707,820	504,519,025	36,891,253	543,394,517

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Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

8 Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

2024	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	Audited AED	Audited AED	Audited AED	Audited AED	Audited 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
Allocation of reinsurance premiums	(272,357,067)	-	-	-	(272,357,067)
Amounts recoverable from reinsurers for incurred claims	41,751,134	(38,488,739)	425,228,923	(4,037,609)	424,453,709
Amounts recoverable for incurred claims and other expenses	-	-	307,950,801	-	307,950,801
Loss-recovery on onerous underlying contracts and adjustments	-	(38,488,739)	-	-	(38,488,739)
Acquisition cashflows amortization	51,067,871	-	-	-	51,067,871
Changes to amounts recoverable for incurred claims	-	-	117,278,122	(4,037,609)	113,240,513
Changes in non-performance risk of reinsurer	(9,316,737)	-	-	-	(9,316,737)
Net income or expense from reinsurance contracts held	(230,605,933)	(38,488,739)	425,228,923	(4,037,609)	152,096,642
Reinsurance finance income	-	-	27,332,341	2,671,705	30,004,046
Total changes in the statement of comprehensive income	(230,605,933)	(38,488,739)	397,896,582	(6,709,314)	122,092,596
Cash flows					
Premiums paid	313,392,942	-	-	-	313,392,942
Amount received	-	-	(307,922,122)	-	(307,922,122)
Insurance acquisition cash flows	(104,279,767)	-	-	-	(104,279,767)
Total cash flows	209,113,175	-	(307,922,122)	-	(98,808,947)
Net reinsurance contract assets/(liabilities) as at 31 December	(33,110,259)	29,267,472	581,956,609	41,381,492	619,495,314
Reinsurance contract assets as at 31 December	26,842,498	29,214,028	672,416,777	45,407,783	773,881,086
Reinsurance contract liabilities as at 31 December	(59,952,757)	53,444	(90,460,168)	(4,026,291)	(154,385,772)
Net reinsurance contract assets/(liabilities) as at 31 December	(33,110,259)	29,267,472	581,956,609	41,381,492	619,495,314

Al Dhafra Insurance Company P.S.C.
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Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

9 Cash and cash equivalents

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Cash on hand	96,593	92,494
Call account and deposit	80,844,146	43,108,223
Current accounts	24,993,083	10,893,889
Term deposits*	136,317,537	171,961,590
Bank balances and cash	242,251,359	226,056,196
Less: Term deposits with an original maturity of more than three- months	(136,317,537)	(171,961,590)
Cash and cash equivalents	105,933,822	54,094,606

*Term deposits are stated net of expected credit losses amounting to AED 392,227 as at 31 March 2025 (31 December 2024: AED 392,227).

The interest rate on term deposits and current accounts with banks ranges between 3.89% and 6.25% (31 December 2024: 4.2% and 6.25%) 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 the terms of these transactions are approved by the Company's management.

	Nature of relationships	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Due from policy holders (related parties)	Affiliates	780,928	314,202

Transactions with related parties during the period are as follows:

	Nature of relationships	31 March 2025 (Unaudited) AED	31 March 2024 (Unaudited) AED
Gross premiums written	Affiliates	1,350,685	1,225,093
Claims paid	Affiliates	1,802,328	334,555

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Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

10 Related party transactions and balances (continued)

Remuneration of key management personnel

	31 March 2025 (Unaudited) AED	31 March 2024 (Unaudited) AED
Remuneration of management personnel	651,410	587,430
Post-employment benefits	28,333	28,101
	<u>679,743</u>	<u>615,531</u>

11 Other payables

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Dividend payable	35,002,441	2,441
Central Bank of the UAE - fees reserve	1,814,732	1,401,794
Deferred income	1,485,169	1,345,564
Provision for directors' remuneration	-	4,000,000
Other payables	5,684,299	17,052,410
	<u>43,986,641</u>	<u>23,802,209</u>

12 Dividends

On 26 March 2025, the shareholders at the Annual General Assembly approved cash dividends of 0.35 fils per share amounting to AED 35,000,000 (2024: 0.35 fils per share amounting to AED 35,000,000) and paid on 04 April 2025.

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.

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Profit for the period after tax (AED)	<u>28,035,765</u>	<u>26,303,611</u>
Weighted average number of ordinary shares outstanding during the period	<u>100,000,000</u>	<u>100,000,000</u>
Basic and diluted earnings per share (AED)	<u>0.28</u>	<u>0.26</u>

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

14 Income from investments, net

	31 March 2025 (Unaudited) AED	31 March 2024 (Unaudited) AED
Dividend income	17,884,880	14,100,191
Interest income	2,728,296	2,753,367
Change in fair value of investments at fair value through profit or loss	2,842,996	(468,988)
Realised gain on sale of investments at fair value through profit or loss	264,795	3,761,595
Foreign exchange gain on investment	-	11,901
Investment expense	(213,636)	(229,156)
Income from investments, net	23,507,331	19,928,910
Income from investment properties, net	559,532	596,328
Income from investments, net	24,066,863	20,525,238

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.

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

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

15 Segment reporting (continued)

15.1 Segment revenue and results (continued)

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

	31 March 2025 (Unaudited)			31 March 2024 (Unaudited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Insurance revenue	91,708,821	-	91,708,821	80,121,463	-	80,121,463
Insurance service expenses	(36,154,363)	-	(36,154,363)	(14,293,342)	-	(14,293,342)
Insurance service result before reinsurance contracts held	55,554,458	-	55,554,458	65,828,121	-	65,828,121
Allocation of reinsurance premiums	(73,729,541)	-	(73,729,541)	(62,358,542)	-	(62,358,542)
Amounts recoverable from reinsurance	24,019,117	-	24,019,117	2,922,741	-	2,922,741
Net income from reinsurance contracts held	(49,710,424)	-	(49,710,424)	(59,435,801)	-	(59,435,801)
Investment income, net	-	24,066,863	24,066,863	-	20,525,238	20,525,238
Finance expenses from insurance contracts issued	(8,311,518)	-	(8,311,518)	(8,196,901)	-	(8,196,901)
Finance income from reinsurance contracts held	7,649,399	-	7,649,399	7,331,356	-	7,331,356
Net insurance and financial result	5,181,915	24,066,863	29,248,778	5,526,775	20,525,238	26,052,013
Other underwriting income	1,094,032	-	1,094,032	2,856,245	-	2,856,245
Other operating cost	(1,225,524)	-	(1,225,524)	(1,260,765)	-	(1,260,765)
Profit for the period before tax	5,050,423	24,066,863	29,117,286	7,122,255	20,525,238	27,647,493
Provision for corporate tax	-	-	(1,081,521)	-	-	(1,343,882)
Profit for the period after tax	5,050,423	24,066,863	28,035,765	7,122,255	20,525,238	26,303,611

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Condensed Interim Financial Information

Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

15 Segment reporting (continued)

15.2 Segment assets and liabilities

	31 March 2025 (Unaudited)		
	Underwriting AED	Investments AED	Total AED
Total assets	674,796,818	778,245,772	1,453,042,590
Total liabilities	934,698,770	5,882,284	940,581,054
	31 December 2024 (Audited)		
	Underwriting AED	Investments AED	Total AED
Total assets	829,788,282	749,444,820	1,579,233,102
Total liabilities	1,069,477,509	7,875,935	1,077,353,444

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 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 31 March 2025 and 31 December 2024:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
31 March 2025 (Unaudited)				
Investments at fair value through other comprehensive income	303,666,564	-	-	303,666,564
Investments at fair value through profit and loss	43,702,006	96,524,744	8,521,099	148,747,849
	347,368,570	96,524,793	8,521,050	452,414,413
31 December 2024 (Audited)				
Investments at fair value through other comprehensive income	288,156,172	-	-	288,156,172
Investments at fair value through profit and loss	42,679,895	100,451,458	8,521,099	151,652,452
	330,836,067	100,451,458	8,521,099	439,808,624

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Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

16 Fair value of financial instruments (continued)

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

17 Contingent liability

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Bank guarantees	11,954,421	11,954,421

18 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 year. 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.

	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	160,190,398	169,609,959
Minimum Guarantee Fund (MGF)	53,396,799	56,536,653
Basic Own Funds	279,147,735	278,422,011
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	179,147,735	178,422,011
MCR Solvency Margin - Solvency Capital Requirement (Surplus)	118,957,337	108,812,052
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	225,750,936	221,885,358

19 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 information.

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Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2025

20 Comparative Figures

Certain comparative figures have been reclassified in interim condensed statement of cashflow in order to conform to current period's classification. The reclassification did not have an impact on previously reported equity or profit of the Company.

21 Approval of condensed interim financial information

The condensed interim financial information was approved and authorized for issue by the Board of Directors on 07 May 2025.