HAYAH

Integrated report 2024

HAYAH Insurance Company P.J.S.C.

Empowering Futures

Report contents

2024 Annual financial report

HAYAH Insurance Company P.J.S.C.

Empowering Futures

HAYAH Insurance Company P.J.S.C.

Financial statements

Contents | ***Page***

CHAIRPERSON'S REPORT

Dear Shareholders,

On behalf of the Board of Directors of Hayah Insurance Company P.J.S.C., I am pleased to present to you our annual report for the year ended 31 December 2024.

The year 2024 has been a pivotal year for our company, marking a significant turnaround in our financial performance. We registered a net profit of AED 4.6 million compared to a net loss of AED 5.7 million in the previous year. This remarkable improvement was driven by positive underwriting results arising from our Group Life business, increased investment income, and strengthened governance frameworks.

GOVERNANCE AND INSTITUTIONAL DISCIPLINE

The newly constituted Board of Directors, appointed this year, has been instrumental in setting a strong foundation for growth. We have placed a heightened focus on enhancing governance controls and institutional discipline. This commitment to rigorous governance practices has been a cornerstone of our strategic direction and has played a critical role in the turnaround of our performance.

Furthermore, we have implemented measures to strengthen risk management frameworks, enhance compliance systems, and reinforce our organizational discipline. The effectiveness of these enhancements is evident in the improved performance across all aspects of our business.

WAY FORWARD

Looking ahead, we are determined to build upon this positive momentum. Our strategic priorities will focus on enhancing institutional discipline, maintaining robust governance, pursuing financial sophistication, strengthening risk management, and expanding our digital offerings.

We believe these priorities will ensure sustainable growth, improve our competitive position, and create long-term value for our shareholders.

ACKNOWLEDGEMENTS

I would like to extend our deepest gratitude to the rulers of the United Arab Emirates for their visionary leadership and continued support. We also thank the Securities and Commodities Authority (SCA) and the Central Bank of the UAE for their invaluable guidance and oversight.

Additionally, I would like to recognize and thank our management team and employees for their hard work, dedication, and commitment throughout the year. Their relentless efforts have been pivotal in achieving these remarkable results.

Finally, to our shareholders, I express my sincere appreciation for your unwavering confidence and support. We remain dedicated to delivering consistent, long-term growth and value.

Sincerely,
Chairperson

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Hayah Insurance Company P.J.S.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hayah Insurance Company P.J.S.C. (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of 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 IFRS accounting standards as issued by International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with the requirements of IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the year ended 31 December 2024. 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.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Hayah Insurance Company P.J.S.C.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Valuation of Insurance Contract Liabilities and Reinsurance Contract Assets</td></tr>
<tr><td>As at 31 December 2024, the Company's Insurance Contract Liabilities and Reinsurance Contract Assets are valued at AED 47,114 thousands and AED 37,692 thousands, respectively. (Refer note 9).

Valuation of insurance contract liabilities and reinsurance contract assets involves significant judgements and estimates particularly with respect to estimation of the present value of future cash flows, eligibility of the measurement model and estimation of the liabilities for incurred claims and its related reinsurance assets.

These cash flows primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries.

The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of discount rates, methodology, assumptions and data used to determine the estimated present value of future cash flows pertaining to liability for remaining coverage (LRC), liability for incurred claims (LIC) and risk adjustment for non-financial risk.

As a result of the above factors, we consider valuation of insurance contract liabilities and reinsurance contract assets as a key audit matter.</td><td>We performed the following procedures in conjunction with our actuarial specialists:
- Understood, evaluated and tested key controls around claims and premium administration and valuation of technical insurance reserves;
- Evaluated the competence, capabilities and objectivity of the management's actuarial expert based on their professional qualifications and experience and assessed their independence;
- Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows;
- Tested and reconciled key data inputs into the IFRS 17 engine with primary insurance data and reconciled IFRS 17 engine output numbers to the financial statements and actuarial reports;
- Engaged our actuarial specialist to assess the methodology and reasonableness of the key assumptions and judgments used by the management in determining the technical insurance reserves;
- 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;
- Evaluated and tested the calculation of the allowance for expected credit loss including the data, key assumptions and judgments used; and
- Assessed the adequacy and appropriateness of disclosures made in the financial statements.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Hayah Insurance Company P.J.S.C.

Report on the Audit of the Financial Statements (continued)

Other matter

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 financial statements on 25 March 2024.

Other Information

Management and directors are responsible for the other information. The other information comprises the information included in the Chairperson's 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 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 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS accounting standards as issued by IASB and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021, UAE Federal Law No. (48) of 2023, and Central Bank of the UAE Board of Director's Decision No. (25) of 2014 pertinent to 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.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Hayah Insurance Company P.J.S.C.

Report on the Audit of the Financial Statements (continued)

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

- 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 evidenced 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 disclosure is 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.

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

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

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

Report on other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December:

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;

iv) the financial information included in the Chairperson's report is consistent with the books of account of the Company;

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Hayah Insurance Company P.J.S.C

Report on other Legal and Regulatory Requirements (continued)

v) investments in shares and stocks during the year ended 31 December 2024, are disclosed in note 7 and 8 to these financial statements;

vi) Note 19 to the financial statements discloses material related party transactions and balances, and the terms under which they were conducted;

vii) 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, during the financial year ended 31 December 2024, contravened any of the applicable provisions of the UAE Federal Law No. (32) of 2021, or its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2024; and

viii) The Company did not make any social contribution during the year ended 31 December 2024 as disclosed in note 28.

Further, as required by the UAE Federal 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

GRANT THORNTON UAE

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

Date: 26 March 2025

Statement of financial position

As at

	Note	**31 December 2024 AED'000**	31 December 2023 AED'000
Assets			
Property and equipment	*5*	**2,080**	2,146
Intangible assets	*6*	**9,878**	11,650
Financial assets at fair value through other comprehensive income	*7*	**74,029**	86,386
Financial assets at fair value through profit or loss	*8*	**19,478**	16,522
Insurance contract assets	*9*	**-**	706
Reinsurance contract assets	*9*	**37,692**	34,833
Investment contract assets	*14*	**26,400**	18,900
Other receivables and prepayments	*10*	**10,388**	2,722
Statutory deposits	*11*	**4,000**	4,000
Time deposits	*12*	**10,000**	10,000
Cash and cash equivalents	*12*	**8,448**	6,154
Total assets		**202,393**	194,019
Equity and Liabilities			
Equity			
Share capital	*15*	**200,000**	200,000
Legal reserve	*16(a)*	**1,155**	690
Other reserve	*16(b)*	**1,372**	1,372
Reinsurance risk reserve	*16(c)*	**455**	340
Accumulated losses		**(78,675)**	(82,740)
Fair value reserve		**93**	(345)
Net equity		**124,400**	119,317
Liabilities			
Insurance contract liabilities	*9*	**47,114**	45,504
Provision for employees' end of service benefits	*17*	**2,496**	2,429
Investment contract liabilities	*14*	**26,400**	18,900
Other payables and accruals	*13*	**1,983**	7,869
Total liabilities		**77,993**	74,702
Total equity and liabilities		**202,393**	194,019

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operations and cash flows of the Company as of, and for, the year ended 31 December 2024.

Chairperson ***Chief Executive Officer***

The notes set out on pages 13 to 78 form an integral part of these financial statements.
The independent auditors' report on audit of the financial statements is set out on pages 2 to 6.

Statement of profit or loss
for the year ended 31 December

	Note	**2024** **AED'000**	2023 AED'000
Insurance revenue	*9*	**94,242**	88,944
Insurance service expenses	*9*	**(87,425)**	(103,107)
Insurance service result before reinsurance contracts held	*9*	**6,817**	(14,163)
Net results from reinsurance contracts held	*9*	**(1,105)**	6,665
Net insurance service result		**5,712**	(7,498)
Investment and other income – net*	*8(i)*	**7,865**	4,822
Insurance finance income and expenses	*9*	**(1,218)**	(631)
Reinsurance finance income and expenses	*9*	**1,263**	125
Net investment and insurance service result		**7,910**	4,316
Total income / (loss)		**13,622**	(3,182)
Other operating expenses	*26*	**(8,827)**	(2,516)
Profit / (loss) for the year before tax		**4,795**	(5,698)
Income tax expense	*24*	**(150)**	-
Profit / (loss) for the year after tax	*18*	**4,645**	(5,698)
Earnings / (loss) per share for the year - basic and diluted (AED)	*18*	**0.023**	(0.028)

The notes set out on pages 13 to 78 form an integral part of these statements.

The independent auditors' report on audit of the financial statements is set out on pages 2 to 6.

*This includes interest income calculated using effective interest rate.

Statement of other comprehensive income
for the year ended 31 December

	2024 AED'000	2023 AED'000
Profit / (loss) for the year after tax	**4,645**	(5,698)
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss:		
Equity investment at FVOCI - net change in fair value after tax	**186**	1,558
Items that are or may be reclassified subsequently to statement of profit or loss:		
Debt investment at FVOCI - net change in fair value after tax	**252**	2,064
Other comprehensive income for the year	**438**	3,622
Total comprehensive income / (loss) for the year	**5,083**	(2,076)

The notes set out on pages 13 to 78 form an integral part of these financial statements.

The independent auditors' report on audit of the financial statements is set out on pages 2 to 6.

HAYAH Insurance Company P.J.S.C.

Statement of changes in shareholders' equity
for the year ended 31 December

	Share capital AED'000	***Legal reserve AED'000***	***Other reserve AED'000***	***Reinsurance risk reserve AED'000***	***Accumulated losses AED'000***	***Fair value reserve AED'000***	***Total AED'000***
At 1 January 2023	200,000	690	1,372	238	(76,940)	(3,967)	121,393
Total comprehensive income:							
Loss for the year	-	-	-	-	(5,698)	-	(5,698)
Other comprehensive income for the year	-	-	-	-	-	3,622	3,622
Total comprehensive (loss) / income for the year	-	-	-	-	(5,698)	3,622	(2,076)
Transfer from retained earnings to reinsurance risk reserve	-	-	-	102	(102)	-	-
At 31 December 2023	200,000	690	1,372	340	(82,740)	(345)	119,317
At 1 January 2024	**200,000**	**690**	**1,372**	**340**	**(82,740)**	**(345)**	**119,317**
Total comprehensive income:							
Profit for the year after tax	**-**	**-**	**-**	**-**	**4,645**	**-**	**4,645**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**438**	**438**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**4,645**	**438**	**5,083**
Transfer from retained earnings to legal reserve	**-**	**465**	**-**	**-**	**(465)**	**-**	**-**
Transfer from retained earnings to reinsurance risk reserve	**-**	**-**	**-**	**115**	**(115)**	**-**	**-**
At 31 December 2024	**200,000**	**1,155**	**1,372**	**455**	**(78,675)**	**93**	**124,400**

The notes set out on pages 13 to 78 form an integral part of these financial statements.

HAYAH Insurance Company P.J.S.C.

Statement of cash flows
for the year ended 31 December

	Note	**2024 AED'000**	2023 AED'000
Cash flows from operating activities			
(Loss) / profit for the period before tax		**4,795**	(5,698)
Adjustments for:			
Depreciation		**858**	885
Amortisation		**511**	281
Bonds premium amoritsation	*8(i)*	**887**	(613)
Fair value gain / (loss) on financial assets at fair value through profit or loss	*8*	**(2,632)**	(753)
Charge of allowance of impairment loss on financial assets at FVOCI	*8(i)*	**(9)**	19
Loss on sale of financial assets		**60**	580
Provision for employees' end of service benefits	*17*	**442**	1,271
Finance cost on lease liability		**20**	36
Interest income	*8(i)*	**(4,327)**	(3,694)
Write-off from intangible assets	*6*	**4,252**	
Dividend income	*8(i)*	**(935)**	(361)
Cash generated / (used in) from operation		**3,922**	(8,047)
Changes in:			
Insurance contract assets		**706**	(246)
Reinsurance contract assets		**(2,859)**	(18,077)
Other receivables and prepayments		**(7,610)**	59
Insurance contract liabilities		**1,610**	1,301
Reinsurance contract liabilities		**-**	(39)
Investment contract assets		**(7,500)**	(7,431)
Investment contract liabilities		**7,500**	7,431
Other payable and accruals		**(5,876)**	2,886
Cash used in operating activities		**(10,107)**	(22,163)
Employees' end of service benefits paid	*17*	**(375)**	(585)
Net cash used in operating activities		**(10,482)**	(22,748)

(continued)

HAYAH Insurance Company P.J.S.C.

Statement of cash flows *(continued)*
for the year ended 31 December

	Note	**2024 AED'000**	2023 AED'000
Cash flows from investing activities			
Additions to property and equipment	*5*	**(792)**	(833)
Additions to intangible assets	*6*	**(2,991)**	(6,166)
Withdrawal of time deposits		**-**	27,028
Purchase of financial assets at fair value through other comprehensive income	*7*	**(5,126)**	(20,845)
Proceeds from sale of financial assets at fair value through other comprehensive income		**16,983**	14,961
Purchase of financial assets at fair value through profit or loss	*8*	**(2,766)**	(1,866)
Proceeds from sale of financial assets at fair value through profit or loss		**2,442**	855
Dividends received		**935**	361
Interest received		**4,271**	3,788
Net cash generated from investing activities		**12,956**	17,283
Cash flows from financing activities			
Payment for lease liability		**(180)**	(358)
Net change in cash and cash equivalents		**2,294**	(5,823)
Cash and cash equivalents at 1 January	*12*	**6,154**	11,977
Cash and cash equivalents at 31 December	*12*	**8,448**	6,154

Non-cash transactions

The principal non-cash transactions were as follows:

(i) Fair value gain on financial assets at fair value through OCI credited to fair value reserve of AED 438 thousand *(31 December 2023: Fair value loss of AED 3,622 thousand).*

The notes set out on pages 13 to 78 form an integral part of these financial statements.

The independent auditors' report on audit of the financial statements is set out on pages 2 to 6.

1 (a) Legal status and activities

HAYAH Insurance Company P.J.S.C. (the "Company") is a public joint stock company, registered and incorporated in the Emirate of Abu Dhabi, United Arab Emirates on 26 July 2008. The Company is registered in accordance with UAE Federal Law No. (48) of 2023 concerning Insurance Companies and Agents and is governed by the provisions of the Federal Law No. (32) of 2021 concerning the commercial companies, Central Bank of UAE Board decision No. (25) of 2014 pertinent to Financial Regulations for insurance companies and Insurance Authority's Board of Directors Decision No. (23) of 2019 concerning Instructions Organizing Reinsurance Operations, and is registered in the Insurance Companies Register under registration No. (83). The Company's ordinary shares are listed on Abu Dhabi Securities Exchange (ADX) and its principal activity is providing health and life insurance solutions.

The registered office of the Company is located at Floor 16, Sheikh Sultan Bin Hamdan Building, Corniche Road, P.O. Box 63323, Abu Dhabi, United Arab Emirates.

1 (b) Going concern

As at 31 December 2024, the Company had accumulated losses of AED 78,675 thousand *(31 December 2023: AED* 82,740 *thousand)*. The validity of going concern assumptions is dependent upon future operations and the ability of the Company to generate sufficient cash flows to meet its future obligations. The Company has sufficient cash balances as at 31 December 2024, and future plans indicate that the Company will be profitable and will generate sufficient cash flows. The Company's directors are, therefore, confident that the Company will be able to meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations. Accordingly, these financial statements have been prepared on a going concern basis.

1 (c) Accumulated losses

As at 31 December 2024, the Company's accumulated losses represent 39% of the share capital of the Company *(31 December 2023: 41%)*. The history of these accumulated losses is analysed below:

- Carried-forward accumulated losses as at 31 December 2014 related to Green Crescent Insurance Company amounting to AED 28,438 thousand, which is prior to the formation of AXA Green Crescent Insurance Company P.J.S.C. in 2015;
- Net loss of AED 15,444 thousand incurred during the year ended 31 December 2015, was mainly attributable to a large expense base amounting to AED 20,852 thousand, offset by underwriting surplus and investments income of AED 4,632 thousand and AED 776 thousand respectively. Furthermore, accumulated losses were adjusted with an amount of AED 68 thousand as charges incurred on conversion of bonds into share capital of the Company;
- Net loss of AED 13,910 thousand incurred during the year ended 31 December 2016, was mainly attributable to the large expense base amounting to AED 21,220 thousand, offset by underwriting surplus and investment income of AED 3,613 thousand and AED 3,697 thousand respectively;
- Net loss of AED 18,904 thousand incurred during the year ended 31 December 2017, was mainly attributable to losses on termination of life and savings contract amounting to AED 15,352 thousand;
- Net loss of AED 2,205 thousand incurred during the year ended 31 December 2018, was mainly attributable to the large expense base amounting to AED 15,434 thousand, offset by underwriting surplus and investment income of AED 7,857 thousand and AED 5,372 thousand respectively.
- Furthermore, the balance of the accumulated losses for the year ended 31 December 2018 was re-stated with a downward adjustment amounting to AED 2,150 thousand related to the adoption of IFRS 9 "Financial Instruments";

1 (c) Accumulated losses *(continued)*

- Net profit of AED 162 thousand for the year ended 31 December 2019, was mainly attributable to prudent underwriting measures taken during the year;
- Net profit of AED 2,246 thousand for the year ended 31 December 2020, predominantly attributable to favorable underwriting margin and better loss ratios for most of its business.
- Net profit of AED 3,962 thousand (restated) for the year ended 31 December 2021, was attributable to better investment returns as compared to previous year.
- Net profit of AED 7,426 thousand (restated) for the year ended 31 December 2022, was attributable to positive underwriting results arising from Group Life business.
- Net loss of AED 5,698 thousand for the year ended 31 December 2023, is mainly attributable to negative underwriting results specifically arising from Medical business.
- Net profit of AED 4,645 thousand for the year ended 31 December 2024, is attributable to positive underwriting results arising from Group Life business.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with applicable requirements of the Federal Law No. (48) of 2023 concerning the Establishment of the Insurance Authority & Organisation of the Insurance Operations, the Federal Law No. (32) of 2021 concerning the Commercial Companies, Insurance Authority Board of Directors' Decision No. (25) of 2014 Pertinent to Financial Regulations for Insurance Companies.

(b) Basis of measurement

These financial statements have been prepared under the historical cost convention except for revaluation of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income and insurance and reinsurance contracts which are measured at the estimated fulfillment cashflows that are expected to arise as the Company fulfills its contractual obligations.

(c) Functional and reporting currency

These financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional currency. Except as indicated, financial information presented in AED has been rounded to the nearest thousand.

(d) Use of estimates and judgement

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected. The significant judgments made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

2 Basis of preparation *(continued)*

(i) Estimation uncertainty

Insurance and reinsurance contracts

Insurance and reinsurance contracts require several estimates and judgments to be made for recognition and measurement which are described in note 3.

Impairment of financial instruments

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 Expected Credit Losses ("ECL") requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. 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 30 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.

(ii) Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognised in the financial statements.

Classification of investments

Management decides on acquisition of an investment whether it should be classified as investments carried at fair value or amortised cost on the basis of both:

(a) its business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

For equity investments carried at fair value, management decides whether it should be classified as investments carried at fair value through other comprehensive income or fair value through profit or loss.

Investments in equity instruments are classified and measured at fair value through profit or loss ("FVTPL") except if the equity investment is not held for trading and is designated by the Company at fair value through other comprehensive income ("FVOCI").

Further, even if the asset meets the amortised cost criteria the Company may choose at initial recognition to designate the financial asset as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

For debt securities acquired to match its business model of development of the line of business, the Company classified these investments as financial assets at fair value through other comprehensive income.

3 Material accounting policy information

Insurance contracts issued and reinsurance contracts held

The Company issues contracts that transfer significant insurance risk from the insured to the Company. Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss. All references to insurance contracts in the financial statements apply to insurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

The Company does not write any investment contracts with discretionary participation features or insurance contracts with direct participation features.

Level of aggregation

The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Each portfolio is further disaggregated into group of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

For reinsurance contracts, the risks that must be similar and managed together to those transferred from the underlying contract to the issuer of the reinsurance contract is required to be considered. When deciding whether these risks are similar, reference must be made to the risk profile of underlying contracts as well as the nature of the risks that are transferred.

If risks covered are not similar enough between different treaties, they will not be classified into the same portfolios. It is possible for a portfolio to consist of a single reinsurance treaty if there are no other reinsurance treaties that are deemed to have a similar risk and are managed together.

3 Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundaries of each contract in a group. The period covered by the premiums within the contract boundary is the "coverage period'.

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligation that exist during the reporting period in which the Company can compel the policyholder to pay premium or has a substantive obligation to provide services. For reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligation that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

Judgement is required to assess the Company's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.

Initial Recognition and Subsequent Measurement

General measurement model

The general measurement model ("GMM"), also known as the building block approach ('BBA'), consists of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows represent the risk- adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting and an explicit risk adjustment for non-financial risk. This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The contractual service margin ('CSM") represents the unearned profit from in-force contracts that the Company will recognise as it provides services over the coverage period.

At inception, the contractual service margin cannot be negative. If the fulfilment cash flows lead to a negative contractual service margin at inception, it will be set to zero and the negative amount will be recorded immediately in the income statement. At the end of a reporting period, the carrying amount of a group of insurance contracts is the sum of the liability for remaining coverage and the liability of incurred claims. The liability for remaining coverage consists of the fulfilment cash flows related to future services and the contractual service margin, while the liability for incurred claims consists of the fulfilment cash flows related to past services.

The contractual service margin gets adjusted for changes in cash flows related to future services and for the interest accretion at interest rates locked-in at initial recognition of the group of contracts. A release from the contractual service margin is recognised in profit or loss each period to reflect the services provided in that period based on "coverage units". IFRS 17 only provides principle-based guidance on how to determine these coverage units.

The Company has measured the following lines of business under the GMM model: Credit Life, Term Life.

3 Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Initial Recognition and Subsequent Measurement (continued)

Variable fee approach

The variable fee approach ("VFA") is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts. An insurance contract has a direct participation feature if the following three requirements are met:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The contracts issued by the Company does not fall under the measurement requirements of Variable fee approach.

Premium allocation approach

The Company applies the premium allocation approach (PAA) to simplify the measurement of the groups of insurance contracts that it issues and the groups of reinsurance contracts it holds where the coverage period is 12 months or less.

Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period based on the passage of time. When measuring liabilities for incurred claims, the Company 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.

Insurance revenue and insurance service expenses are recognised in the income statement based on the concept of services provided during the period. The losses are required to be recognised immediately on contracts that are expected to be onerous. For insurance contracts measured under the PAA, it is assumed that contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The Company's focus is to grow a profitable and sustainable business and does not anticipate the recognition of onerous contracts except where the following have been identified:

- Relevant pricing decisions;
- Initial stages of a new business acquired where the underlying contracts are onerous; and
- Any other strategic decisions the management considers appropriate.

The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting. An explicit risk adjustment for non-financial risk is estimated separately from the other estimates for the liability for incurred claims. This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment forms part of the fulfilment cash flows for a group of insurance contracts. The Company has measured the following lines of business under the PAA model: Medical, Group life and Short term individual life.

3 Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Insurance revenue and insurance service expenses

As the Company provides insurance contract services under the group of insurance contracts, it reduces the Liability for Remaining Coverage and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

For insurance contracts measured under the premium allocation approach, expected premium receipts are allocated to insurance revenue based on the passage of time.

Insurance service expenses include incurred claims and benefits, other incurred directly attributable expenses, insurance acquisition cash flows amortisation, changes that relate to past service i.e., changes in the Fulfilment cash flows ("FCF") relating to the liability for incurred claims ("LIC"), changes that relate to future service (i.e., changes in the FCF that result in onerous contract losses or reversals of those losses).

Accounting policy choices

The following table sets out the accounting policy choices that the Company has adopt:

Description	**Adopted approach**
Insurance acquisition cash flows	The Company has adopted the policy choice of amortising the insurance acquisition cash flows over the contract's period regardless of the total coverage period of the contracts.
Liability for remaining coverage ("LRC") adjusted for financial risk and time value of money	The Company has adopted to disregard interest accretion on the LRC for PAA eligible contracts.
Liability for incurred claims ("LIC") adjusted for financial risk and time value of money	The Company has adopted to discount and adjust the LIC for the time value of money except where the claim run off period is expected to be less than one year.

3 Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Accounting policy choices (continued)

Description	**Adopted approach**
Insurance finance income and expenses	The Company has adopted to include changes in discount rates and other financial changes within the statement of profit or loss.
Disaggregation of risk adjustment	The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and plans to include the entire change within the insurance service result.
Recovery of insurance acquisition cash flows	The Company has adopted to consider the time value of money when allocating the portion of the premiums that relates to the recovery of insurance acquisition cash flows.

3 Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Areas of significant judgements and estimates

The following are key judgements and estimates are applied by the Company.

Discount rates

The Company has used the bottom-up approach to derive the discount rates for all groups of contracts. Under the bottom-up approach, the discount rate is determined as the risk-free yield, adjusted for country risk premium and 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 significant area of judgement is deriving the illiquidity premium which is required to adjust the risk-free yield curve. The risk-free curve itself will either be derived by the Company from risk free assets in the market, or the Company may choose to apply a published risk-free curve.

Where the Company is exposed to FCFs that vary with inflation (e.g. claims and expense cash flows), the Company has explicitly allowed for inflation in the FCFs measurement and has discounted these using nominal discount rates set using the bottom-up approach.

The yield curves that were used to discount the estimates of future cash flows are as follows:

Financial year	1 Year	5 Year	10 Year	20 year	30 Year
31 December 2024	**5.29%**	**5.41%**	**5.54%**	**5.74%**	**5.83%**
31 December 2023	5.95%	4.98%	5.03%	5.46%	5.15%

Risk adjustment

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach.

The methodology adopted is based on a mix of results of Company's own experience variability and the Value at Risk (“VaR”) approach in line with Solvency II. The Appointed Actuary calibrates the parameters of the distribution based on the experience and credibility of the historical data. The Value at Risk (VaR) at the 75th percentile is calculated based on the lognormal distribution assumption, representing the expected loss at a 75% confidence level. The diversification benefit has been allowed for in the estimation of RA driven by the mix of business and the expected correlations between them.

Onerous contracts – loss component

The Company assumes that no contracts in the portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise. The Company assesses whether contracts that are not onerous at initial recognition have no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, The Company shall calculate the difference between:

(a) the carrying amount of the liability for remaining coverage; and
(b) the fulfilment cash flows that related to the remaining coverage of the group.

3 Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Areas of significant judgements and estimates (continued)

Onerous contracts – loss component (continued)

A contract is onerous if the fulfilment cash flows exceed the Liability for remaining coverage. Hayah will therefore use a combined ratio as a proxy for fulfilment cashflows, determined on the following basis (to ensure consistency with fulfilment cash flows):

- Based on expected claims and expenses rather than incurred amounts
- Includes the impact of the time value of money at locked-in rates
- Includes an allowance for the risk adjustment
- Includes an allowance for directly attributable expenses (which includes a portion of overheads) as required by IFRS 17
- Calculated at the most granular segmentation for which such assessments are available, which is currently at Actuarial Reserving class level

The key indicator that the Company has used for the purpose of this assessment is the forward-looking combined ratio derived as per the above points. Should this ratio exceed 100% for a given segment, this group shall be classified as onerous.

Modification and derecognition

An insurance contract may be modified, either by agreement between the parties or as result of regulation. If the terms are modified, an entity must derecognise the original insurance contract and recognise the modified contract as a new contract, if and only if certain conditions as prescribed in IFRS 17 are satisfied. The exercise of a right included in the terms of a contract is not a modification. Any contract modification that changes the accounting model or the applicable standard for measuring the components of the insurance contract, is likely to result in derecognition. If a contract modification meets none of the conditions for derecognition, any changes in cash flows caused by the modification are treated as changes in the estimates of the fulfilment cash flow.

Contractual Service Margin and Coverage units

For long term Individual Life contracts, measured under the GMM, the Company recognises a contractual service margin (CSM) which represents the unearned profit the Company will earn as it provides service under those contracts. A coverage units methodology will be used for the release of the CSM. Based on the benefit for the policy holders, the applicable CSM release pattern will be determined by using coverage unit methodology which will reflect the benefit defined in the insurance contracts with the policy holders. The coverage units will be determined based upon the sum assured.

3 Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Areas of significant judgements and estimates (continued)

Measurement of expenses

The Company has defined acquisition expenses as the costs of selling, underwriting and started issuing a group of insurance contracts as per IFRS 17 requirements. The Company has defined acquisition costs as attributable to a contract (or group of contracts) if the cost is incurred to acquire a specific contract or group of contracts (as opposed to new business in general).

Insurance acquisition cash flows (commissions and premium taxes) allocated to a group are deferred and recognised over the coverage period of contracts.

The attributable costs refer to costs that are either fully or partially related to insurance operations. These costs are allocated to the group of insurance contracts level, while non-allocable expenses are recognised directly in the profit and loss account. The allocation of expenses is done systematically and rationally, reflecting the transfer of services provided by the insurer over the coverage period.

Both acquisition and attributable costs fall under the insurance service expense, while the non-attributable costs are reported under other operating expenses.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost of assets to their estimated residual values over their expected useful lives for current and prior years and are charged as follows:

	Years
Leasehold improvements	5
Furniture and fixtures	3
Office and computer equipment	3
Motor vehicles	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of profit or loss.

3 Material accounting policy information (continued)

Intangible assets

Intangible assets are stated at historical costs less accumulated amortisation and any impairment losses. Amortisation for computer software is provided over the estimated useful life of five years using the straight-line method. Intangible assets classified under development costs relate to the Company's life platform development, software and website.

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product's development so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the life products and related software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The expected useful life of the Company's intangible assets for current and prior years is 5 years.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3 Material accounting policy information (continued)

Non derivative financial assets and liabilities

(i) Recognition

A financial asset or financial liability is initially measured at fair value plus, for an item not carried at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

All recognised financial assets and financial liabilities are subsequently measured in their entirety at either amortised cost or fair value.

(ii) Classification

Financial assets at amortised cost

At inception a financial asset is classified as measured at amortised cost or fair value.

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 principle and interest on the principle amount outstanding.

If a financial asset does not meet both of these conditions, then it is measured at fair value.

The Company makes an assessment of a business model at portfolio level as this reflects 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 at fair value through profit or loss

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.

3 Material accounting policy information (continued)

Non derivative financial assets and liabilities

(ii) Classification

Financial assets at fair value through other comprehensive income

At initial recognition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in certain equity instruments as at FVOCI. Designation to FVOCI is not permitted if the equity instrument is held for trading.

Gains and losses on such equity instruments are never reclassified to income statement and no impairment is recognised in profit or loss.

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 amoritised cost using the effective interest method.

Loans and receivables comprise mainly insurance and other receivables.

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-derivative 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.

Impairment

The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The financial assets at amortised cost consist of premiums and insurance receivables, other receivables (excluding prepayments), cash and cash equivalents and due from related parties.

3 Material accounting policy information (continued)

Non derivative financial assets and liabilities (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, for which they are measured as 12-month ECLs:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

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 ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument.

Credit loss allowances are measured using a three-stage approach based on the extent of credit deterioration since origination:

- *Stage 1* – Where there has not been a significant increase in credit risk ("SICR") since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- *Stage 2* – When a financial instrument experiences an increase in SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- *Stage 3* – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The key inputs into the measurement of ECLs are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD);
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

The Company has adopted simplified approach in case of premiums and insurance receivables. In case of financial assets for which simplified approach is adopted lifetime expected credit loss is recognised.

3 Material accounting policy information (continued)

Non derivative financial assets and liabilities (continued)

Measurement of ECLs (continued)

Details of these statistical parameters/inputs are as follows:

- *PD* – The probability of default is an estimate of the likelihood of default over a given time horizon.
- *LGD* – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.
- *EAD* – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

Forward-looking information

The measurement of expected credit losses considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors

In its models, the Company relies on a broad range of forward-looking information as economic inputs, such as: GDP, GDP annual growth rate, inflation rates, interest rates, etc.

The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

Definition of default

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.

In assessing whether a borrower is in default, the Company considers indicators that are:

- Qualitative – e.g. breaches of covenant;
- Quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Company; and
- Based on data developed internally and obtained from external sources.

3 Material accounting policy information (continued)

Non derivative financial assets and liabilities (continued)

Derecognition of financial assets and 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 on the financial asset. Any interest in transferred financial assets that qualify for derecognition that is carried or retained by the Company is recognised as a separate asset or liability in the statement of financial position. On derecognition of financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the financial assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Company retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the services.

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

3 Material accounting policy information (continued)

Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Employees benefits

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' length of service and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment and are not less than the liability arising under UAE Labour Law.

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

3 Material accounting policy information (continued)

Investment income

Investment income mainly comprises of interest, dividend income, realised gains and losses on sale of investments at fair value through profit or loss and debt securities through other comprehensive income. Investment income is stated net of investment expenses and charges.

Interest income is recognised in the statement of profit or loss on an accrual basis. Interest includes interest earned on bank deposits and debt securities. Dividend receivables are included separately in dividend income when a dividend is declared. Realised gains and losses on investments are calculated as the difference between net sales proceeds and the carrying value of investments.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Leases

At inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset of time in exchange for consideration.

3 Material accounting policy information (continued)

Leases (continued)

(a) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimate of costs to dismantle and remove the underlying assets or to restore the underlying asset or the site on which it is located, less any lease incentives received. Subsequently, the right of use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

(b) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

3 Material accounting policy information (continued)

Leases (continued)

(b) **As a lessor** *(continued)*

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Insurance and reinsurance contracts

Insurance and reinsurance contracts The company offers insurance contract services and reduces its liability for remaining coverage while recognizing insurance revenue. The amount of insurance revenue recognized reflects the exchange of services for an amount that the company expects to be entitled to.

Taxation

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

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

Current Taxation

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. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Deferred Taxation

Deferred tax is accounted for in respect of all temporary differences at the statement of financial position 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.

3 Material accounting policy information (continued)

Deferred Taxation (continued)

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 statement of financial position date. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to statement of other comprehensive income or equity in which case it is included in statement of other comprehensive income or equity.

4 New and amended standards and interpretations

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.

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 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

5 Property and equipment

	Leasehold improvements AED'000	Furniture and fixtures AED'000	Office and computer equipment AED'000	Motor vehicles AED'000	Right-of-use of leased assets AED'000	Total AED'000
Cost						
At 1 January 2023	1,536	519	4,880	568	2,726	10,229
Additions	684	12	136	-	-	832
Disposals	-	-	(2)	-	-	(2)
At 31 December 2023	2,220	531	5,014	568	2,726	11,059
At 1 January 2024	**2,220**	**531**	**5,014**	**568**	**2,726**	**11,059**
Additions	**-**	**59**	**733**	**-**	**-**	**792**
At 31 December 2024	**2,220**	**590**	**5,747**	**568**	**2,726**	**11,851**
Accumulated depreciation						
At 1 January 2023	1,494	512	4,610	226	1,186	8,028
Charge for the year	130	7	152	164	432	885
At 31 December 2023	1,624	519	4,762	390	1,618	8,913
At 1 January 2024	**1,624**	**519**	**4,762**	**390**	**1,618**	**8,913**
Charge for the year	**153**	**17**	**182**	**164**	**342**	**858**
At 31 December 2024	**1,777**	**536**	**4,944**	**554**	**1,960**	**9,771**
Net book value						
31 December 2023	596	12	252	178	1,108	2,146
31 December 2024	**443**	**54**	**803**	**14**	**766**	**2,080**

6 Intangible assets

	Development costs AED'000	Computer software AED'000	Capital work in progress AED'000	Total AED'000
Cost				
At 1 January 2023	9,960	2,883	5,461	18,304
Additions	-	1,259	4,907	6,166
At 31 December 2023	9,960	4,142	10,368	24,470
At 1 January 2024	**9,960**	**4,142**	**10,368**	**24,470**
Additions	**-**	**1,886**	**1,105**	**2,991**
Write-off*	**-**	**-**	**(4,252)**	**(4,252)**
At 31 December 2024	**9,960**	**6,028**	**7,221**	**23,209**
Accumulated amortisation				
At 1 January 2023	9,960	2,579	-	12,539
Amortisation	-	281	-	281
At 31 December 2023	9,960	2,860	-	12,820
At 1 January 2024	**9,960**	**2,860**	**-**	**12,820**
Amortisation	**-**	**511**	**-**	**511**
At 31 December 2024	**9,960**	**3,371**	**-**	**13,331**
Net book value				
At 31 December 2023	-	1,282	10,368	11,650
At 31 December 2024	**-**	**2,657**	**7,221**	**9,878**

*During the year ended 31 December 2024, management conducted a thorough evaluation of the ongoing IT system implementation project. This evaluation uncovered that certain expenses incurred must be written off due to necessary adjustments in the system modules.

7 Financial assets at fair value through other comprehensive income

	31 December 2024 AED'000	31 December 2023 AED'000
Quoted bonds:		
UAE-based corporate	**27,580**	31,331
UAE-based government	**23,845**	26,886
	51,425	58,217
Quoted sukuk:	**-**	6,664
UAE-based corporate	**11,151**	10,240
UAE-based government		
	11,151	16,904
Quoted equity instruments:		
UAE-based quoted equities	**1,231**	1,070
UAE-based mutual funds	**9,074**	9,047
	10,305	10,117
Non-UAE private debt fund:	**1,148**	1,148
	74,029	86,386

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

	2024 AED'000	2023 AED'000
At the beginning of the year	**86,386**	77,233
Purchased during the year	**5,126**	20,845
Maturity and disposals of investments	**(17,043)**	(15,908)
Reversal / (charge) of impairment loss during the year	**9**	(19)
Bonds premium / discount amortization	**(887)**	613
Net change in fair value	**438**	3,622
At the end of the year	**74,029**	86,386

8 Financial assets at fair value through profit or loss

	31 December 2024 AED'000	31 December 2023 AED'000
UAE-based quoted equities	**12,021**	9,087
UAE-based quoted corporate debt instruments	**7,457**	7,435
	19,478	16,522

The movement in the financial assets at fair value through profit or loss is as follows:

	2024 AED'000	2023 AED'000
At the beginning of the year	**16,522**	14,391
Purchased during the year	**2,766**	1,866
Maturity and disposals of investments	**(2,442)**	(488)
Change in fair value	**2,632**	753
At the end of the year	**19,478**	16,522

(i) Investment and other income, *net*

	2024 AED'000	2023 AED'000
Financial assets carried at fair value		
Dividend income	**935**	361
Interest income	**3,724**	3,034
Bonds premium / discount amortisation	**(887)**	613
Loss on sale of investments	**(60)**	(580)
Net change in fair value of financial assets at fair value through profit or loss (FVTPL)	**2,632**	753
Reversal / (charge) for impairment loss on debt instruments at fair value through other comprehensive income (FVOCI)	**9**	(19)
Term deposits		
Interest income	**603**	660
Other income	**909**	-
	7,865	4,822

9 Insurance and reinsurance contract assets and liabilities *(continued)*

The following reconciliations that are required by IFRS 17 are included below, for contracts issued and reinsurance contracts held.

Reconciliation of the gross liability for remaining coverage and the liability for incurred claims – Applicable to contracts measured under the PAA and GMM as at:

31 December 2024

	LRC		*LIC*			
Insurance contracts issued	*Excluding loss component AED'000*	*Loss component AED'000*	*BBA AED'000*	*Present value of future cash flows AED'000*	*Risk adjustment for non-financial risk AED'000*	*Total AED'000*
Opening insurance contract liabilities	**19,127**	**6,510**	**2,722**	**15,969**	**1,176**	**45,504**
Opening insurance contract assets	**(1,706)**	**-**	**-**	**920**	**80**	**706**
Opening balance as at 1 January	**17,421**	**6,510**	**2,722**	**16,889**	**1,256**	**44,798**
Insurance revenue	**(94,242)**	**-**	**-**	**-**	**-**	**(94,242)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	**-**	**(370)**	**2,908**	**71,175**	**(87)**	**73,626**
Insurance acquisition cash flows amortisation	**6,396**	**-**	**-**	**-**	**-**	**6,396**
Increase in existing incurred claims reserves	**-**	**-**	**(187)**	**8,449**	**318**	**8,580**
Claims accrual	**-**	**-**	**224**	**-**	**-**	**224**
Losses on onerous contracts and reversals of losses	**-**	**(1,400)**	**-**	**-**	**-**	**(1,400)**
Total insurance service expenses	**6,396**	**(1,770)**	**2,945**	**79,624**	**231**	**87,425**
Investment components	**-**	**-**	**-**	**-**	**-**	**-**
Insurance service result	**(87,846)**	**(1,770)**	**2,945**	**79,624**	**231**	**(6,817)**
Insurance finance (income) and expenses	**709**	**144**	**11**	**354**	**-**	**1,218**
Total amounts recognised in comprehensive income	**(87,137)**	**(1,626)**	**2,956**	**79,978**	**231**	**(5,598)**
Premiums received	**98,092**	**-**	**-**	**-**	**-**	**98,092**
Claims and other expenses paid	**-**	**-**	**(3,917)**	**(77,144)**	**(2)**	**(81,063)**
Acquisition cash flows paid	**(1,209)**	**-**	**-**	**-**	**-**	**(1,209)**
Total cash flows	**96,883**	**-**	**(3,917)**	**(77,144)**	**(2)**	**15,820**
Total additional items	**(7,906)**	**-**	**-**	**-**	**-**	**(7,906)**
Closing balance as at 31 December						
Closing insurance contract liabilities	**19,261**	**4,884**	**1,761**	**19,723**	**1,485**	**47,114**
Closing insurance contract assets	**-**	**-**	**-**	**-**	**-**	**-**

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Reconciliation of the measurement components of insurance contract balances - applicable to contracts measured under the GMM only as at:

31 December 2024

Insurance contracts issued	***Present value of future cash flows AED'000***	***Risk adjustment for non-financial risk AED'000***	***CSM AED'000***	***Total AED'000***
Opening insurance contract liabilities	**6,649**	**2,018**	**13,387**	**22,054**
Opening insurance contract assets	**-**	**-**	**-**	**-**
Net balance as at 01 January	**6,649**	**2,018**	**13,387**	**22,054**
CSM recognised in profit or loss for the services provided	**-**	**-**	**(2,703)**	**(2,703)**
Change in the risk adjustment for nonfinancial risk for the risk expired	**-**	**(471)**	**-**	**(471)**
Experience adjustments	**(2,038)**	**-**	**-**	**(2,038)**
Changes that relate to current service	**(2,038)**	**(471)**	**(2,703)**	**(5,212)**
Contracts initially recognised in the year	**(4,715)**	**927**	**4,492**	**704**
Experience adjustments	**1,724**	**(476)**	**(1,141)**	**107**
Changes in estimates that adjust the CSM	**(158)**	**616**	**(458)**	**-**
Changes in estimates that do not adjust the CSM	**(33)**	**289**	**-**	**256**
Changes that relate to future services	**(3,182)**	**1,356**	**2,893**	**1,067**
Adjustment to liabilities for incurred claims	**(972)**	**-**	**-**	**(972)**
Changes that relate to past service	**(972)**	**-**	**-**	**(972)**
Insurance service result	**(6,192)**	**885**	**189**	**(5,117)**
Total insurance finance expenses	**(46)**	**180**	**730**	**864**
Total amounts recognised in comprehensive income	**(6,238)**	**1,065**	**920**	**(4,253)**
Cash flows				
Premiums received	**6,369**	**-**	**-**	**6,369**
Claims and expenses paid	**(3,917)**	**-**	**-**	**(3,917)**
Insurance acquisition cash flows paid	**(1,212)**	**-**	**-**	**(1,212)**
Total cash flows	**1,240**	**-**	**-**	**1,240**
Net balance as at 31 December				
Closing insurance contract liabilities	**1,651**	**3,083**	**14,307**	**19,041**
Closing insurance contract assets	**-**	**-**	**-**	**-**

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Reconciliation of the reinsurance contract liabilities and assets – Applicable to contracts measured under the PAA and GMM as at:

31 December 2024

	ARC		AIC			
Reinsurance contracts held	*Excluding loss component AED'000*	*Loss component AED'000*	*BBA AED'000*	*Present value of future cash flows AED'000*	*Risk adjustment for non-financial risk AED'000*	*Total AED'000*
Opening reinsurance contract liabilities	-	-	-	-	-	-
Opening reinsurance contract assets	**4,199**	**2,263**	**-**	**27,828**	**543**	**34,833**
Opening balance as at 1 January	**4,199**	**2,263**	**-**	**27,828**	**543**	**34,833**
Allocation of reinsurance premiums paid	**20,410**	**736**	**-**	**-**	**-**	**21,146**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other directly attributable expenses	**-**	**900**	**-**	**(16,370)**	**49**	**(15,421)**
Insurance acquisition cash flows amortisation	**(897)**	**-**	**-**	**-**	**-**	**(897)**
Adjustment to asset for incurred claims	**-**	**-**	**(68)**	**(1,850)**	**(228)**	**(2,146)**
Claims accrual	**-**	**-**	**-**	**-**	**-**	**-**
Recoveries and reversal of recoveries of losses on onerous underlying contracts	**35**	**(1,612)**	**-**	**-**	**-**	**(1,577)**
Total	**(862)**	**(712)**	**(68)**	**(18,220)**	**(179)**	**(20,041)**
Investment components	**-**	**-**	**-**	**-**	**-**	**-**
Net income from reinsurance contracts held	**19,548**	**24**	**(68)**	**(18,220)**	**(179)**	**1,105**
Reinsurance finance (income) and expenses	**386**	**(742)**	**-**	**(908)**	**-**	**(1,263)**
Total amounts recognised in comprehensive income	**19,935**	**(718)**	**(68)**	**(19,128)**	**(179)**	**(159)**
Premiums paid	**(22,981)**	**-**	**-**	**-**	**-**	**(22,981)**
Amounts received	**-**	**-**	**68**	**18,410**	**-**	**18,479**
Total cash flows	**(22,981)**	**-**	**68**	**18,410**	**-**	**(4,502)**
Total additional items	**1,802**	**-**	**-**	**-**	**-**	**1,802**
Closing balance as at 31 December						
Closing reinsurance contract liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Closing reinsurance contract assets	**5,443**	**2,981**	**-**	**28,546**	**722**	**37,692**

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Reconciliation of the measurement components of reinsurance contract balances - applicable to contracts measured under the GMM only as at:

31 December 2024

Reinsurance contracts held	***Present value of future cash flows AED'000***	***Risk adjustment for non-financial risk AED'000***	***CSM AED'000***	***Total AED'000***
Opening reinsurance contract liabilities	**(399)**	**860**	**3,099**	**3,560**
Opening reinsurance contract assets	-	-	-	-
Net balance as at 01 January	**(399)**	**860**	**3,099**	**3,560**
CSM recognised in profit or loss for the services provided	-	-	**668**	**668**
Change in the risk adjustment for nonfinancial risk for the risk expired	-	**157**	-	**157**
Experience adjustments	**1,898**	-	-	**1,898**
Changes that relate to current service	**1,898**	**157**	**668**	**2,722**
Contracts initially recognised in the year	**2,284**	**(604)**	**(2,247)**	**(567)**
Experience adjustments	**(1,094)**	**296**	**423**	**(375)**
Changes in estimates that adjust the CSM	-	**(654)**	**654**	-
Changes in estimates that do not adjust the CSM	-	**235**	-	**235**
Changes that relate to future services	**1,190**	**(727)**	**(1,170)**	**(708)**
Adjustment to assets for incurred claims	-	-	-	-
Changes that relate to past service	-	-	-	-
Insurance service result	**3,088**	**(570)**	**(502)**	**2,014**
Total insurance finance income	**(1)**	**(89)**	**(265)**	**(356)**
Total amounts recognised in comprehensive income	**3,087**	**(659)**	**(767)**	**1,659**
Cash flows				
Premiums paid	**(2,468)**	-	-	**(2,466)**
Amounts received	**68**	-	-	**68**
Total cash flows	**(2,399)**	-	-	**(2,397)**
Net balance as at 31 December				
Closing reinsurance contract liabilities	-	-	-	-
Closing reinsurance contract assets	**(1,087)**	**1,519**	**3,866**	**4,298**

9 Insurance and reinsurance contract assets and liabilities *(continued)*

The following reconciliations that are required by IFRS 17 are included below, for contracts issued and reinsurance contracts held.

Reconciliation of the gross liability for remaining coverage and the liability for incurred claims – Applicable to contracts measured under the PAA and GMM as at:

31 December 2023

	LRC		*LIC*			
Insurance contracts issued	***Excluding loss component***	***Loss component***	***BBA***	***Present value of future cash flows***	***Risk adjustment for non-financial risk***	***Total***
	AED'000	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***
Opening insurance contract liabilities	25,172	2,209	1,953	14,091	778	44,203
Opening insurance contract assets	(460)	-	-	-	-	(460)
Opening balance as at 1 January	24,712	2,209	1,953	14,091	778	43,743
Insurance revenue	(88,944)	-	-	-	-	(88,944)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(137)	1,868	78,948	407	81,086
Insurance acquisition cash flows amortisation	6,280	-	-	-	-	6,280
Increase in existing incurred claims reserves	-	-	2,200	8,143	70	10,413
Claims accrual	-	-	931	-	-	931
Losses on onerous contracts and reversals of losses	-	4,397	-	-	-	4,397
Total insurance service expenses	6,280	4,260	4,999	87,091	477	103,107
Investment components	-	-	-	-	-	-
Insurance service result	(82,664)	4,260	4,999	87,091	477	14,163
Insurance finance (income) and expenses	508	41	(2)	84	-	631
Total amounts recognised in comprehensive income	(82,156)	4,301	4,997	87,175	477	14,794
Premiums received	80,668	-	-	-	-	80,668
Claims and other expenses paid	-	-	(4,228)	(84,377)	1	(88,604)
Acquisition Cash Flows Paid	(219)	-	-	-	-	(219)
Total cash flows	80,449	-	(4,228)	(84,377)	1	(8,155)
Total additional items	(5,584)	-	-	-	-	(5,584)
Closing balance as at 31 December						
Closing insurance contract liabilities	19,127	6,510	2,722	15,969	1,176	45,504
Closing insurance contract assets	1,706	-	-	(920)	(80)	706

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Reconciliation of the measurement components of insurance contract balances - applicable to contracts measured under the GMM only as at:

31 December 2023

Insurance contracts issued	*Present value of future cash flows AED'000*	*Risk adjustment for non-financial risk AED'000*	*CSM AED'000*	*Total AED'000*
Opening insurance contract liabilities	13,094	1,620	11,970	26,684
Opening insurance contract assets	(1,806)	251	1,095	(460)
Net balance as at 01 January	11,288	1,871	13,065	26,224
CSM recognised in profit or loss for the services provided	-	-	(2,405)	(2,405)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(381)	-	(381)
Experience adjustments	(830)	-	-	(830)
Changes that relate to current service	(830)	(381)	(2,405)	(3,616)
Contracts initially recognised in the year	(3,178)	673	3,083	578
Experience adjustments	2,877	(448)	(772)	1,657
Changes in estimates that adjust the CSM	-	143	(143)	-
Changes in estimates that do not adjust the CSM	-	40	-	40
Changes that relate to future services	(301)	408	2,168	2,275
Adjustment to liabilities for incurred claims	772	-	-	772
Changes that relate to past service	772	-	-	772
Insurance service result	(359)	27	(237)	(569)
Total insurance finance expenses	(132)	120	559	547
Total amounts recognised in comprehensive income	(491)	147	322	(22)
Cash flows				
Premiums received	299	-	-	299
Claims and expenses paid	(4,228)	-	-	(4,228)
Insurance acquisition cash flows paid	(219)	-	-	(219)
Total cash flows	(4,148)	-	-	(4,148)
Net balance as at 31 December				
Closing insurance contract liabilities	6,649	2,018	13,387	22,054
Closing insurance contract assets	-	-	-	-

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Reconciliation of the reinsurance contract liabilities and assets – Applicable to contracts measured under the PAA and GMM as at:

31 December 2023

Reinsurance contracts held	*ARC* Excluding loss component AED'000	*ARC* Loss component AED'000	*AIC* BBA AED'000	*AIC* Present value of future cash flows AED'000	*AIC* Risk adjustment for non-financial risk AED'000	Total AED'000
Opening reinsurance contract liabilities	(39)	-	-	-	-	(39)
Opening reinsurance contract assets	3,532	423	-	12,433	368	16,756
Opening balance as at 1 January	3,493	423	-	12,433	368	16,717
Allocation of reinsurance premiums paid	(19,883)	-	-	-	-	(19,883)
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other directly attributable expenses	-	(188)	-	23,254	145	23,211
Insurance acquisition cash flows amortisation	723	-	-	-	-	723
Adjustment to asset for incurred claims	-	-	-	669	30	699
Claims accrual	-	1,915	-	-	-	1,915
Recoveries and reversal of recoveries of losses on onerous underlying contracts	-	-	-	-	-	-
Total	723	1,727	-	23,923	175	26,548
Investment components	-	-	-	-	-	-
Net income from reinsurance contracts held	(19,160)	1,727	-	23,923	175	6,665
Reinsurance finance (income) and expenses	(36)	113	-	48	-	125
Total amounts recognised in comprehensive income	(19,196)	1,840	-	23,971	175	6,790
Premiums paid	20,498	-	-	-	-	20,498
Amounts received	-	-	-	(8,576)	-	(8,576)
Total cash flows	20,498	-	-	(8,576)	-	11,922
Total additional items	(596)	-	-	-	-	(596)
Closing balance as at 31 December						
Closing reinsurance contract liabilities	-	-	-	-	-	-
Closing reinsurance contract assets	4,199	2,263	-	27,828	543	34,833

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Reconciliation of the measurement components of reinsurance contract balances - applicable to contracts measured under the GMM only as at:

31 December 2023

Reinsurance contracts held	***Present value of future cash flows AED'000***	***Risk adjustment for non-financial risk AED'000***	***CSM AED'000***	***Total AED'000***
Opening reinsurance contract liabilities	17	5	(61)	(39)
Opening reinsurance contract assets	212	351	1,526	2,089
Net balance as at 01 January	195	346	1,587	2,128
CSM recognised in profit or loss for the services provided	-	-	(203)	(203)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(68)	-	(68)
Experience adjustments	(1,133)	-	-	(1,133)
Changes that relate to current service	(1,133)	(68)	(203)	(1,404)
Contracts initially recognised in the year	(1,594)	343	1,705	454
Experience adjustments	663	(55)	(69)	539
Changes in estimates that adjust the CSM	(1)	108	(107)	-
Changes in estimates that do not adjust the CSM	(2)	151	-	149
Changes that relate to future services	(934)	547	1,529	1,142
Adjustment to assets for incurred claims	-	-	-	-
Changes that relate to past service	-	-	-	-
Insurance service result	(2,067)	474	1,387	(262)
Total insurance finance income	(145)	36	186	77
Total amounts recognised in comprehensive income	(2,212)	515	1,512	(185)
Cash flows				
Premiums paid	1,618	(1)	-	1,617
Amounts received	-	-	-	-
Total cash flows	1,618	(1)	-	1,617
Net balance as at 31 December				
Closing reinsurance contract liabilities	-	-	-	-
Closing reinsurance contract assets	(399)	860	3,099	3,560

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Impact of contracts initially recognised in the year ended

31 December 2024

	Non-onerous contracts originated AED'000	Onerous contracts originated AED'000	Total AED'000
Insurance contracts issued			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	**11,446**	**4,322**	**15,768**
Claims and other directly attributable expenses	**858**	**233**	**1,091**
Total estimates of the present value of future cash outflows	**12,304**	**4,555**	**16,859**
Estimates of the present value of future cash inflows	**17,472**	**4,102**	**21,574**
Risk adjustment for non-financial risk	**677**	**251**	**928**
CSM	**4,491**	**-**	**4,491**
Increase in insurance contract liabilities from contracts recognised during the year	**-**	**(704)**	**(704)**

31 December 2023

	Non-onerous contracts originated AED'000	Onerous contracts originated AED'000	Total AED'000
Insurance contracts issued			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	647	157	804
Claims and other directly attributable expenses	9,411	3,238	12,649
Total estimates of the present value of future cash outflows	10,058	3,395	13,453
Estimates of the present value of future cash inflows	13,643	2,987	16,630
Risk adjustment for non-financial risk	502	171	673
CSM	3,083	-	3,083
Increase in insurance contract liabilities from contracts recognised during the year	-	(579)	(579)

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Impact of contracts initially recognised in the year ended

31 December 2024

	Contracts originated not in a net gain	**Contracts originated in a net gain**	**Total**
	AED'000	**AED'000**	**AED'000**
Reinsurance contracts held			
Estimates of the present value of future cash inflows	**4,134**	**6,596**	**10,730**
Estimates of the present value of future cash outflows	**(4,152)**	**(4,294)**	**(8,446)**
Risk adjustment for non-financial risk	**(297)**	**(307)**	**(604)**
CSM	**315**	**(1,995)**	**(1,680)**
Increase in reinsurance contract assets from contracts recognised in the year	**-**	**-**	**-**

31 December 2023

	Contracts originated not in a net gain	Contracts originated in a net gain	Total
	AED'000	AED'000	AED'000
Reinsurance contracts held			
Estimates of the present value of future cash inflows	5,324	3,042	8,366
Estimates of the present value of future cash outflows	(3,492)	(3,262)	(6,754)
Risk adjustment for non-financial risk	(175)	(163)	(338)
CSM	(1,657)	383	(1,274)
Increase in reinsurance contract assets from contracts recognised in the year	-	-	-

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Expected recognition of the contractual service margin - An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table (number of years until expected to be recognised)

	1 AED'000	2 AED'000	3 AED'000	4 AED'000	5 AED'000	>6 AED'000
31 December 2024						
Total CSM (net of reinsurance contracts held)	**1,651**	**1,354**	**1,123**	**937**	**785**	**4,591**
31 December 2023						
Total CSM (net of reinsurance contracts held)	1,798	1,432	1,155	956	793	4,154

Management engaged an independent actuary for assessment of the average claim run-off period through construction of loss development triangles, which suggested that the claims run-off period is not more than 24 months. Further, as per past experience, management is of the view that uncertainty about the amount and timing of claims payments is typically resolved within one year of claims occurrence. Accordingly, the Company has not presented the claim development table in these financial statements.

9 Insurance and reinsurance contract assets and liabilities *(continued)*

Breakup of insurance and reinsurance contract balances measured under both PAA and GMM as at:

31 December 2024
AED'000

	PAA	***GMM***	***Total***
Insurance contract assets	**-**	**-**	**-**
Insurance contract liabilities	**(28,073)**	**(19,041)**	**(47,114)**
Reinsurance contract assets	**33,394**	**4,298**	**37,692**
Reinsurance contract liabilities	**-**	**-**	**-**
	5,321	**(14,743)**	**(9,422)**

31 December 2023
AED'000

	PAA	***GMM***	***Total***
Insurance contract assets	706	-	706
Insurance contract liabilities	(23,450)	(22,054)	(45,504)
Reinsurance contract assets	31,273	3,560	34,833
Reinsurance contract liabilities	-	-	-
	8,529	(18,494)	(9,965)

10 Other receivables and prepayments

	2024	2023
	AED'000	AED'000
Prepayments	**1,233**	1,462
Interest receivables	**1,047**	991
Staff receivables	**343**	269
Other receivables*	**7,765**	-
	10,388	2,722

*Other receivables include an amount of AED 4.8 million, which is due to be collected from the custodian of the Company's investment contract assets.

11 Statutory deposits

In accordance with the requirements of Federal Law No. (48) of 2023, concerning Insurance Companies and Agencies, the Company maintains bank deposits of AED 4,000 thousand (*31 December 2023: AED 4,000 thousand)*, as a guarantee against its Insurance of Persons and Fund Accumulation Operations License (medical and life). These deposits cannot be utilized without the consent of Central Bank of UAE.

The statutory deposits are held with local commercial banks and carry interest at the rate of 0.25% to 4.37% per annum *(31 December 2023: 0.25% to 4.37% per annum)*.

12 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

	31 December 2024	31 December 2023
	AED'000	AED'000
Statutory deposits *(11)*	**4,000**	4,000
Time deposits	**10,000**	10,000
Demand deposits and cash	**8,448**	6,154
Bank balances and cash	**22,448**	20,154
Less: statutory deposits	**(4,000)**	(4,000)
Less: deposits with original maturities of three months or more	**(10,000)**	(10,000)
	8,448	6,154

At 31 December 2024, bank deposits carry an effective interest rate of 0.25% to 5.01% per annum *(31 December 2023: 0.25% to 4.37% per annum)*. All bank balances and deposits are held with local banks in United Arab Emirates.

13 Insurance payables and other accruals

	31 December 2024	31 December 2023
	AED'000	AED'000
VAT payable	**84**	22
Other payables	**1,899**	7,847
	1,983	7,869

14 Investment contract assets and liabilities

	31 December 2024 AED'000	31 December 2023 AED'000
Investment contract asset and liability for employee saver product*	**26,400**	18,900

*During 2022, the Company initiated a savings product "Employee Secure Saver", whereby the Company receives contributions from third party companies ("policyholders") relating to the end of service benefits of its employees ("participants"). The product ensures a guaranteed fund to its participants and does not transfer a significant insurance risk to the Company. Therefore, this product has been classified as investment contract and accordingly, a financial liability has been created against the contributions received from its participants. This liability does not have a contractual maturity, and these funds can be withdrawn anytime upon the participant's death, retirement or resignation from the policyholder companies. Further, the Company has a contract with its reinsurer who is the ultimate guarantor of this fund and therefore all the contributions received are transferred to its reinsurer. Accordingly, an equivalent amount has been booked as a financial asset representing the funds transferred and receivable from its reinsurer with respect to this product.

A summary of contributions and redemptions from the above product is given below:

	31 December 2024 AED'000	31 December 2023 AED'000
Balance at the beginning of the year	**18,900**	11,326
Contributions during the year	**17,500**	15,016
Redemptions during the year	**(10,000)**	(7,442)
Balance at the end of the year	**26,400**	18,900

15 Share capital

	2024 AED'000	2023 AED'000
Authorised, issued and fully paid-up capital		
200,000,000 shares of AED 1 each	**200,000**	200,000

16 Reserves

(a) *Legal reserve*

In accordance with Articles of Association of the Company and in line with the provisions of Article 241 of the UAE Federal Law No. (32) of 2021 ("Companies Law"), the Company is required to transfer annually to the legal reserve account an amount equal to 10% of its net profit until such reserve reaches 50% of the share capital of the Company. This reserve is not available for distribution. The Company has transferred AED 465 *(31 December 2023: AED nil)* to the legal reserve from its net profit during the year.

(b) *Other reserve*

Subscription issuance fee of AED 0.025 per share was paid on subscription to cover the incorporation expenses of the Company amounting to AED 650 thousand. The Company received a refund relating to incorporation expenses amounting to AED 1,372 thousand which was recognised directly in equity under other reserve.

(c) *Reinsurance risk reserve*

In accordance with Article (34) to Insurance Authority's Board of Directors Decision No. (23) of 2019, insurance companies incorporated in the State and licensed by the Insurance Authority shall bind in the preparation of its annual financial statements and its final accounts to allocate an amount equal to 0.5% (five per thousand) of the total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Company deals to pay what is due to the Company or default in its financial position. The provision shall be accounted year after year based on the reinsurance premiums ceded and may not be disposed-off without the written approval of the Director General. The decision is effective from 1 December 2020. Accordingly, an amount of AED 455 thousand *(31 December 2023: AED 340 thousand)* has been recorded in equity as a reinsurance risk reserve.

17 Provision for employees' end of service benefits

The Company provides for end of service benefits for its expatriate employees in accordance with the employees' contracts of employment. The movement in the provision during the year is as follows:

	2024	2023
	AED'000	AED'000
Balance as at 1 January	**2,429**	1,743
Charged during the year	**442**	1,271
Paid during the year	**(375)**	(585)
Balance as at 31 December	**2,496**	2,429

18 Earning / (loss) per share

Basic earnings / (loss) per share is calculated by dividing the profit / (loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings / (loss) per share amounts are calculated by dividing the earning / (loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares used to calculate basic earnings / (loss) per share, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the earnings and shares data used in the earnings per share computations:

	31 December 2024 AED'000	31 December 2023 AED'000
Profit / (loss) for the year (AED'000)	**4,645**	(5,698)
Weighted average number of ordinary shares (shares in '000)	**200,000**	200,000
Earnings / (loss) per share for the year – basic and diluted (AED)	**0.023**	(0.028)

19 Related party transactions and balances

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

The Company maintains balances with these related parties which arise from commercial transactions in the ordinary course of business at commercial rates as follows:

	31 December 2024	31 December 2023
	AED'000	AED'000
Due from KANOO Group LLC *(major shareholder)*		
Medical premiums	**4,518**	3,633
(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)		
Total due from related parties	**4,518**	3,633

Transactions with related parties during the year are as follows:

	31 December 2024	31 December 2023
	AED'000	AED'000
Medical business with KANOO Group LLC *(major shareholder)*		
- Gross written premiums	**17,586**	14,294
- Claims paid	**(11,711)**	(6,453)
Compensation of key management personnel:		
The remuneration of key management personnel during the year is as follows:		
Short term benefits	**1,856**	1,745
Employees' end of service benefits	**122**	72

20 Contingencies and commitments

Contingencies

As at 31 December 2024, the Company had contingent liabilities in respect of bank, other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 2,000 thousand *(31 December 2023: AED 2,000 thousand)*.

Commitments

Estimated capital call contracted for at the statement of financial position date but not provided for amounted to AED 99 thousand *(31 December 2023: AED 105 thousand)*.

21 Risk management framework

The Company issues contracts that transfer insurance risk. This section summarises the insurance risks and the way the Company manages them.

(a) *Introduction and overview*

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 financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

Regulatory framework

Regulators are primarily interested in protecting the rights of insurance contract holders and shareholders and monitor closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks.

(b) *Underwriting risk*

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 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 purchases reinsurance as part of its risk management mitigation programme. Reinsurance ceded is placed mainly on a proportional basis. The majority of reinsurance is quota-share and surplus reinsurance arrangements which is taken out to reduce the overall exposure of the Company.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims reserve and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

Life insurance contracts

Life insurance contracts offered by the Company consist of term assurance.

Term assurance are conventional regular premium products when lump sum benefits are payable on death or permanent disability.

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits.

21 Risk management framework *(continued)*

(b) ***Underwriting risk*** *(continued)*

This is largely achieved through diversification across industry sectors, the use of medical screening in order to ensure that pricing takes accounts of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs. The Company further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

For contracts when death or disability is the issued risk, the significant factors that should increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected.

Medical insurance contracts

The frequency and amounts of claims can be affected by several factors. The Company underwrites primarily insurance contracts for medical risks. These are regarded as short-term insurance contracts as claims are normally advised and settled within one to two years of the insured event taking place. This helps to mitigate insurance risk.

Medical insurance is designed to compensate contract holders for hospitalisation and medication expenses arising through illness and any other health issues.

For medical insurance the main risks are illnesses that require long-term hospitalisation and expensive medications. These contracts are underwritten by reference to the age and health status of the contract holder. Effective 1 January 2017, the Company is fully retaining the medical business.

The loss ratios determined by assessing net incurred claims in relation to net earned premium are analysed below by class of business for the current and previous year:

Type of risk	**31 December 2024** Gross loss ratio	**31 December 2024** Net loss ratio	31 December 2023 Gross loss ratio	31 December 2023 Net loss ratio
Group Life	**62%**	**50%**	78%	57%
Group Medical	**74%**	**74%**	101%	101%
Individual Medical	**90%**	**90%**	46%	46%
Individual Life	**60%**	**47%**	25%	33%

21 Risk management framework *(continued)*

(c) Financial risk management

The Company's financial assets comprise investments, insurance and reinsurance receivables, bank deposits, cash on hand and at bank and certain other receivables. Financial liabilities of the Company comprise of liabilities against due to related parties, trade and certain other payables.

The Company has exposure to the following primary risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024 **AED'000**	2023 AED'000
Time deposits	**10,000**	10,000
Cash and cash equivalents	**8,448**	6,154
Statutory deposits	**4,000**	4,000
Investment contract assets	**26,400**	18,900
Other receivables	**9,155**	1,260
Financial assets at fair value through OCI	**74,029**	86,386
Financial assets at fair value through profit or loss	**19,478**	16,522
	151,510	143,222

The assets above are analysed in the table below using ratings of Standard & Poors (S&P), Moody's and Fitch. The concentration of credit risk is substantially unchanged compared to the prior year.

	At 31 December 2024					
	Cash and cash equivalents **AED'000**	**Financial assets at FVOCI** **AED'000**	**Financial assets at FVTPL** **AED'000**	**Other receivables** **AED'000**	**Investment contract assets** **AED '000**	**Total** **AED'000**
AAA to A	**22,448**	**20,104**	**3,832**	**-**		**46,384**
BBB to B	**-**	**34,766**	**8,742**	**-**	**-**	**43,508**
Not rated	**-**	**19,159**	**6,904**	**9,155**	**26,400**	**61,618**
Total	**22,448**	**74,029**	**19,478**	**9,155**	**26,400**	**151,510**

21 Risk management framework *(continued)*

(c) ***Financial risk management*** *(continued)*

(i) ***Credit risk*** *(continued)*

	At 31 December 2023					
	Cash and cash equivalents AED'000	Financial assets at FVOCI AED'000	Financial assets at FVTPL AED'000	Other receivables AED'000	Investment contract assets AED'000	Total AED'000
AAA to A	20,154	26,750	3,370	-		50,274
BBB to B	-	41,524	1,188	-	-	42,712
Not rated	-	18,112	11,964	1,260	18,900	50,236
Total	20,154	86,386	16,522	1,260	18,900	143,222

Management of credit risk

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

- The Company only enters into insurance and reinsurance contracts with recognised, credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.

- The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.

- The Company's investment portfolio is managed in accordance with the investment policy established by the Investment Committee.

- The Company's bank balances are maintained with a range of international and local banks in accordance with limits set by the Investment Committee.

(ii) ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with insurance contracts and financial liabilities as they fall due. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

The Company manages liquidity risk by maintaining adequate liquid reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Details of the Company's financial liabilities are summarised in the table below by the maturity profile of the Company's assets and liabilities based on the contractual repayment arrangements.

21 Risk management framework *(continued)*

(c) Financial risk management (continued)

(ii) Liquidity risk (continued)

The contractual maturities of liabilities have been determined on the basis of the remaining year at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

		Contractual cash outflows	
	Carrying amount AED'000	**Up to 180 days AED'000**	**181 to 365 days AED'000**
Financial liabilities at 31 December 2024			
Other payables	**1,983**	**1,983**	**-**
Investment contract liabilities	**26,400**	**26,400**	**-**
Total	**28,383**	**28,383**	**-**
Financial liabilities at 31 December 2023			
Other payables	7,869	7,869	-
Investment contract liabilities	18,900	18,900	-
Total	26,769	26,769	-

The expected maturity profile of the assets at 31 December 2024 and 2023 is as follows:

	Current AED '000	**Non-current AED '000**	**Total AED '000**
31 December 2024			
Cash and bank balances	**8,448**	**-**	**8,448**
Investments	**19,478**	**74,029**	**93,507**
	27,926	**74,029**	**101,955**
31 December 2023			
Cash and bank balances	6,154	-	6,154
Investments	16,522	86,386	102,908
	22,676	86,386	109,062

21 Risk management framework *(continued)*

(c) Financial risk management *(continued)*

(iii) Market risk

Market risk arises from fluctuations in currency rates, equity prices and interest rates. Management monitors the market risk on an ongoing basis and on any significant transaction. Market risk is further analysed into currency risk, equity price risk and interest rate risk.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has limited transactional exposure to exchange rate risk as it generally enters into contracts in UAE Dirham, being the functional currency of the Company and US Dollar. The AED is pegged to the US Dollar.

Price risk

Price risk is the risk that the fair values of equities and other quoted instruments decrease as the result of changes in the levels of indices and the value of individual instruments. The price risk exposure arises from the Company's equity and debt instruments portfolio carried at fair value. The effect on 'total equity' and 'statement of profit or loss' (as a result of a change in the value of investments held at fair value at 31 December 2023 due to a reasonably possible change in indices, with all other variables held constant, is as follows. The effect of decreases in prices is expected to be equal and opposite to the effect of the increases shown.

31 December 2024	**Change in index %**	**Effect on equity AED'000**	**Effect on statement of income AED'000**
Indicator			
Quoted equities and mutual funds	10	2,232	1,202
Debt instruments classified at FVTPL	10	746	746
Debt instruments classified at FVOCI	10	6,257	-

31 December 2023	Change in index %	Effect on equity AED'000	Effect on statement of income AED'000
Indicator			
Quoted equities and mutual funds	10	1,920	909
Debt instruments classified at FVTPL	10	743	743
Debt instruments classified at FVOCI	10	7,512	-

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company is exposed to interest rate risk on its interest-bearing assets (debt securities, statutory deposits and bank deposits). The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and interest-bearing investments are denominated.

21 Risk management framework *(continued)*

(c) Financial risk management (continued)

***(iii) Market risk** (continued)*

Interest rate risk (continued)

Details of maturities of the major classes of financial assets are as follows:

	Less than 1 year AED'000	**1 to 5 years AED'000**	**Over 5 years AED'000**	**Non-interest bearing items AED'000**	**Total AED'000**
31 December 2024					
Financial assets at fair value – equities	**-**	**-**	**-**	**23,474**	**23,474**
Financial assets at fair value - debt instruments	**3,967**	**40,311**	**25,755**	**-**	**70,033**
Statutory deposits	**4,000**	**-**	**-**	**-**	**4,000**
Time deposits	**10,000**	**-**	**-**	**-**	**10,000**
Other receivables *(excluding prepayments, advances and VAT receivable)*	**9,155**	**-**	**-**	**-**	**9,155**
Investment contract assets	**26,400**	**-**	**-**	**-**	**26,400**
Demand deposits and cash *(excluding cash on hand)*	**-**	**-**	**-**	**8,448**	**8,448**
	53,522	**40,311**	**25,755**	**31,922**	**151,510**

	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	Non-interest bearing items AED'000	Total AED'000
31 December 2023					
Financial assets at fair value – equities	-	-	-	20,352	20,352
Financial assets at fair value - debt instruments	19,514	34,493	28,549	-	82,556
Statutory deposits	4,000	-	-	-	4,000
Time deposits	10,000	-	-	-	10,000
Other receivables *(excluding prepayments, advances and VAT receivable)*	1,260	-	-	-	1,260
Investment contract assets	18,900	-	-	-	18,900
Demand deposits and cash *(excluding cash on hand)*	-	-	-	6,154	6,154
	53,674	34,493	28,549	26,506	143,222

21 Risk management framework *(continued)*

(c) Financial risk management *(continued)*

(iii) Market risk *(continued)*

Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's statement of profit or loss based on the interest-bearing financial assets and financial liabilities held at 31 December 2024.

Effect on statement of profit or loss due to change in base points is as follows:

	2024	2023
	AED'000	AED'000
+ 50% change in base points	**216**	185
- 50% change in base points	**(216)**	(185)

(iv) Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, human error, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

21 Risk management framework *(continued)*

(d) Insurance risk *(continued)*

Sensitivity of underwriting profit and losses

The underlying risk of any agreed insurance contract is the possibility that the insured event occurs and the level of certainty the insurer can project on any resulting claim. By the nature of an insurance contract, this risk is often random and the amount of payable claim even more unpredictable. Therefore, the Company applies the principle of probability across all pricing and provisioning. Despite this principle the risk that actual claims payments exceed the estimated amount of the insurance liabilities is still ever present due to the uncertainty of the frequency or severity of claims being greater than estimated. Whilst the Company applies the portfolio approach to understand its projected claims, events leading to actual claims vary and therefore profitability is impacted, either positively or negatively on an annual basis.

The Company has an overall risk retention level of 23% *(31 December 2023: 48%)* and this is mainly due to overall low retention levels in commercial lines. Despite these low retention levels on commercial lines, due to the unpredictability in events and their extreme volatility, large events stress the performance of the Company despite transferring risks to other parties. For all lines of business, the Company is adequately covered by excess of loss reinsurance programs to guard against any major financial impact.

The following tables present information on how reasonably possible changes in assumptions made by the Company with regard to underwriting risk variables impact product line insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.

21 Risk management framework *(continued)*

Insurance risk *(continued)*

Sensitivity of underwriting profit and losses *(continued)*

Sensitivities for contracts measured under the GMM at 31 December 2024

	FCF as at 31 December	CSM as at 31 December	Total	Impact on FCF	Impact on CSM	Total increase / (decrease) in insurance contract liabilities	Remaining CSM	Impact on profit before income tax
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Insurance contract liabilities	4,734	14,307	19,041					
Reinsurance contract assets	(433)	(3,866)	(4,299)					
Net insurance contract liabilities	4,301	10,441	14,742					
Discount rate +1%								
Insurance contract liabilities				(736)	122	(614)	14,429	4,868
Reinsurance contract assets				367	(140)	227	-	(1,885)
Net insurance contract liabilities				(369)	(18)	(387)	14,429	2,983
Discount rate -1%								
Insurance contract liabilities				877	(140)	737	14,167	3,518
Reinsurance contract assets				(450)	162	(288)	(3,704)	1,371
Net insurance contract liabilities				427	22	449	10,463	4,889
Mortality rate+15%								
Insurance contract liabilities				3,905	(2,347)	1,558	11,960	2,698
Reinsurance contract assets				(2,511)	3,568	1,057	(297)	(2,716)
Net insurance contract liabilities				1,394	1,221	2,615	11,663	(18)
Mortality rate-20%								
Insurance contract liabilities				(5,237)	3,622	(1,615)	17,929	5,870
Reinsurance contract assets				3,368	(4,788)	(1,420)	(8,653)	(239)
Net insurance contract liabilities				(1,869)	(1,166)	(3,035)	9,276	5,631

21 Risk management framework *(continued)*

Insurance risk *(continued)*

Sensitivity of underwriting profit and losses *(continued)*

Sensitivities for contracts measured under the GMM at 31 December 2024

	FCF as at 31 December AED'000	CSM as at 31 December AED'000	Total AED'000	Impact on FCF AED'000	Impact on CSM AED'000	Total increase / (decrease) in insurance contract liabilities AED'000	Remaining CSM AED'000	Impact on profit before income tax AED'000
Surrender rate+50%								
Insurance contract liabilities				**(52)**	**(844)**	**(896)**	**13,463**	**5,151**
Reinsurance contract assets				**586**	**(687)**	**(101)**	**(4,553)**	**(1,558)**
Net insurance contract liabilities				**534**	**(1,531)**	**(997)**	**8,910**	**3,593**
Surrender rate-50%								
Insurance contract liabilities				**322**	**882**	**1,204**	**15,189**	**3,051**
Reinsurance contract assets				**(983)**	**1,380**	**397**	**(2,485)**	**(2,056)**
Net insurance contract liabilities				**(661)**	**2,262**	**1,601**	**12,704**	**995**

21 Risk management framework *(continued)*

Insurance risk *(continued)*

Sensitivity of underwriting profit and losses *(continued)*

Sensitivities for contracts measured under the GMM at 31 December 2023

	FCF as at 31 December	CSM as at 31 December	Total	Impact on FCF	Impact on CSM	Total increase / (decrease) in insurance contract liabilities	Remaining CSM	Impact on profit before income tax
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Insurance contract liabilities	8,666	13,388	22,054					
Reinsurance contract assets	(461)	(3,099)	(3,560)					
Net insurance contract liabilities	8,205	10,289	18,494					
Discount rate +1%								
Insurance contract liabilities				(761)	68	(693)	13,455	1,177
Reinsurance contract assets				297	(25)	272	(3,124)	(419)
Net insurance contract liabilities				(464)	43	(421)	10,331	758
Discount rate -1%								
Insurance contract liabilities				900	(77)	823	13,310	(339)
Reinsurance contract assets				(367)	29	(338)	(3,070)	(191)
Net insurance contract liabilities				533	(48)	485	10,240	(530)
Mortality rate+15%								
Insurance contract liabilities				3,539	(1,940)	1,600	11,448	(1,116)
Reinsurance contract assets				(1,909)	740	(1,169)	(2,359)	1,022
Net insurance contract liabilities				1,630	(1,200)	431	9,089	(94)
Mortality rate-20%								
Insurance contract liabilities				(4,746)	3,096	(1,650)	16,484	2,133
Reinsurance contract assets				2,558	(992)	1,566	(4,091)	(1,713)
Net insurance contract liabilities				(2,188)	2,104	(84)	12,393	420

21 Risk management framework *(continued)*

Insurance risk *(continued)*

Sensitivity of underwriting profit and losses *(continued)*

Sensitivities for contracts measured under the GMM at 31 December 2023

	FCF as at 31 December AED'000	CSM as at 31 December AED'000	Total AED'000	Impact on FCF AED'000	Impact on CSM AED'000	Total increase / (decrease) in insurance contract liabilities AED'000	Remaining CSM AED'000	Impact on profit before income tax AED'000
Surrender rate+50%								
Insurance contract liabilities				(125)	(482)	(606)	12,906	1,090
Reinsurance contract assets				411	18	429	(3,081)	(576)
Net insurance contract liabilities				286	(464)	(177)	9,825	514
Surrender rate-50%								
Insurance contract liabilities				389	628	1,017	14,016	(534)
Reinsurance contract assets				(715)	118	(597)	(2,981)	451
Net insurance contract liabilities				(326)	746	420	11,035	(83)

21 Risk management framework *(continued)*

Insurance risk *(continued)*

Sensitivity of underwriting profit and losses *(continued)*

Sensitivities for contracts measured under the PAA

	2024			2023		
	LIC as at 31 December	**Impact on LIC**	**Impact on Liabilities**	LIC as at 31 December	Impact on LIC	Impact on Liabilities
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
Insurance contract liabilities	**21,210**			18,145		
Reinsurance contract assets	**(29,270)**			(28,373)		
Net insurance contract liabilities	**(8,060)**			(10,228)		
Discount rate +0.5%						
Insurance contract liabilities		**21,191**	**28,053**		(72)	(72)
Reinsurance contract assets		**(29,228)**	**(33,352)**		186	186
Net insurance contract liabilities		**(8,037)**	**(5,299)**		114	114
Discount rate -0.5%						
Insurance contract liabilities		**21,229**	**28,092**		72	72
Reinsurance contract assets		**(29,312)**	**(33,436)**		(186)	(186)
Net insurance contract liabilities		**(8,083)**	**(5,344)**		(114)	(114)
Risk adjustment+5%						
Insurance contract liabilities		**21,284**	**28,147**		63	101
Reinsurance contract assets		**(29,306)**	**(33,430)**		(27)	(27)
Net insurance contract liabilities		**(8,022)**	**(5,283)**		36	74
Risk adjustment-5%						
Insurance contract liabilities		**21,136**	**27,998**		(63)	(101)
Reinsurance contract assets		**(29,234)**	**(33,358)**		27	27
Net insurance contract liabilities		**(8,098)**	**(5,360)**		(36)	(74)

21 Risk management framework *(continued)*

Insurance risk *(continued)*

Sensitivity of underwriting profit and losses *(continued)*

Sensitivities for contracts measured under the PAA

	2024			2023		
	LIC as at 31 December	**Impact on LIC**	**Impact on Liabilities**	LIC as at 31 December	Impact on LIC	Impact on Liabilities
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
Loss reserves+5%						
Insurance contract liabilities		**22,215**	**29,078**		907	907
Reinsurance contract assets		**(29,674)**	**(33,798)**		(1,419)	(1,419)
Net insurance contract liabilities		**(7,459)**	**(4,720)**		(512)	(512)
Loss reserves-5%						
Insurance contract liabilities		**20,204**	**27,067**		(907)	(907)
Reinsurance contract assets		**(28,865)**	**(32,989)**		1,419	1,419
Net insurance contract liabilities		**(8,661)**	**(5,922)**		512	512

21 Risk management framework *(continued)*

Capital risk management

The solvency regulations identify the required solvency margins to be held in addition to insurance liabilities. The solvency margins (presented in the table below) must be maintained at all times throughout the year. 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 as defined in the regulations. In accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022, the Company has disclosed the solvency position for the immediately preceding year as the current year solvency position is not finalised.

	31 December 2024	*Unaudited* 31 December 2023
	AED'000	AED'000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Minimum Guarantee Fund (MGF)	**13,022**	16,677
Solvency Capital Requirement (SCR)	**25,016**	75,291
Basic Own Funds	**111,266**	111,939
MCR Solvency Margin – Surplus	**11,266**	11,939
SCR Solvency Margin – Surplus	**86,249**	95,262
MGF Solvency Margin – Surplus	**98,243**	36,648

22 Fair value of financial instruments

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

22 Fair value of financial instruments *(continued)*

Financial assets measured at fair value

At 31 December 2024	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***	***Total AED'000***
At fair value through profit or loss				
Quoted equities	**12,021**	**-**	**-**	**12,021**
Quoted debt instruments	**3,668**	**3,789**	**-**	**7,457**
	15,689	**3,789**	**-**	**19,478**
At fair value through other comprehensive income				
Quoted equities	**1,231**	**-**	**-**	**1,231**
Mutual funds	**-**	**9,074**	**-**	**9,074**
Quoted debt instruments	**45,883**	**16,693**	**-**	**62,576**
Private debt fund	**-**	**-**	**1,148**	**1,148**
	47,114	**25,767**	**1,148**	**74,029**
	62,803	**29,556**	**1,148**	**93,507**

At 31 December 2023	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*	*Total AED'000*
At fair value through profit or loss				
Quoted equities	9,087	-	-	9,087
Quoted debt instruments	3,655	3,780	-	7,435
	12,742	3,780	-	16,522
At fair value through other comprehensive income				
Quoted equities	1,070	-	-	1,070
Mutual funds	-	9,047	-	9,047
Quoted debt instruments	50,382	24,739	-	75,121
Private debt fund	-	-	1,148	1,148
	51,452	33,786	1,148	86,386
	64,194	37,566	1,148	102,908

For investment in private fund, the fair values are based on Net Asset Values (NAV) calculated by the respective fund managers. The valuation of this debt fund qualifies as Level 3 fair value measurement. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the year. Except for the above, management considers that the carrying amounts of financial assets recognised in the financial statements approximate their fair values.

23 Segment information

For management purposes, the Company is organised into business units based on their products and services and has two reportable operating segments as follows:

- The medical insurance segment that provides medical cover to policyholders; and
- The life insurance segment offers term life assurance products.

No inter-segment transactions occurred in 2024 and 2023.

Segment statement of income for the year ended 31 December 2024 is presented below:

AED'000	*Medical*	*Life*	*Total*
Insurance revenue	**20,319**	**73,923**	**94,242**
Insurance service expenses	**(20,763)**	**(66,662)**	**(87,425)**
Insurance service result before reinsurance contracts held	**(444)**	**7,261**	**6,817**
Net income from reinsurance contracts held	**666**	**(1,771)**	**(1,105)**
Total insurance service result	**222**	**5,490**	**5,712**
Insurance finance expense	**(62)**	**(1,156)**	**(1,218)**
Reinsurance investment result	**-**	**1,263**	**1,263**
Investment and other income - net			**7,865**
Other operating expenses			**(8,827)**
Profit for the year before tax			**4,795**
Income tax expense			**(150)**
Profit for the year after tax			**4,645**

For the year ended 31 December 2023 is presented below:

AED'000	*Medical*	*Life*	*Total*
Insurance revenue	14,933	74,011	88,944
Insurance service expenses	(19,797)	(83,310)	(103,107)
Insurance service result before reinsurance contracts held	(4,864)	(9,299)	(14,163)
Net income from reinsurance contracts held	-	6,665	6,665
Total insurance service result	(4,864)	(2,634)	(7,498)
Insurance finance expense	(30)	(601)	(631)
Reinsurance investment result	-	125	125
Investment and other income - net			4,822
Other expenses			(2,516)
Net loss for the year before and after tax			(5,698)

23 Segment information *(continued)*

Below is the breakup of insurance revenue as per PAA and GMM:

AED' 000	**31 December 2024**	31 December 2023
Expected claims and expenses excluding investment component over the year excluding loss component	**5,609**	4,929
Expected release of risk adjustment over the year excluding loss component	**448**	373
CSM Release	**2,703**	2,405
Acquisition Expenses recovered from premiums	**473**	203
Insurance revenue from contracts not measured under the PAA	**9,233**	7,910
Insurance revenue from contracts measured under the PAA	**85,009**	81,034
Total Insurance Revenue	**94,242**	88,944

Insurance and reinsurance assets and liabilities - Applicable to all measurement models as at

31 December 2024

AED'000	***Medical***	***Life***	***Total***
Total assets			
Reinsurance contract assets	**2,352**	**35,340**	**37,692**
Unallocated	**-**	**-**	**164,701**
Total			**202,393**
Total liabilities			
Insurance contract liabilities	**9,458**	**37,656**	**47,114**
Unallocated	**-**	**-**	**30,879**
Total			**77,993**

31 December 2023

AED'000	***Medical***	***Life***	***Total***
Total assets			
Insurance contract assets	-	706	706
Reinsurance contract assets	-	34,833	34,833
Unallocated	-	-	158,480
Total			194,019
Total liabilities			
Insurance contract liabilities	6,118	39,386	45,504
Unallocated	-	-	29,198
Total			74,702

24 Corporate tax

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

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.

Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Company.

The Company is subject to the provisions of the UAE CT Law with effect from 1 July 2023, and current taxes have been accounted for as appropriate in the financial statements for the financial year beginning 1 September 2023.

The taxable income of the Company that are in-scope for UAE CT purposes will be subject to the rate of 9% corporate tax.

	31 December 2024 AED'000	31 December 2023 AED'000
Condensed interim statement of comprehensive income		
Current tax	**150**	-
Deferred tax	**-**	-
	150	-

The charge for the year can be reconciled to the profit before tax as follows:

	2024 AED'000	2023 AED'000
Profit / (loss) before tax	**4,795**	(5,698)
Tax at the UAE corporate tax rate of 9% (2023: 0%)	**432**	-
Impact of the initial exempt threshold of AED 375,000	**(34)**	-
Impact of permanent differences due to exempt income	**(256)**	-
Impact of disallowed entertainment expenses	**8**	-
Total tax expense for the year	**150**	-

25 Gross written premiums

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

Description	Medical Insurance AED'000	Life Insurance AED'000	Total AED'000
Direct written premiums	**24,869**	**75,453**	**100,322**
Assumed business			
- Foreign	**-**	**(289)**	**(289)**
- Local	-	-	-
Total assumed business	**24,869**	**75,164**	**100,033**
Gross written premiums	**24,869**	**75,164**	**100,033**

26 Other operating expenses

	31 December 2024 AED'000	31 December 2023 AED '000
Staff costs	**1,507**	1,322
Business travel and entertainment	**267**	29
Communication and IT expenses*	**4,622**	243
Marketing and advertisement	**476**	159
Legal and professional expenses	**1,033**	245
Other expenses	**922**	518
Total	**8,827**	2,516

*These expenses include cost written off from the intangible assets (refer note 6).

27 Comparative information

The presentation for the investment contract assets and liabilities have been updated to reflect the requirements of the IFRS accounting standards. Accordingly, following presentation changes have occurred in the comparative statement of financial position:

	As previously presented AED'000	**Adjustments AED'000**	**As currently presented AED'000**
Other receivables and prepayments	21,622	(18,900)	**2,722**
Investment contract assets	-	18,900	**18,900**
Other payables	27,769	(18,900)	**7,869**
Investment contract liabilities	-	18,900	**18,900**

28 Social contributions

The social contribution made during the year amount to AED Nil (31 December 2023: AED Nil).

29 General

These financial statements of the Company were approved for issuance by the Board of Directors on 26 March 2025.

HAYAH

Corporate government report

HAYAH Insurance Company P.J.S.C.

Empowering Futures

Table of Contents

HAYAH

Company Introduction

HAYAH Insurance Company P.J.S.C "HAYAH" is a public joint-stock company with a paid capital of 200 million dirhams and registered with the Central Bank of the UAE under registration number 83. The Company was established in August 2008 and is listed on Abu Dhabi Securities Market. It is subject to compliance with regulations issued by the Securities and Commodities Authority and the Central Bank of the UAE.

The Company's headquarters is located in the capital, Abu Dhabi, and has a branch in the Emirate of Dubai.

The Company provides insurance and support solutions to individuals and institutions to help them manage unexpected risks by providing insurance products, where it provides a wide range of life and health insurance services.

Overview of Corporate Governance

Statement of Commitment

The Board of Directors ensures that the governance structure actively identifies, responds to, and communicates all material governance matters that have an impact on the Company's ability to create value. The Board acknowledges its responsibility to ensure the integrity of the annual governance reporting process and believes that this report addresses all material governance matters appropriately and fairly.

The Board is committed to implementing the Governance Code and Principles in alignment with the Corporate Governance Regulation, embedding these principles into our corporate culture, internal controls, policies, and procedures. We remain dedicated to further strengthening these principles in our ongoing efforts, ensuring their continued application and relevance in our corporate governance practices.

Implementation of Corporate Governance rules

HAYAH is fully committed to having a corporate governance framework that is fully compliant with corporate governance requirements that are applicable to public joint stock companies in the UAE and consistent with the Corporate Governance Regulation & Standards for Insurance Companies issued by the Central Bank of the UAE (Circular No. 24/2022) and with the Securities and Commodities Authority's Resolution No. (3/RM) of 2020 Concerning the Joint Stock Companies Governance Guide (as amended), as well as all other relevant resolutions issued from time to time by the competent authorities and the international best practices in this regard.

HAYAH has implemented an internal governance structure with defined roles and responsibilities for every constituent of the system. The Company's shareholders appoint the Board of Directors, who in turn govern the Company. The Board has established committees for specific purposes to discharge its responsibilities in an effective manner, however the overall accountability for the responsibilities assigned to and discharged by the Committees lies with the Board. The Chairman and Chief Executive Offcer provides overall direction and guidance to the Board.

The Board was assisted by various Board Committees, namely the:

1. Audit Committee
2. Risk Management Committee
3. Nomination & Compensation Committee
4. Investment Committee
5. Insiders' Trading Follow-Up and Supervision Committee

Apart from the Board Committees, the Company also has management committees each responsible for a critical function. The internal control functions consist of Compliance, Risk Management, Actuarial & Internal Control and Internal Audit. These functions are an important part of the overall governance structure. The role and responsibilities of the Board, its committees, the management committees, and each of the internal control functions are set out subsequently in this report.

HAYAH took all steps required for application of the governance procedures from the date of implementation, It has also been committed to continuously following up on all necessary steps to develop and update governance procedures in line with the latest decisions issued by regulators as well as a commitment to local and global best practices, in particular , the company has taken the following steps during 2024:

a. The Board has been made aware of the new corporate governance regulations, and they have reviewed and signed off on the company's plan to demonstrate full compliance.
b. Review and updated the governance polices in accordance with governance manual and the action plan for effectiveness of those polices.
c. Elected a female board member in line with the Securities and Commodities Authority (SCA) mandate.

d. The company was keen on exercising its works with the required transparency in relation to the times and methods of disclosure of financial statements and compliance with the rules and decisions of the regulatory and statutory bodies.
e. The Company is committed to make the Corporate Governance Report available to all shareholders and publish it through the usual means of publication prior to the announcement of the General Assembly's invitation by enough time, for the shareholders to review it.
f. The company has whistleblowing policy in place that enables the employees to report potential violations in financial reports, internal controls or other matters while their rights are fully protected.
g. The company is committed to complying with the laws and regulations issued by the Securities and Commodities Authority, Abu Dhabi Securities Exchange, Central Bank of the UAE, previously the Insurance Authority, Health Authority, Labour Law, and other laws and regulations in the UAE due to the company’s status as a public joint stock company listed in Abu Dhabi Security’s Market and carries out its insurance business operations.
h. Risk policies and procedures were created/updated, and the reporting structure for the Risk function was aligned with regulatory requirements.
i. The Terms of Reference for committees were reviewed to align with regulatory requirements, and an annual assessment of committees was conducted.

A statement of ownership and transactions of the members of the Board of Directors and their spouses and their sons in the company securities during 2024

Name	Position / Kinship	Owned shares as of 31/12/2024	Total Sale	Total Purchase
Mrs.Salama Amer Saleh	Chairperson of the Board	18,133,665	0	18,133,665
Mr.Marwan Ibrahim Naseer	Vice-Chaiman of the Board	0	0	0
Mr. Mohamed Abdullatif Kanoo	Board Member	0	0	0
H.E Dr. Tariq Abdulqader Bin Hendi	Board Member	0	0	0
Mr. Patrick Claude Franklin Choffel	Board Member	0	0	0

HAYAH

Mr. Haisam Nizar Odeimeh	Board Member	0	0	0
Mrs. Amna Obaid Khalifa Ahmed Al Zaabi	Board Member	0	0	0
Mr. Samer Abdul Rahman Katerji	Board Member	0	0	0
Mr. Mabkhoot Taleb Almenhali	Board Member	65,000	0	65,000
Naser Amer Omar Saleh Omar	Relative to the Chairperson	9,860,000	0	9,860,000
Mohamed Ahmed Amer Omar Saleh	Relative to the Chairperson	7,862,116	0	7,862,116

Composition of the current Board of Directors 2024 -2026

The Company's Board consists of nine members, who were elected at the Company's Ordinary General Assembly meeting held on 26th April 2024, for a term of three years.

Name	Category	Year of Appointment	Their memberships and positions in any other joint-stock companies	Their positions in any other important supervisory, governmental, or business entities
Mrs. Salama Amer Saleh Chairman of the Board	Non-Executive Non-Independent	Since 2023	None	CEO Group of Companies
Mr. Marwan Ibrahim Naseer Vice Chairman of the Board	Non-Executive Independent	Since 2024	None	Managing Director of MIN Healthcare Investment Group
Mr. Mohamed Abdullatif Kanoo Board Member	Non-Executive Non-Independent	Since 2018	None	Deputy Chairman of the Kanoo Group
H.E Dr. Tariq Abdulqader Bin Hendi Board Member	Non-Executive Independent	Since 2018	None	Board member of Emirates Post Group
Mr. Mabkhoot Taleb Almenhalib Board Member	Non-Executive Independent	Since 2024	None	None

HAYAH

Mr. Patrick Claude Franklin Choffel Board Member	Non-Executive Independent	Since 2023	None	Managing Dircetor of ISAVIE Management Consultancy, DMCC.
Mr. Haisam Nizar Odeimeh Board Member	Non-Executive Independent	Since 2024	CEO of Financial Services at Al Ramz Corporation PJSC	None
Mrs. Amna Obaid Khalifa Ahmed Al Zaabi Board Member	Non-Executive Independent	Since 2024	None	SVP- Business Development - ADGM
Mr. Samer Abdul Rahman Katerji Board Member	Non-Executive Independent	Since 2024	None	Founding Partner and Managing Director of Trussbridge

Brief about the Board Members, their experiences, and qualifications

Mrs. Salama Amer Omar Saleh
Chairperson of the Board

Mrs. Salama Amer is an entrepreneur and management expert with over 20 years of diverse experience in the hospitality, aviation, and investment industries, with expertise in strategy, planning, support services, project management, localization, business intelligence, analytics, revenue optimization, and business process re-engineering. She has a proven record of generating profitable revenue and developing successful business strategies. Best scorer of the administrative development program for graduates of the first batch of the program in the Federation. She holds a Bachelor of Applied Science Major in Business Information Technology (2003) from The Higher College of Technology.

Mr. Marwan Ibrahim Al Naseer
Vice-Chairman of the Board

Mr.Marwan Ibrahim Nasser is an influential Emirati businessman, serving as the founder, chairman, and managing director of MIN Healthcare Investment Group, a prominent U.A.E. investment firm specialising in healthcare, medical, and pharmaceutical fields. Under his leadership, MIN Healthcare has evolved from a single medical facility in 2009 to a comprehensive healthcare provider with a rapidly expanding presence. Marwan's career began with various government positions before he ventured into entrepreneurship and established MIN Healthcare. The group now encompasses operational hospitals, over 10 medical centers, pharmaceutical distribution, and other healthcare support services across the U.A.E. Beyond business success, Marwan is dedicated to philanthropy, actively engaging in community welfare beyond healthcare. He has initiated numerous health-focused campaigns and initiatives, including CSR projects benefiting underprivileged communities. His efforts, including health screenings and awareness programs for workers, have significantly impacted lives across the U.A.E., promoting better health and well-being.

Mr. Mohamed Abdul Latif Kanoo
Member of the Board

Mohamed Abdullatif Kanoo studied Economics and Political Science at the University of Texas at Austin and Monetary Economics at the American University in Washington, D.C. He is based in Abu Dhabi, where he oversees the business operations and the interests of the Kanoo family. In 2016, he took over the role of Deputy Chairman of the Kanoo Group. He holds senior executive positions in several other companies and directorships in several GCC-based companies. He is also the Chairman of the Charity Fund of Bahrain-based Abdul Rahman Kanoo Co. WLL.

H.E Dr. Tariq Abdulqader Bin Hendi
Member of the Board

Tariq Bin Hendi is Edelman's Middle East Chairman as of September 2022. He was most recently Chief Investment Officer of Group 42 (G42), the UAE-based artificial intelligence (AI) and cloud computing company that has supported the development of AI Industries across the healthcare, finance, oil and gas, aviation, and hospitality sectors. Previously, Bin Hendi was the Director General of the Abu Dhabi Investment Office (ADIO), where he led major initiatives to drive foreign direct investment into the Emirate and oversaw the launch of several international offices to expand ADIO's global presence. Bin Hendi began his career in professional finance at Citibank before joining the sovereign wealth fund Mubadala Investment Company. Prior to joining ADIO, Bin Hendi also held leadership roles at Emirates NBD and Dubai Holding. He also sits on a number of boards, including HAYAH and Emirates Post Group. Bin Hendi holds a PhD in Economics from Imperial College, London, and a joint MBA from London Business School and Columbia Business School.

Mr. Mabkhoot Taleb Almenhali
Member of the Board

Mabkhoot Almenhali is a finance executive and CPA offering more than 25 years of experience building, leading and advising companies trough complex restructuring, international expansion, and capital market transactions. Progressive experience with repeated success in capital and debt markets, merger and acquisitions, turnaround, and IPO readiness. Almenhali served as a group CFO of SENAAT until June 2020 and previously he was the CFO of NPCC, a leading Oil & Gas EPC contractor based in Abu Dhabi. Mabkhoot is an independent (non-executive) Boards and Audit Committees member and previously served as a Board and AC member of the following SENAAT/ADQ subsidiaries: ARKAN Ducab NTS ADNEC.

HAYAH

Mrs. Amna Obaid Khalifa Ahmed Al Zaabi
Member of the Board

A proactive leader engaged in UAE government-owned strategic and business development projects, Amna's career spans over 16 years in several leadership positions and executive memberships, including board seats with publicly listed companies. Her previous Board and Audit Committee memberships include Agthia and Arkan. Prior to joining ADGM as Senior Vice President in Business Development, she served as a Senior Strategic Projects Manager within the CEO's office at ADQ. Amna's career has encompassed the development of international strategic partnerships and project management, collaborating with international partners from Europe, Asia, and Africa. She holds a Master's degree in Strategy and Leadership from London Business School and a Bachelor of Science degree in Business Administration from Zayed University. Additionally, she has completed leadership programs at Harvard Publishing School and the Institute of Leadership Management. Her sense of purpose and integrity governs the way she conducts herself in business, which is one of the hallmarks of her reputation. Amna's passion going forward is to contribute to the UAE's social and economic development and to impact community development programs that focus on the growth of future generations.

Mr. Patrick Claude Choffel
Member of the Board

Mr. Patrick Choffel served as the Chief Executive Officer of Oman Insurance Company (OIC), the largest Insurance Company in the UAE and the fourth largest in the Middle East, from September 2011 to May 2015. He led the company's strategy to revamp and retain its market leadership. Prior to joining OIC, Patrick served as AIG Regional President MEASA for ALICO based in Dubai. He had a long career with AIG in different key executive management positions across Europe, Africa, the Middle East, and Australia. He developed new markets, turned around ailing businesses, and managed risks. He has a master's degree in science from the University of Wyoming in the US and a diploma in business administration and finance from the Ecole Superieure de Commerce in France. Additionally, Patrick has held leadership roles in several prominent insurance organizations around the world, such as: Petro Vietnam insurance (Hanoi), Star Health insurance (Chennai), Al Rajhi takaful (Riyadh), Solidarity Insurance (Bahrain), War Risk Pool (Bahrain), Arma Underwriting Agents (DIFC), Prevensure Brokers (Dubai).

Mr. Haisam Nizar Odeimeh
Member of the Board

An accomplished financial executive with extensive experience in the banking and financial services sector. Currently serving as the Chief Executive Officer of Financial Services at Al Ramz Corporation PJSC. Prior to this role, he held positions as Managing Director & Deputy Chief Financial Officer at Al Hilal Bank PJSC and Head of Financial Services Department at KPMG in the Lower Gulf Region. Holds an MBA in

Banking & Finance from Paris Sorbonne University Abu Dhabi, and is a Certified Public Accountant from AICPA, New Hampshire, USA.

Mr. Samer Abdul Rahman Katerji
Member of the Board

Mr. Samer is an experienced investment banker with a demonstrated history of working in the financial services and investments industry for over 22 years. Throughout his career, he has led the formulation and structuring of complex corporate finance transactions across a multitude of industries and regional markets. He is skilled in Mergers & Acquisitions (M&A), Strategic Financial Advisory, Capital Optimization and Restructuring as well as structuring of Capital Markets financing instruments, both in equity and debt products. Prior to this role, Samer led the Financial Institutions and Financial Sponsors advisory practice for Citigroup Global Markets in the Middle East and played a key role in the development of the franchise in the region. He has also held key positions at SHUAA Capital in Dubai, PrimeCorp Finance and Middle East Capital Group, in Beirut. Samer holds a Masters Degree in Business Administration, Bachelor Degree in Business Administration and Bachelor Degree in Science – Biology from the American University of Beirut. Samer is also a board member of Air Arabia PJSC and member of GCC Board of Directors Institute.

- **Female representation on the Board of Directors in 2024**

The composition of the Board of Directors in 2024 reflects the organization’s commitment to fostering diversity and inclusivity. Two of the nine members are female directors, accounting for approximately 22% of the total membership.

Significantly, one of the female directors holds the position of Chairperson, underscoring the organization’s dedication to promoting gender diversity in key leadership roles and advancing equitable representation at the highest levels of governance

- **The Total Remuneration paid to the members of Board Directors in 2024:**

In accordance with the provision of article (60) of HAYAH’s Articles of Association, remuneration of the members of the Board of Directors shall be a percentage of the net profit, and the Company may pay additional expenses, fees or remuneration or monthly salary as prescribed by the Board of Directors to any member if such member had worked in any committee or made special efforts.

An amount shall be provided for distribution among the shareholders as the first share of the profits determined by the ordinary general assembly upon a proposal of the General Assembly, provided that such amount shall not be more than (5%) five percent of the value of the paid-up share value. However,

HAYAH

if the net profits do not permit the distribution of such shares, such amounts shall not be claimed from the profits of the following years.
A percent, not more than (10%), ten percent shall be provided from the balance for remuneration of members of the board of directors, and the general assembly shall determine the value thereof each year.

Based on that, the Company did not distribute any bonuses to the members of the Board of Directors for 2023, and there will be no bonuses distributed to the members of the Board of Directors for 2024.

The following are the details of the attendance allowances of the Board of Directors and the Committees emanating from the Board of Directors for the financial year 2024

Name	Committee name	Allowance Value (AED)	Numbers of meetings
Mr. Omar Mohamed Al Katheeri	• Nomination & Remuneration Committee	3,000	1
Mr. Bader Jeiroudi	• Nomination & Remuneration Committee	3,000	1
Mr.Patrick Claude Choffel	• Investment Committee • Nomination & Remuneration Committee • Audit Committee	15,000	5
Mr. Mustafa Boulhabel	• Audit Committee	3,000	1

The following are the details of the allowances, salaries, or additional fees that a member of the Board of Directors charged other than the attendance allowances of the committees and their reasons:

No additional allowances, salaries, or fees were disbursed to any member of the Board of Directors other than the attendance fees of the committees.

Board Meetings

During 2024, the Board of Directors held seven meetings where one of the meeting via circulation in which the financial statements for the six month period that ended August 12th,2024, were approved.

The following are the dates of the Board meetings and the number of personal attendance times for all Board members:

Meeting Number	Meeting Date
2024/01	13 March
2024/02	06 May
2024/03	14 May
2024/04	12 August (Via circulation)
2024/05	09 October
2024/06	12 November
2024/07	12 December

Name	Meeting 2024/01	Meeting 2024/02	Meeting 2024/03	Meeting 2024/04	Meeting 2024/05	Meeting 2024/06	Meeting 2024/07	Number of personal attendance
Mrs. Salam Amer Saleh	Y	Y	Y		Y	Y	Y	6
Mr. Marwan Ibrahim Naseer		Y	Y		Y	N	Y	4
Mr. Mohamed Kanoo	Y	Y	Y		Y	Y	Y	6
Dr. Tariq Abdulqader Bin Hendi	Y	Y	Y		Y	P	Y	6
Mr. Mabkhoot Taleb Almenhali		Y	Y		Y	P	Y	5
Mr. Patrick Claude Franklin Choffel	Y	Y	Y		Y	Y	Y	6
Mrs. Amna Obaid Khalifa Ahmed Al Zaabi			Y		Y	Y	Y	4
Mr. Haisam Nizar Odeimeh		Y	Y		Y	Y	Y	5
Mr. Samer Abdul Rahman Katerji					Y	Y	Y	3
Mrs. Alyazia Ali Alkuwaiti		Y	N					
Dr.Mohamed Taleb Almenhali	Y							
Mr.Khalifa Yousif Alkhoori	N							
Mr. Bader Jeiroudi	Y							
Mr. Omar Al Katheeri	N							
Mr. Sami Ibrahim Idbies	Y							

Members of the Board of Directors who did not attend the aforementioned meetings provided acceptable excuses to the Board in accordance with the established procedures.
Considering that the absent members issue a proxy to one of the attendee members to represent them and vote in their name when needed.

Y- Attended
N- Not Attended
P- Attendees by proxy

Previous Board members
Was not a member on this date
Resigned Member on this date
Via circulation

Board Resolution By circulation

In the second quarter of 2024, the Board of Directors issued a decision by circulation. This resolution was made to ensure timely and efficient decision-making in matters requiring immediate attention during this period.

Executive Management, Tasks and Functions

The shareholders of HAYAH delegated their authority to the Board of Directors in accordance with the Company's Articles of Association and its founding contract. In turn, the Board of Directors delegated some of its authority to the Audit Committee, Nomination, Remuneration & Compensation Committee, Investment Committee, Risk Committee and the Chief Executive Officer.

According to that, the Board delegated the Chief Executive Officer, Mr. Mohamed Seghir, the authority and power to manage the day-to-day business affairs of the Company in accordance with the specific delegations and restrictions set by the Board, subject to continuous review by the Board. The power of Attorney shall remain in force unless it is canceled or reduced by the Board of Directors.

The powers granted are as follows:

a. Represent the Company and act on its behalf before all federal and local governmental authorities regarding its business and affairs, including to sign on behalf of the Company before Ministry of Labour & Social Affairs, General Directorate of Residency & Foreigners Affairs, Departments of Traffics and any other governmental departments.
b. Appoint and recruit employees and labours, specify and change their duties and their service conditions, dismiss them from work and specify their salaries, wages, dues and remunerations.
c. Lease any necessary buildings or villas or flats or offices for the Company business as he has to fulfil this purpose to conclude contracts, perform generally all necessary actions and things to confirm the Company right to lease and/or rent such buildings or villas or flats or offices.

d. Lease, rent and buy required materials, equipment, goods, for the Company work that comply with its purpose.
e. Represent the Company before courts, all type and degrees of arbitration panels, and before all governmental and administrative authorities. Appoint legal consultants and advocates in order to work on behalf of the Company.
f. To deal with banks and other financial institutions on behalf of the Company, including opening and operating any banks accounts required for the Company and any of its subsidiaries but excluding the creation of any encumbrances over the assets of the Company or the borrowing of any money other than with the prior approval of the Board.
g. To execute any financial investment approved by the Board of the Directors.
h. To delegate these powers or any of them to such of the Company's employees as the Chief Executive Officer sees fit.
i. Generally, to do all work, thing and matters either regarding the legal matters or others that considered necessary and appropriate for management, supervision and instruction works of the Company and its business.
j. To sign all contracts and agreements whatever kind entered into on behalf of the Company as well as to sign all papers and documents related to the Company, contracts of employment and the power to provide premium quotations for insurance contracts with Company, to sign and issue insurance policies, to receive, negotiate and settle claims, to take all necessary steps to ensure the proper and efficient running of the company's offices.
k. The Company's 'Delegation of Authorities' is intended to be an integral part of the Company's system of internal controls and therefore its implementation is monitored by the internal and statutory auditors, as part of their audit procedures. at appropriate levels and decisions that have financial implications or impacting the interests of the Company.

Transactions with Related Parties

Related parties are associates, major shareholders, directors, and key management personnel of the Company and the companies in which they are key owners. Pricing policies and terms of these transactions are approved by the Company's management.

The following table shows transactions with related parties during 2024:

Transactions with related parties	Transaction Value (AED'000)
Medical business with Kanoo Group LLC	
Gross written premium	**17,586**
Claims paid	**(11,711)**

The transactions equal to 5% or more of the capital with the related parties or others during in 2024:

Related Party	Transactions	Amount (AED)	% Of Share Capital
Kanoo Group LLC	Health Insurance-Premiums	17,585,500	8.8%
Kanoo Group LLC	Health Insurance-Claims paid	11,711,312	5.86%

Organizational Structure:

Defining the tasks of the Chairman of the Board of Directors and Chief Executive Officer helps to ensure their independence, as well as ensures regular communication between them. The role of the Chairman and Chief Executive Officer is complementary to each other.

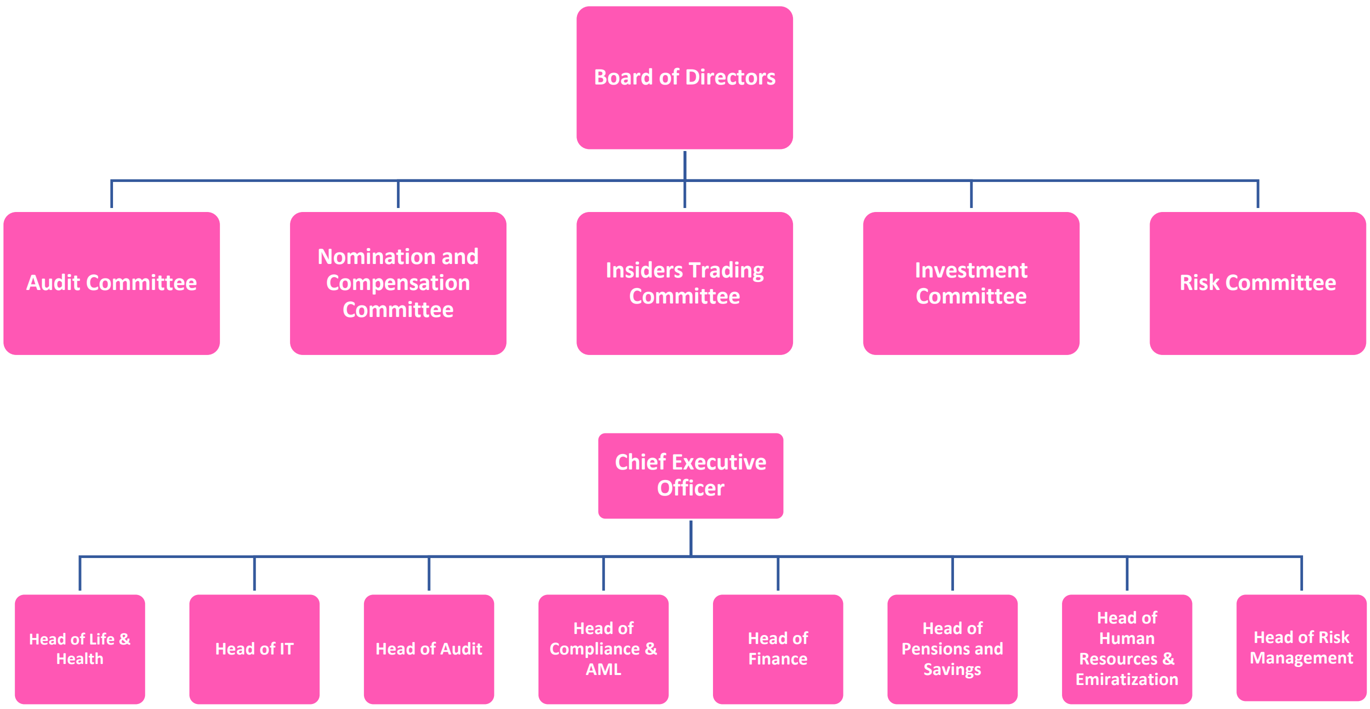
The Board delegated some of its powers to the Chief Executive Officer and members of the Management Team, which is governed by the delegation of authority. This has been periodically reviewed to take business requirements into account.

Following are the names of the executive staff, their jobs, and appointment dates indicating the total salaries and bonuses paid to them:

Position	Date of Appointment	Total salaries and allowances 2024 paid in (AED)	Total bonuses 2024 paid for (AED)	Any other cash / in-kind bonuses for or due in the 2024 future
Chief Executive Officer	15 April 2018	1,856,466	None	None
Head of Human Resources & Emiratization	17 March 2013	346,998	None	None
Head of Finance	12 June 2016	592,536	None	None
Head of Compliance and Anti Money Laundering	01 August 2017	690,952	None	None
Head of Internal Audit	28 May 2017	376,008	None	None
Head of Life & Health	10 June 2012	812,415	None	None
Head of Pensions & Savings	22 May 2023	373,483	None	None
Head of information Technology	01 April 2022	340,244	None	None
Head of Risk Management	17 October 2022	274,150	None	None
Head of Strategy	13 October 2019	382,953	None	None

- Total salaries and allowances for executive officers during the year 2024 is AED 6,112,205
- The company has not adopted financial rewards that were approved during FY 2024, and there are no other cash / in-kind rewards for the year 2024 or due in the future.

A Statement of the Company Organizational Structure



External Auditor

The External Auditor is appointed to perform quarterly reviews and annual statutory audits of the Company's financial aspects. The auditor is paid on a fixed annual fee basis. The shareholders approve the auditor's fee, which is recommended by the Board of Directors at the Meeting of the General Assembly. Should there be additional work required that is not within the scope of the annual review, it will be reviewed and approved by the Audit Committee on a case-to-case basis. The terms of the Audit Committee include the scope of the External Auditor's work.

In the year 2024, Grant Thornton was appointed as an External Auditor of the company. Grant Thornton is one of the leading professional firms in the region, established in 1980, providing business consultancy,

HAYAH

auditing, and tax services. Today, Grant Thornton operates in 156 markets, employing approximately 76,000 professionals worldwide.

Statement of the fees and costs of the External Auditor

Name of Auditing Firm	Grant Thornton
Number of years served as an external auditor for HAYAH	One Year
The name of the Audit Partner	Mr. Mohamed Ali
Number of years served as a partner auditor for HAYAH	One Year
Total audit fees for 2024 in (AED)	359,545.09/- including VAT
Fees and costs for special services other than audit of the financial statements for the year 2024 (AED)	None
Details and nature of other services provided	None
A statement of the other services performed by an external auditor other than the auditor of the company to provide them during the year 2024.	None

- There are no reservations that have been included in the Company's financial statements by the External Auditor for 2024**.**

Audit Committee

The Board of Directors has formed the Audit Committee from the members of the Board of Directors, which aims to support the Board of Directors in carrying out its responsibilities through the oversight of the financial reporting process and the integrity of the publicly reported results, adequacy and effectiveness of internal control and risk management systems and supervision of effectiveness, performance, and independence of the internal and external auditors.

The Committee consists of Three members, namely, Mr. Mabkhoot Taleb Almenhali as the Chairman, Dr. Tariq Abdulqader Bin Hendi and Mr. Haisam Nizar Odeimeh being the members have sufficient knowledge, educational qualification, and experience in finance, investment, accounting, and auditing.

The key responsibilities of the Committee are:

- The responsibility for the selection, appointing, remuneration, oversight, and termination, where appropriate, of the external auditor, subject to ratification by the Board and shareholders. The external auditor shall report directly to the Committee.
- Make a determination at least once each year of the external auditor's independence, including;
  - Determining whether the performance of any non-audit services compromised its independence.
  - Obtaining from the external auditor a written report listing any relationships between the external auditor and the Company or with any other person or entity that may compromise the auditor's independence.
  - Review and discuss with the external auditor the scope and results of its audit, any difficulties the auditor encountered, including any restrictions on its access to requested information, and any disagreements or difficulties encountered with management.
  - Review and discuss each annual and quarterly financial statement of the Company with management and the external auditor, including judgments made in connection with the financial statements.
  - Review, discuss, and make recommendations regarding the selection, appointment, and termination, where appropriate, of the Head of Audit and the budget allocated to the internal audit and compliance function, and monitor the responsiveness of management to the committee's recommendations and findings.
  - Review and discuss the adequacy of the Company's internal auditing personnel and procedures, its internal controls and compliance procedures, any risk management systems, and any changes in those.
  - Oversee the risk assessments performed by the management, internal and external auditors.
  - Oversee the Company's compliance with legal and regulatory requirements.
  - Develop and recommend to the Board corporate governance guidelines and review those guidelines at least once a year.
  - Review and discuss possible improprieties in financial reporting or other matters and ensure that arrangements are in place for independent investigation and follow-up regarding such matters.

Annual Audit Committee Report:

According to Article 61/2 of the Joint Stock Companies Governance Guide, the Audit Committee has submitted its annual report outlining its key activities, signed by the Audit Committee chairman.

The Audit Committee has reviewed the significant financial areas to ensure accuracy and compliance with regulatory standards. One of the key areas of focus was insurance liabilities and reserves, where the committee sought external opinions from independent actuaries who validated the key estimates and assessed the adequacy of reserves. Revenue recognition was also closely examined, with a review of revenue figures provided by management and consultations with external auditors to ensure alignment with financial reporting standards.

The committee also evaluated claims handling, reviewing performance metrics such as claims loss ratios and settlement timeframes. Special attention was given to significant or unusual claim settlements, with management providing explanations and ensuring underwriting processes remained robust.

Regulatory compliance remained a priority, with periodic compliance reports reviewed to address any regulatory findings promptly. Solvency and capital adequacy were assessed in collaboration with actuaries and external auditors, ensuring that the company met regulatory requirements and explored potential strategies for further enhancement.

Besides, the investment portfolio was monitored to ensure performance, valuation, and risk exposure remained within acceptable limits. The impact of interest rate changes, inflation, and macroeconomic factors on financial assets was also carefully reviewed to maintain financial stability.

Regarding the matters related to external auditors, the independence and effectiveness of the external audit process were key focus areas for the Audit Committee. To ensure auditor independence, the committee verified that no non-audit services were assigned to the external auditor in 2024. The effectiveness of the audit process was also evaluated by challenging the auditors on key risks, financial assumptions, and the adequacy of reserves and claims estimates. This rigorous approach ensured that all material financial areas were accurately reported.

Additionally, the committee reviewed the appointment and reappointment of external auditors by assessing their tenure, performance, independence, and compliance with regulatory limits. The selection process was based on the auditor's expertise, audit fees, and overall approach. Recommendations for appointment or reappointment were formally recorded in the minutes of the Audit Committee meetings and presented to the Board for approval.

The Audit Committee remained proactive in monitoring the company's internal control environment and risk management framework. Regular reviews of outstanding internal audit issues and the annual risk assessment report were conducted to ensure any weaknesses were promptly addressed. In cases where internal controls required improvement, management was required to provide explanations for any delays in implementing corrective actions.

The Audit Committee also reviewed the High and medium-risk audit issues presented by the internal auditor along with the risks and impact of those risks associated with control weaknesses. The committee also required management to address these deficiencies effectively. To ensure accountability, management was responsible for submitting a detailed action plan outlining corrective measures for each identified issue. In cases where no action plan was submitted, the internal auditor would escalate the matter during Audit Committee meetings.

As part of its governance responsibilities, the Board of Directors reviewed related party transactions to ensure transparency and compliance with applicable regulations.

The Audit Committee is required to meet at least four times every year. During the year, the Audit Committee held four meetings, and the members of the Committee were appointed in April 2024 for a term of three years coinciding with the term of the Board.

The following are the dates of the Audit Committee meetings and the statement of personal attendance for all members.

Meeting Number	Date
2024/01	12 March
2024/02	13 May
2024/03	09 August
2023/04	08 November

Name	Meeting 2024/01	Meeting 2024/02	Meeting 2024/03	Meeting 2024/04	Number of personal attendance
Mr. Mabkhoot Taleb Almenhali		Y	Y	Y	3
Mr. Haisam Nizar Odeimeh		Y	Y		2
Dr. Tariq Bin Hendi	Y	Y	Y	Y	4
Mr. Omar Al Katheeri	Y				1
Mr. Patrick Claude Choffel	Y				1

Y- Attended
N- Not Attended

Previous Board members
Was not a member on this date
Resigned Member on this date

Declaration of the Audit Committee Chairman:

I Mr. Mabkhoot Taleb Almenhali in the capacity as Audit Committee's Chairman, acknowledge the responsibilities of the Committee, review its work mechanisms and ensure the application of the provisions of Article No. (60) and Article No. (61) of the Authority's Board Chairman's Resolution No. (3 / R.M) of 2020, regarding the Standards of Institutional Discipline and Governance of Public Shareholding Companies. I verify the commitment of the Company and its employees to the provisions of applicable laws, regulations, and decisions that regulate its work, policies and internal procedures.

Nomination and Compensation Committee

The Board of Directors has formed the Nomination and Compensation Committee, which aims to support the Board of Directors in performing its oversight responsibilities in the nomination and independence of the Board members and the integrity of the Company strategy related to the rewards, benefits, incentives, and salaries.

The Committee is currently composed of three members: Mrs. Amna Obaid Alzaabi as the Chairman, Mr. Mabkhoot Taleb Almenhali, and Mr. Samer Katerji as members.

The key responsibilities of the Committee are:

- Whenever a vacancy arises (including a vacancy resulting from an increase in Board size), the Committee recommend to the Board a person to fill the vacancy either through appointment by the Board or through shareholder election.
- In performing the above responsibilities, the Committee consider any criteria approved by the Board and such other factors as it deems appropriate. These may include judgment, specific skills, experience with other comparable businesses, the relation of a candidate's experience with that of other Board members, and other factors.
- The Committee also consider all candidates for Board membership recommended by the shareholders and any candidates proposed by management.
- The Committee identify suitable personnel qualified to fill the vacancies on any committee of the Board and recommends his/her appointment in the Board or any of its committees, to the Board.
- Assuring that plans are in place for orderly succession of senior management.
- Make recommendations to the Board from in the structure and job descriptions of the officers including the CEO, and prepare terms of reference for each vacancy stating the job responsibilities, qualifications needed and other relevant matters.
- Recommend persons to fill specific officer vacancies including CEO considering criteria such as those referred to above.

- Design a plan for succession and replacement of officers including replacement in the event of an emergency or other unforeseeable vacancy.
- Consider, and make specific recommendations to the Board on, both remuneration policy and individual remuneration packages for the CEO and other senior officers.

The following are the dates of the Nomination and Compensation Committee meetings and the statement of personal attendance for all members:

Meeting Number	Meeting Date
2024/01	07 March 2024
2024/02	12 June 2024
2024/03	05 December 2024

Name	Meeting 2024/01	Meeting 2024/02	Meeting 2024/03	Number of personal attendance
Mr. Omar Mohamed Al Katheeri	Y			1
Mrs. Amna Obaid Alzaabi			Y	1
Mr. Bader Jeiroudi	Y			1
Mr.Patrick Claude Choffel	Y	-	-	1
Mr. Marwan Ibrahim Al Naseer		Y	N	1
Mr. Mabkhoot Taleb Almenhali		Y	Y	2
Mr. Samer Katerji			Y	1

Y- Attended
N- Not Attended

Previous Board Member
Was not a member on this date
Resigned Member on this date

Declaration of the Nomination and Compensation Committee Chairman

I Mrs. Amna Obaid Alzaabi in the capacity as Nomination and Compensation Committee's Chairman, acknowledge the responsibilities of the Committee, review its work mechanisms and ensure the application of the provisions of Articles No. (9), (10), (22) and (59) of the Authority's Board Chairman's Resolution No. (3 / R.M) of 2020, regarding the Standards of Institutional Discipline and Governance of Public Shareholding Companies. I verify the commitment of the Company and its employees to the provisions of applicable laws, regulations, and decisions that regulate its work, policies and internal procedures

Risk Committee

The Board of Directors has formed the Risk Committee, which aims to support the Board in supervising the company's risk management framework and evaluate the effectiveness of the framework and mechanisms of identifying and monitoring the risks that threaten the Company.

The Committee consists of three members: Mr. Haisam Nizar Odeima as the Chairman and Mrs. Amna Alzaabi, Dr. Tariq Bin Hendi

The key responsibilities of the Committee are:

- Supervise the risk management framework of the Company and evaluate the effectiveness of the framework and mechanisms of identifying and monitoring the risks that threaten the Company to identify areas of inadequacy and adequacy.
- Approve and review the Risk Appetite Framework (RAF) in order to ensure an acceptable level of risks that the Company is willing to accept with respect to conducting the business.
- Report key risks and results of risk management to the Board of Directors regularly and promptly alert all concerned any significant events related to risk management to the Board of Directors.
- Approve the risk management policies.
- Prepare detailed reports on the level of risk exposure and recommended procedures for managing such risks, along with submitting them to the Board of Directors.
- Review any matters raised by the Audit Committee that may affect the Company's risk management.
- Provide a second opinion on the strategic topics and projects of the Company.

The following are the dates of the Risk Committee meetings and the statement of personal attendance for all members:

Meeting Number	Meeting Date
2024/01	07 March
2024/02	30 September
2024/03	05 December

HAYAH

Name	Meeting 2024/01	Meeting 2024/02	Meeting 2024/03	Number of Personal attendance
Mr. Bader Jeiroudi	Y			1
Mr. Mustafa Boulhabel	Y			1
Mr. Haisam Nizar Odeima		Y	Y	2
Mr. Patrick Choffel		Y		1
Mrs. Amna Alzaabi			Y	1
Dr. Tariq Bin Hendi			Y	1

Y- Attended
N- Not Attended

Previous Board Member
Was not a member on this date
Resigned Member on this date

Declaration of the Risk Committee Chairman

I Mr. Haisam Nizar Odeima in the capacity as Risk Committee's Chairman, acknowledge the responsibilities of the Committee, review its work mechanisms and ensure the application of the provisions of Articles No. (9), (10), (22) and (59) of the Authority's Board Chairman's Resolution No. (3 / R.M) of 2020, regarding the Standards of Institutional Discipline and Governance of Public Shareholding Companies. I verify the commitment of the Company and its employees to the provisions of applicable laws, regulations, and decisions that regulate its work, policies and internal procedures.

Insider Trading Follow-Up and Supervision Committee

HAYAH Insurance Company is fully aware of the governance requirements of Public Shareholding Companies and is working hard to comply with these rules and regulations. The Company is committed to forming a specialized committee on the dealings of Insiders from the Board of Directors, Executive Management and Employees of the Company.

The key responsibilities of the Committee are:

- Follow-up and supervision of insiders' trading and their holdings, maintain the registers, and submit periodic statements and reports to the Market.
- Prepare a special and comprehensive register for all insiders, including persons who could be considered as insiders on a temporary basis and who are entitled to or have access to inside

HAYAH

information about the Company prior to publication. The record shall also include prior and subsequent disclosures of the insiders.

- Informing the concerned persons on their status as soon as he considered an insiders and require them to sign the formal declarations which prepared for that purpose.
- Informing the Insiders about the insider trading prohibition period determined by the regulator.

Summary of the Committee's work during 2024:

The committee held a meeting on 13th November 2024, where the members of the committee reviewed the updated register of the insiders, review the Shareholders list and followed up on the blackout period determined by the Abu Dhabi Securities Market.

The following are the dates of Insider Committee meetings and the statement of personal attendance for all members:

Meeting Number	Meeting Date
2024/01	13 November

Y- Attended
N- Not Attended

Previous Board Member
Was not a member on this date
Resigned Member on this date

Name	Meeting 2024/01	Number of personal attendance
Mr. Mohamed Seghir	Y	1
Ms. Hana Alnuaimi	Y	1

Investment Committee

The Board of Directors has formed the Investment Committee, which aims to support the Board in carrying out its responsibility by reviewing and adopting the investment policy, checking its compatibility with the investment strategy of the company and verifying its suitability with the current market conditions.

HAYAH

The committee consists of three members: Mr.Marwan Ibrahim Naseer as the Chairman, Mr. Samer Abdul Rahman Katerji and Mr. Patrick Claude Franklin Choffel as the members.

The key responsibilities of the Committee are:

- To review and approve, in consultation with senior management, a written investment policy including risk limits and delegated authorities.
- To submit the Policy for approval to the Board and to recommend any changes for approval to the Board of Directors.
- To review all risk limits and exposures in the investment activities on a regular basis in order to verify their suitability for current market conditions and the Company's overall risk tolerance.
- To review the implementation of the Policy on a quarterly basis. These activities include, but are not limited to:
    - Reviewing the performance of each asset class.
    - Monitoring the overall risks of the policy.
    - Submitting a performance review report to the Board of Directors.
- To review the Policy at least once a year in the light of new developments in Local Regulations, changes in business profile of the Company, its overall risk tolerance and long-term risk-return requirements, the Company's solvency position, as well as the evolutions of market conditions and to make recommendations to the Board for any appropriate updates of the Policy.
- To ensure that a periodic review of the adequacy of the resources, procedures and systems dedicated by the Company to the management of investments is carried out by the Company's senior management and to report to the Board on any identified vulnerability or dependency.
- To review and approve the Company's strategic asset allocation (SAA) suggested by the Asset and Liability management (ALM) study, on a quarterly basis conducted within the Company's guidelines.
- To review and approve Investment budgets and forecasts twice a year before submitting to the Board for approval.
- To review and approve counterparty limits in accordance with the Company's guidelines and local regulations.

HAYAH

The following are the dates of the Investment Committee meetings and the statement of personal attendance for all the members:

Name	Meeting 2024/01	Meeting 2024/02	Number of Personal attendance
Mr. Bader Jeiroudi	Y		1
Mr.James Burke	Y		1
Mr.Moustafa Boulhabel	Y		1
Mr.Samir Katerji		Y	1
Mr.Patrick Choffel		Y	1
Mr.Marwan Ibrahim		N	0

Meeting Number	Meeting Date
2024/01	15 Feb
2024/02	30 October

Y- Attended
N- Not Attended

Previous Board Member
Was not a member on this date
Resigned Member on this date

Declaration of the Investment Committee Chairman

I Mr. Marwan Ibrahim Naseer in the capacity as Investment Committee's Chairman, acknowledge the responsibilities of the Committee, review its work mechanisms and ensure the application of the Authority's Board Chairman's Resolution No. (3 / R.M) of 2020, regarding the Standards of Institutional Discipline and Governance of Public Shareholding Companies. I verify the commitment of the Company and its employees to the provisions of applicable laws, regulations, and decisions that regulate its work, policies, and internal procedures.

HAYAH

Internal control

The objective of the internal control system is to assist the Board and the Executive Management in protecting the assets, reputation, and sustainability of the Company by providing independent and objective assurance activities designed to add value and improve the Company's operations. Also, it helps the Company meet its objectives by bringing a systematic, disciplined approach to challenge Executive Management and evaluate the effectiveness of risk management, control, and governance processes.

In 2024, The Internal Control Department issued one report, and the Company did not face any major problems.

The Internal Control Department deals with the potential problems faced by the Company through the following:

- The Head of Audit has a direct line with the Audit Committee Chairman. He puts in place an annual audit plan for internal control based on the assessment of internal risks and adequacy of controls, and its performance is officially monitored, and a report is submitted to the Audit Committee.
- The Board of Directors acknowledges their responsibility for the Company's internal control system, its functioning and ascertaining its effectiveness by establishing the assessment of risk management procedures and applying the rules of governance therein properly, and verifying the commitment of the Company and its employees with laws, regulations, and decisions in force that regulate its work, internal policies and procedures, and review of financial statements that are presented by the Company's senior management and used in preparing the financial statements.

Mr. Usama Zulfiqar
Position: Head of Audit
Nationality: Pakistani

Mr. Usama Zulfiqar holds more than 16 years of professional experience, which includes 12 years of dedicated internal audit experience in insurance sector within the Gulf region. He started his career with HAYAH Insurance Company “HAYAH” in 2017.

Before joining HAYAH, he was leading the internal audit department of one of the largest assurance firms in Bahrain. Majority of his experience includes performing internal audits of conventional and takaful insurance companies, reinsurance, brokers and third-party administrators.

Mr. Usama Zulfiqar is a Chartered Certified Accountant (FCCA), a Certified Internal Auditor (CIA) and a Certified Information System Auditor (CISA).

Compliance

The Company is firmly committed to compliance with regulations and the fight against money laundering. The primary duty of the Money Laundering Reporting Officer is to implement the guidelines, as well as to prevent, detect and put a stop to any money laundering that comes to their attention, conduct further investigations and report to the regulators where necessary.

The Company has implemented a compliance monitoring tool and has in place a reporting process to Internal Audit to be submitted to the Audit Committee and senior management, detailing the status of compliance, and providing information of regulatory changes.

Mrs. Hana Alnuaimi, an Emirati national, was appointed in 2017 as the Head of Compliance, and AML holds a BA in International Business Administration from Skyline University College in Sharjah and a Master in Law with a concentration in Financial Crimes and Money Laundering from the University of Dubai. She has more than ten years of experience in the banking sector and has held various positions at HSBC, Abu Dhabi Commercial Bank, and First Abu Dhabi Bank.

Regulatory Fines and Penalties

The company has not committed any violations in 2024.

The company's cash and in-kind contributions during 2024 in community development and environmental conservation.

The company did not make any contributions.

General Information

A statement of the Company share price in the Market (closing price, highest price, lowest price) at the end of each month during the year 2024.

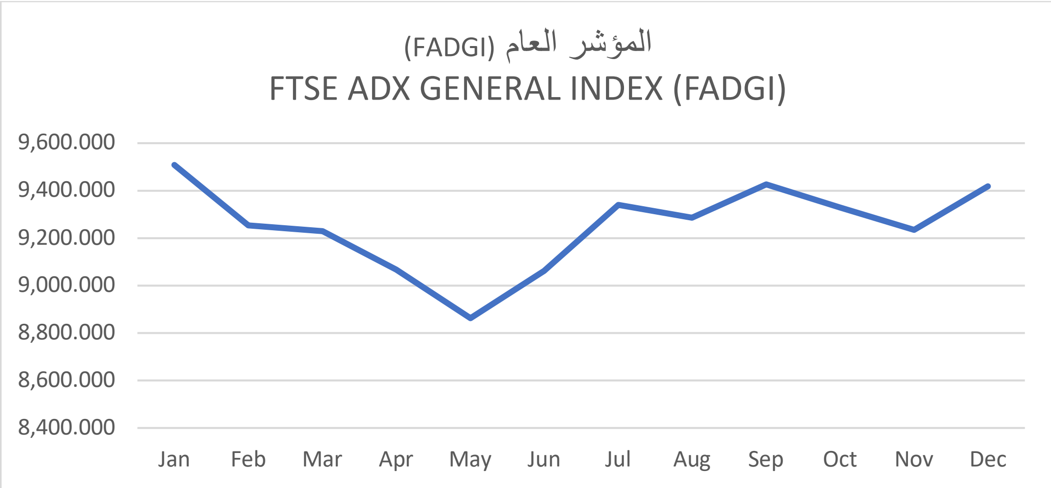
HAYAH

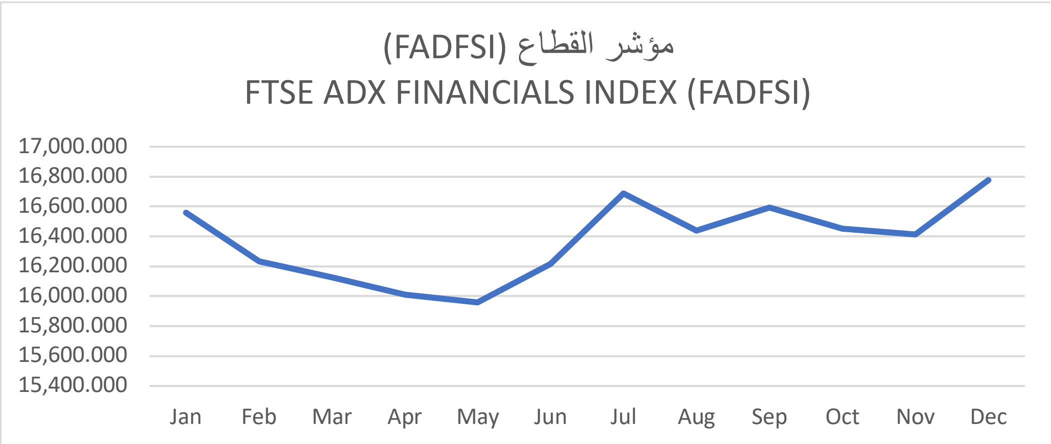
Month	Closing Price (AED)	Highest Price (AED)	Lowest Price (AED)
January	1.000	1.200	0.900
February	0.935	1.100	0.860
March	0.859	0.974	0.800
April	1.040	1.100	0.798
May	1.140	1.390	0.966
June	1.120	1.180	1.010
July	0.975	1.120	.975
August	1.000	1.040	0.880
September	1.210	1.480	0.909
October	1.230	1.600	1.140
November	1.210	1.290	1.100
December	1.120	1.250	1.010

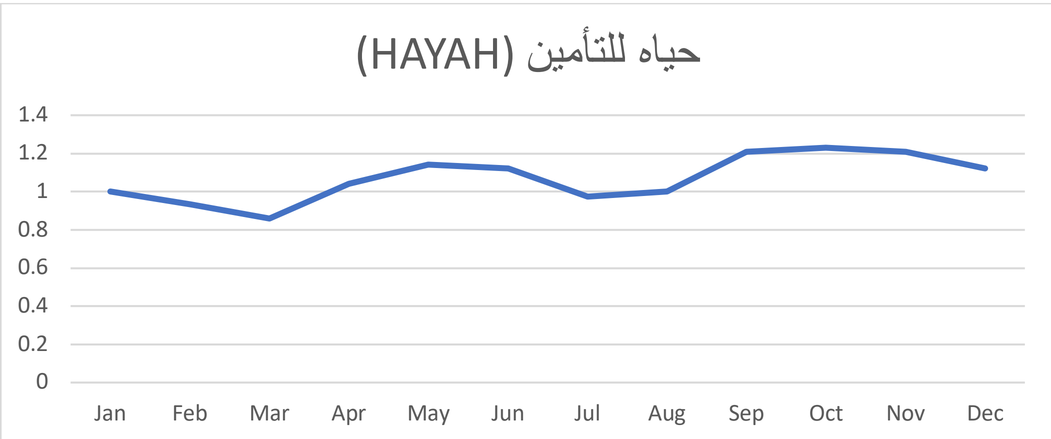
*Source: Abu Dhabi Securities Exchange

HAYAH

A statement of the comparative performance of the company's shares with the general market index and the sector index to which the Company belongs during 2024







*Source: Abu Dhabi Securities Exchange

HAYAH

Shareholders distribution according to ownership as of 31 December 2024

Shareholder Category		Shareholders	Shares	% Percentage
United Arab Emirates	Individuals	3,422	65,888,438	33%
	Companies	45	107,367,827	54%
	Governments	0	0	0
GCC Countries	Individuals	3	12,559	0.01%
	Companies	1	1,000	0.001%
	Governments	0	0	0
Arab Countries	Individuals	95	17,262,464	9%
	Companies	1	290,000	0.1%
	Governments	0	0	0
Foreign	Individuals	97	3,164,580	2%
	Companies	3	6,011,989	3%
	Governments	0	0	0

Shareholders holding 5% or more of the Company's capital as of 31 December 2024 as follows:

Shareholder	Number of Shares	Percentage of shares owned by the company's capital
Kanoo Group	56,100,000	28.05%
Alramz Corporation PJSC	39,412,028	19.71%
Salama Amer Omar Saleh	18,133,665	9.07%

Shareholder’s distribution by the size of equity as of 31 December 2024

Share(s) Owned	Number of Shareholders	Number of shares owned	Percentage of shares owned by the capital
Less than 50,000	3524	2,996,738.00	1.5%
From 50,000 to less than 500,000	102	16,721,254.00	8.4%
From 500,000 to less than 5,000,000	35	42,913,056.00	21.5%
More than 5,000,000	6	137,367,809.00	68.7%

HAYAH

Assessment of the Board of Directors:

1. Annual Assessment of the Performance of the Board of Directors, its Members, and Committees

The Board of Directors, its members, and committees undergo an annual performance evaluation to enhance corporate governance and effectiveness. This assessment is overseen by the Nominations and Remuneration Committee or the Chairman, with support from the Board Secretary. An independent external review is also conducted at least once every three years to assess leadership, decision-making, oversight, and strategic alignment.

In 2024, the Board Secretary played a central role in facilitating the assessment process and implementing enhancement measures under the Chairman's supervision. The evaluation results contribute to governance improvements and the development of Board members, while taking necessary actions to enhance overall performance. Furthermore, the evaluation ensures the effectiveness, transparency, and coordination of Board committees.

2. Assessment of the company's board of directors, its members, and committees by an independent professional entity.

The Board of Directors upholds the highest standards of governance and transparency. To reinforce this commitment, an independent professional firm—without any affiliations or Ωinterests with the company, its Board members, or executive management—is engaged every three years to conduct a comprehensive evaluation of the Board's performance, individual members, and committees.

The company ensures that the evaluation criteria are aligned with governance best practices to provide accurate insights that drive organizational improvement and enhance confidence among shareholders and stakeholders. In 2024, an internal evaluation was conducted to support ongoing performance enhancement and strengthen governance standards. The Board remains committed to adhering to the necessary procedures and regulatory requirements to engage an independent professional firm for future evaluations.

A statement of the procedures taken with respect to the controls of investors' relations:

HAYAH Insurance appointed the Investor Relations Manager who will assist in all of the Investor Relations enquiries.

The investor relations page link on the Company website: https://hayah.com/investor-relations/

HAYAH

Name and contact details of the Investor Relations Manager:

- Mrs. Hana Alnuaimi
- Office Number: +971 2 4084713
- Mobile Number: +9171 56 995 3908
- Fax Number: +971 2 4084717
- Email ID: investors@hayah.com

Special resolutions were presented to the General Assembly held in 2024, and the procedures were followed with respect thereto.

During General Assembly meeting held on 30th September 2024, where one (1) member was elected to fill a vacant position on the Board of Directors:

a. After careful consideration and discussion of the candidates' qualifications, the shareholdersattending the meeting voted by majority to elect Mrs. Amna Obaid Khalifa Ahmed Al Zaabi as a member of the Board of Directors, effective from the date of the meeting.

The significant events that took place in the Company in 2024 Changes to the Board structure

1. During the General Assembly meeting held in 2024, shareholders voted for the appointment of new members to the Board of Directors, which now comprises 9 members. This election followed the completion of the previous Board's 3-year term and reflects the company's ongoing commitment to effective governance.

2. Appointment of the new Chairman and Vice Chairman :
   a. Mrs.Salama Amer Omar Saleh
   b. Mr. Marwan Ibrahim Naseer

Board Secretary

Following the resignation of Mrs. Khadeeja Abdullsalam Binishaq from her position as Board Secretary, Mrs. Hana Alnuaimi has been entrusted with managing the responsibilities of the Board Secretary function until a replacement is appointed by the Board of Directors.
This interim arrangement ensures the continuity and effective governance of the Board's proceedings.

HAYAH

Emiratization Percentage in the Last Three Years Company:

Year	Percentage
2022	%11
2023	%13
2024	%17

The innovative projects and initiatives implemented by the Company or which were under development during 2024.

The innovative projects and initiatives implemented by the Company in 2023 continued to develop and expand in 2024, driving progress and fostering new avenues for growth.

Key Achievements in 2024:

- Increased adoption of the Tribe by HAYAH app, with a significant rise in active users.
- Enhanced user experience through AI-driven financial recommendations and automated savings features.
- Expanded partnerships with educational institutions and community organizations to promote financial literacy.
- Growth in customer engagement and retention, reinforcing HAYAH Insurance’s position as a leader in financial empowerment.
- Development of additional financial planning tools tailored to diverse income groups

HAYAH

Mrs. Salama Amer Omar Saleh Chairman of the Board
Mr. Marwan Ibrahim Naseer Chairman of the Investment Committee
Mr. Mabkhoot Taleb Almenhali Chairman of the Audit Committee
Mrs. Amna Obaid Khalifa Al Zaabi Chairman of the Nomination and Compensation Committee
Mr. Haisam Nizar Odeimeh Chairman of the Risk Committee
Mr. Usama Zulfiqar Head of Internal Audit

HAYAH

2024 Sustainability report

Make the world a better place

HAYAH Insurance Company P.J.S.C.

Empowering Futures

Table of content

About **HAYAH**

Working for society with a focus on sustainability, transparency and ethics

HAYAH was formed in 2008 as Green Crescent Insurance Company with an aim to offer life protection and savings plans to individuals and corporates and businesses in the UAE and the GCC, became AXA Green Crescent in 2014, and then HAYAH in 2022 following AXA's exit from the Middle East

01 Hayah is the UAE’s digital insurance company, specialising in life, medical and savings. We aim to provide truly affordable solutions to the UAE using cutting edge technology.

02 We support over 300 companies and 150,000 employees in the UAE with their insurance needs. HAYAH has a workforce of 30 employees, two offices and a wide range of customers.

03 HAYAH Insurance Company P.J.S.C. is regulated by the Central Bank of the United Arab Emirates and listed on the Abu Dhabi Securities Exchange.

Our journey

2008

Creation of **Green Crescent**

Exclusively health insurance

2013

Becoming **AXA Green Crescent**

Life hub for AXA in the GCC

2022

Rebranding into **HAYAH**

Modern brand to unlock potentials

Today

Established L&H player

Regional Expansion

Message from our CEO

I am pleased to introduce HAYAH's Sustainability Report, a reflection of our commitment to creating a sustainable future for all. Sustainability is not just a buzzword for us at HAYAH; it's a guiding principle that influences every facet of our operations.

In a world facing unprecedented challenges, from climate change to social inequalities, businesses must step up and be part of the solution. At HAYAH, we believe that sustainability is not merely an obligation; it's an opportunity to make a positive impact on the communities we serve and the planet we call home.

Our sustainability journey encompasses several key pillars:

- **Environmental Responsibility:** We recognize the urgency of environmental conservation. By implementing eco-friendly practices, reducing our carbon footprint, and investing in renewable energy, we are striving to be a responsible steward of our planet.
- **Financial Inclusion:** True financial security can only be achieved when it is accessible to all, regardless of background or income. We are dedicated to promoting financial literacy and providing inclusive insurance and savings solutions that empower individuals to secure their financial futures.
- **Ethical Governance:** Integrity is the foundation of our business. We maintain the highest ethical standards in all our operations, from data privacy to corporate governance, ensuring that our stakeholders' trust is well-placed

- Community Engagement: We understand that our success is intertwined with the well-being of the communities we operate in. Through community outreach programs, educational initiatives, and partnerships, we aim to uplift and empower those around us.

As we navigate the complex landscape of sustainability, we recognize that we cannot achieve these goals alone. Collaboration is key, and we are committed to working with our partners, customers, and employees to create a more sustainable future.

I want to express my gratitude to the HAYAH team, whose dedication and innovation drive our sustainability efforts. Together, we are pioneering a path toward a more resilient and sustainable society.

In closing, I invite you to explore this report to learn more about our sustainability initiatives and their impact. Together, we can build a future where financial security, environmental responsibility, and social progress go hand in hand.

Mohamed Seghir
Chief Executive Office

Key performance highlights 2024

HAYAH registered a net profit of AED 4.6 million in 2024, compared to a net loss of AED 5.7 million in 2023.

HAYAH uplifted the game by gearing up in terms of writing new business, which is evident from an extraordinary increase in business volume, despite tough competition in the market. We registered a net underwriting income of AED 26.1 in 2024 as compared to a total net underwriting income of AED 18.3 million in 2023, representing a favorable increase of 43%.

The total operating costs also increased by 20% with controlled expenditures on administration and related costs. The operating costs were optimally managed.

43%

Decrease in Underwriting Income

4.6m

Net loss

20%

Increase in operating cost

About the report

We are pleased to present our sustainability report that gives an overview of the timeline from 1 January 2024 to 31 December 2024. While we issue this report we demonstrate our commitment towards ADX initiative to drive sustainability in alignment with UAE national vision 2021, Abu Dhabi Economic Vision 2030 and national & global efforts on adopting sustainable development goals (SDG) through all the activities in business value chain.

HAYAH aims to integrate with ADX strategy and listed companies alike to reinforce economic growth, providing a sustainable trading atmosphere and motivating the business community to adopt socially sustainable practices.

This report is prepared in reference to ADX ESG Disclosure Guidance and Global Reporting Initiative (GRI). Based on such references, this report includes the areas which are material to HAYAH's business model.

Sustainability

Stakeholder engagemen

This section presents stakeholders that HAYAH views as pivotal and aims to engage with them on a more regular basis.

Our deeper understanding of the internal & external stakeholders is a result of our close coordination and consultations with them. Building on their perspectives and opinions is our strength in materiality assessment.

HAYAH focus on continuous improvement of the stakeholder engagement process and understand that it is critical for success. This close coordination and engagement enables us to operate sustainably and meet all our stakeholders' expectations & concerns.

Stakeholder engagement

1 Shareholders
- Corporate notice
- Investor contact
- General assembly
- Market disclosure

2 Customers
- Customer service
- Market surveys

3 Suppliers
- Training
- Events
- Personal contacts

4 Employees
- Intranet
- Newsletter
- CEO contact
- Team building

5 Industries
- Seminars
- Collaboration
- Personal contacts

6 Regulatory authorities
- Voluntary contact
- Publishing
- Connect with the regulator

Materiality assessment

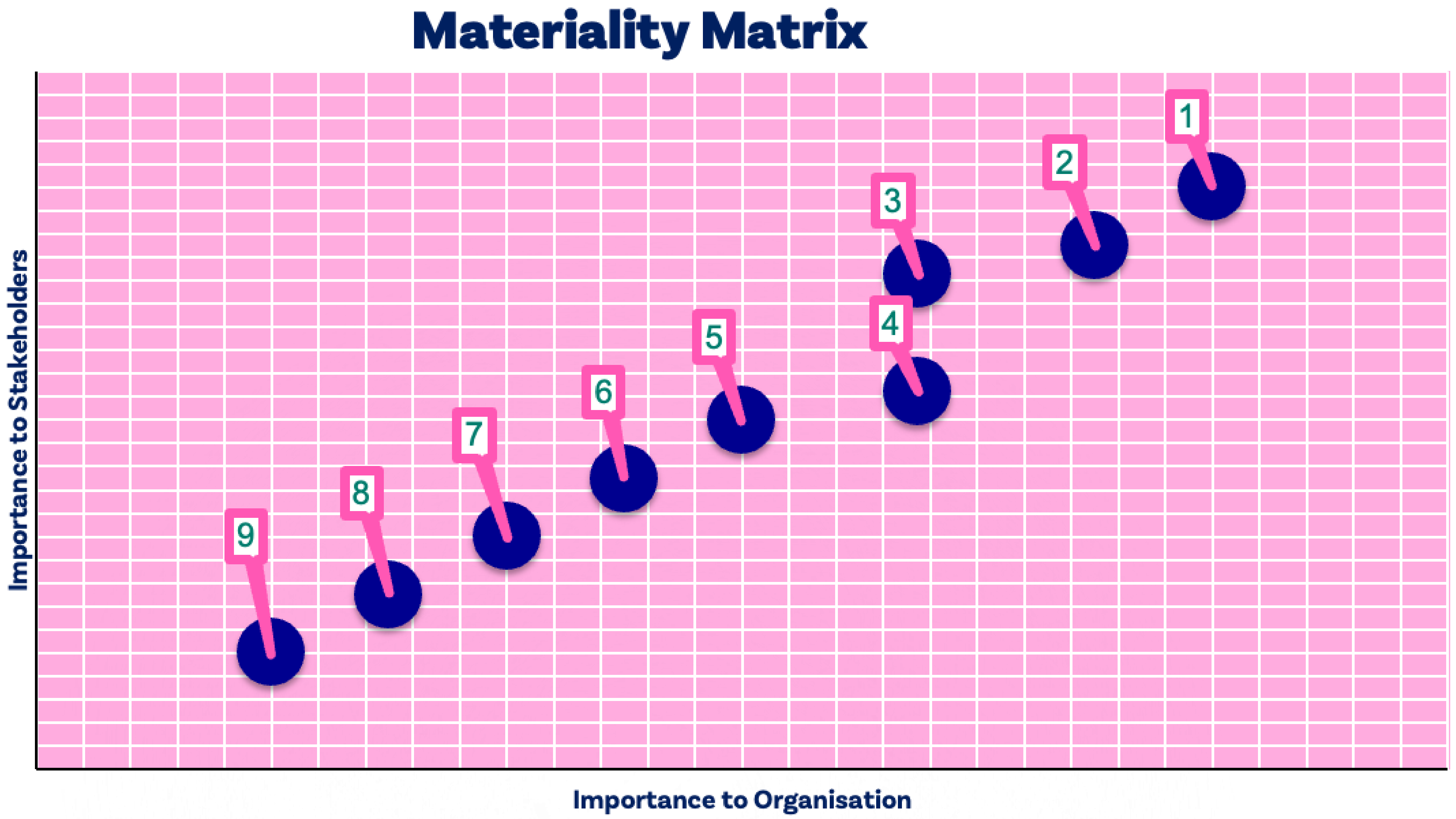
Based on our ongoing stakeholder engagement, we have concluded our materiality assessment with the identification of material topics which remained consistent with prior years.

We believe this consistency would enable us to put our contribution to sustainable development goals. We also referenced Global Reporting Initiative to align with best practices. Our approach to materiality assessment was primarily aimed at the identification of material topics which are more relevant to us in terms of our business impact and at the same time hold sufficient importance to our stakeholders.

1. Governance, Transparency & Anti Corruption
2. Data Privacy and Security
3. Climate Risk and Energy Management
4. Digitalization Initiatives
5. Emiratization
6. Occupational Health and Safety
7. Diversity and Equal Opportunity
8. Social Impact and CSR
9. Sustainable Procurement Practices

Materiality assessment

- Governance, Transparency & Anti Corruption
- Data Privacy and Security
- Climate Risk and Energy Management
- Digitalization Initiatives
- Emiratization
- Occupational Health and Safety
- Diversity and Equal Opportunity
- Social Impact and CSR
- Sustainable Procurement Practices



Alignment with Sustainable Development Goals

Our sustainability efforts are in alignment with universal priorities and the United Nations Sustainable Development Goals (SDGs). This would position us to contribute to sustainable development of our economy.

We recognize our role to deliver meaningful contributions to national and international efforts on sustainability priorities and we have aligned our sustainability plans and efforts to support these goals

Governance & risk management

Governance, transparency & anti-corruption

As our business is to protect people, we use effective governance criteria that allow our operations to run smoothly with an integrated system of policies and mechanisms.

HAYAH is committed to:

- conducting its business in accordance with the highest ethical standards;
- ensuring transparency, integrity, and accountability across all business operations;
- maintaining a high level of corporate governance;
- respecting applicable laws and regulations;
- serving stakeholders in an ethical and responsible manner, and;
- implementing responsible business practices to earn and maintain stakeholder's trust.

The committees

Bridging a link between the Board of Directors, executive management, shareholders, and other stakeholders HAYAH's Corporate Governance Report serves as the main tool for transparency and interaction with the public; bringing governance to the attention of the public at large.

HAYAH ensures independence of its Board of Directors by segregating roles of CEO and BoD Chairman. Nine members make up the Board of Directors. All board members, including the Chairman, are non-executive and 6 board members, including the Chairman, are independent which comprise 88% of overall Board composition.

Four committees assist the Board of Directors to effectively manage company affairs and ensure a more robust management approach. Each committee is governed by its own operating procedures with reference to governing meetings, meeting quorum and decision making.

Audit

The Audit Committee consists of three members; all of them are Board Members. All the Audit Committee members are well-versed in finance, investment, accounting and human resource management.

Nomination & Remuneration

The Nomination and Remuneration Committee consists of three non-executive members; all of them are Board Members. The Committee aims to support the Board of Directors in ensuring the integrity of the Company strategy related to the rewards, benefits, incentives, and salaries.

Investment

The Investment Committee consists of three members. The Committee aims to support the Board in reviewing and adopting the investment policy as well as ensuring its compatibility with the investment strategy.

Risks

The Risk Committee, comprising two non-executive board members, supports the Board in overseeing risk management and evaluating the effectiveness of risk identification and monitoring mechanisms.

Audit committee

The Audit Committee’s responsibilities include:

- Review the effectiveness of the Company’s internal control and risk management frameworks.
- Review developments that may significantly affect the risk profile or operations of the Company.
- Selection, appointing, remuneration, oversight and termination where appropriate of the external auditor, subject to ratification by the Board and shareholders.
- Ensuring external auditor's independence.
- Review and discuss with the external auditor the scope and results of its audit.
- Review the soundness and integrity of the financial statements.
- Selection, appointment and termination where appropriate of the Head of Internal Audit and monitor management's responsiveness to the committee's recommendations.
- Oversee the Company’s compliance with legal and regulatory requirements.

All the Audit Committee members are well-versed in finance, investment, accounting and human resource management.

Nomination and Compensation committee

The Nomination and Compensation Committee's responsibilities include:

- Develop a policy to apply for Board and Executive administration membership, aiming to consider gender diversity within the formation and encourage women through incentive and training programs and benefits.
- Organize and follow up the procedures for applying for membership of the Board; the Committee shall ensure that no person previously convicted of any offence affecting honour or honesty is nominated for such membership.
- Ensure the independence of independent members on an ongoing basis.
- Review the structure of the Board and make recommendations regarding possible changes.
- Prepare and review the policy on granting rewards, benefits, incentives, and salaries to the Board members and the staff therein on an annual basis. The Committee shall ensure that the rewards and benefits granted to senior executive administration are reasonable and commensurate with the performance of the Company.

Aims to support the Board of Directors in ensuring the integrity of the Company strategy related to the rewards, benefits, incentives, and salaries.

Investment committee

The Investment Committee's responsibilities include:

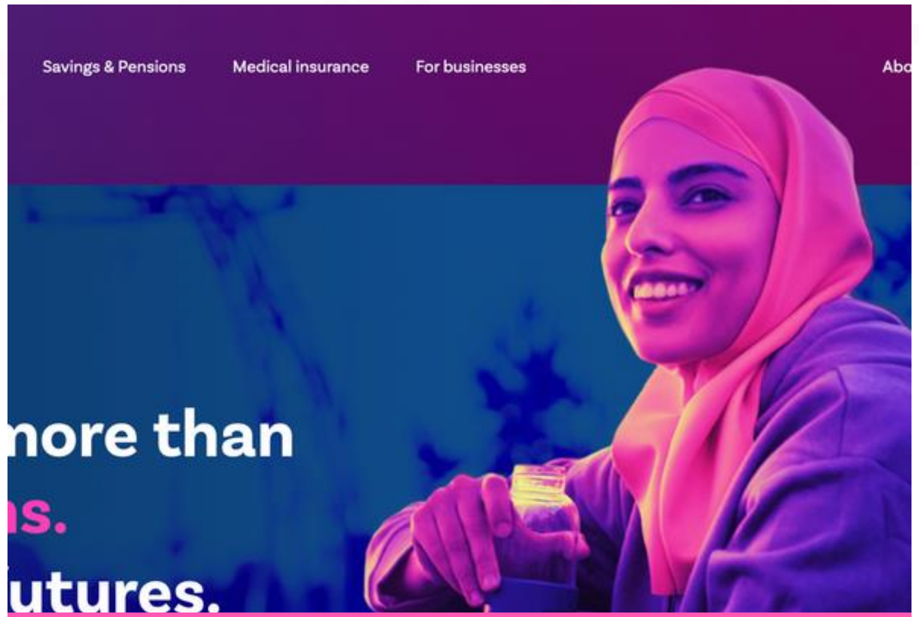
- Review and submit for Board approval a written investment policy.
- Review all risk limits and exposures in the investment activities on a regular basis.
- Review the implementation of the Policy on a quarterly basis.
- Review the Policy at least once a year.

Reviewing and adopting the investment policy as well as ensuring its compatibility with the investment strategy.

Risk committee

The Risk Committee's responsibilities include:

- Approve and review the Risk Appetite Framework (RAF) in order to ensure an acceptable level of risks that the Company is willing to accept with respect to conducting the business.
- Report key risks and results of risk management to the Board of Directors regularly and promptly alter all concerned significant events related to risk management to the Board of Directors.
- Approve the risk management policies.
- Prepare detailed reports on the level of risk exposure and recommended procedures for managing such risks, along with submitting them to the Board of Directors.
- Review any matters raised by the Audit Committee that may affect the Company's risk management.
- Provide a second opinion on the company's strategic topic and project.



aims to support the Board in supervising the company's risk management framework and evaluate the effectiveness of the framework and mechanisms of identifying and monitoring the risks that threaten the Company.

Customer focus

Data privacy and security

HAYAH is committed to maintaining the privacy and retention of data obtained during its business activities and complying with applicable laws and regulations regarding the processing of Personal and Sensitive Personal Data and data retention.

The Data Privacy control framework follows HAYAH's model of the "three lines of defence":

- The management (the first line of defence) is responsible for ensuring the data handling procedures meet local requirements and are consistent with this Policy.
- The Data Privacy Officer (the second line of defence) supports the management in developing and implementing adequate procedures, safeguards, and controls to ensure local requirements and the requirements of this Policy are met.
- Internal Audit (the third line of defence) provides independent assurance of the effectiveness of the Data Privacy Framework.

Data privacy and security

The policy objectives are to ensure that HAYAH adequately protects the personal and sensitive data of clients and other persons obtained during their business activities, to minimize the risk of HAYAH breaching applicable data privacy and protection laws and minimize the potential for penalties and damage to HAYAH's reputation.

HAYAH maintains complete transaction records for all local and international operations for as long as they are deemed relevant for the purposes for which they were made. Records of completed transactions may be retained in either hard copy and/or electronic format but must be kept in their original form.

HAYAH maintain backups for all records which are generally maintained in a location separate from the original records.

Storage

The data is stored in accordance with controls that provide adequate physical and information security arrangements for the protection of the data. These controls persist for the entirety of the retention period until the completion of the archiving and/or the destruction process.

Retention period

The retention period for records and backup copies and all other related documents and data is a minimum of ten (10) years for all lines of business except health insurance data, as of the end date of the activity or the working relation with the insured. The retention period of Health Insurance is twenty-five (25) years.

Exception

The Company maintain records beyond the normal statute of limitation periods when the records are subject to ongoing investigations or prosecution in court. In such cases, the retention period is two (2) years from the date of the final verdict or the resolution issuance.

Data privacy and security

HAYAH launched a fully digitalized life insurance solution. The primary aim is to digitalize the operational setup not only as a value addition with customer focus but at the same time it goes well in line with our part of the contributions for environmental sustainability.

Life Protect aims to encourage customers to protect themselves and their loved ones from financial hardships that they might face in the event of death or illness. With a fully automated and API-capable platform, customers can now get a life protection cover in under two minutes, from the comfort of their home.

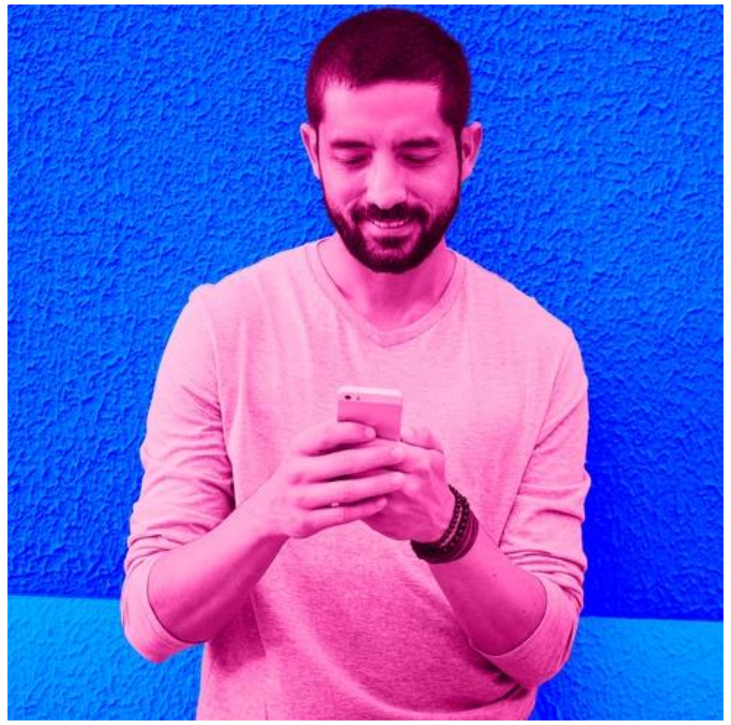
In continuation to its efforts towards digitalization, HAYAH also formed a partnership with Policybazaar, one of the Middle East's leading insurance comparison platforms, to enable UAE customers to buy a comprehensive term life insurance plan directly via Policybazaar's aggregator portal.

AED 2.9M

Digitalization CAPEX

AED 4.8M

Digitalization OPEX



HAYAH incurred capital expenditure of AED 2.9m in addition to operational expenditure of AED 4.8 million in achieving these digitalization objectives and aims to further continue its efforts in developing its digitalization platform.

Community focus

Occupational health and safety

HAYAH pays close attention to the security, health, and safety conditions of its personnel in all aspects of their work. We strive to create working conditions that promote work-life balance and employee well-being.

HAYAH is committed to the highest standards of health and safety in the workplace because we value and care for our workforce. Adherence to safe labour practices and laws regarding working hours is vital to ensure we protect the well-being of our people.

HAYAH takes pride in taking up and delivering on the following responsibilities:

- Work and behave safely at all times.
- Keep the work area clean, healthy, and free from hazards that may cause accidents, emergencies, health problems, or safety hazards.
- Promptly addressing and reporting any safety or health problems, hazards, or risks.
- Support employees by being aware of its surroundings and all relevant procedures for managing incidents and emergencies, and alerting others to potential risks.

Social impact and CSR

HAYAH is committed to promoting social improvements in our communities, including human rights throughout the value chain.

Social Impact and CSR not only impact the society we live in and create a healthier community, but it has also become a part of HAYAH's business for success. HAYAH look to build a crucial ethical standard, in which we are passionate about fulfilling our public duty. Our actions must benefit the whole of society. In this way, HAYAH looks to create the right balance between economic growth and the well-being of society and the environment.

HAYAH is committed to nurturing and maintaining the health and wellness of the communities in which it operates. HAYAH looks to promote healthier, happier living, through its community investment initiatives.

Our employees initiate activities for causes that fall under our five focus areas: Environment, Health, Disability, Social Welfare, and Education.

We encourage our employees to give back to society through HAYAH Hearts in Action

Our employees

Diversity and equal opportunities

HAYAH believe that our employees' satisfaction is equally important as keeping our customers happy. We, therefore, promote a positive work environment and work towards employees' financial well-being & security, and continuous learning.

Considering that we are operating in the insurance sector which is relatively more dynamic in nature, we understand that we require a much higher level of skill and learning aptitude in our people while choosing and retaining them. We work towards a merit-based attractive work environment which serves as the foundation for building a solid corporate culture.

HAYAH is committed to equal opportunity in all aspects of employment and to fostering an environment where there are no “glass ceilings”.

HAYAH opposes all forms of unfair or unlawful discrimination and does not tolerate discrimination based on age, race, nationality, ethnic origin, gender, sexual orientation, gender identity or expression, religion, marital status, or disability. HAYAH's satisfied workforce is a reflection of its strict adherence to a formal non-discrimination policy.

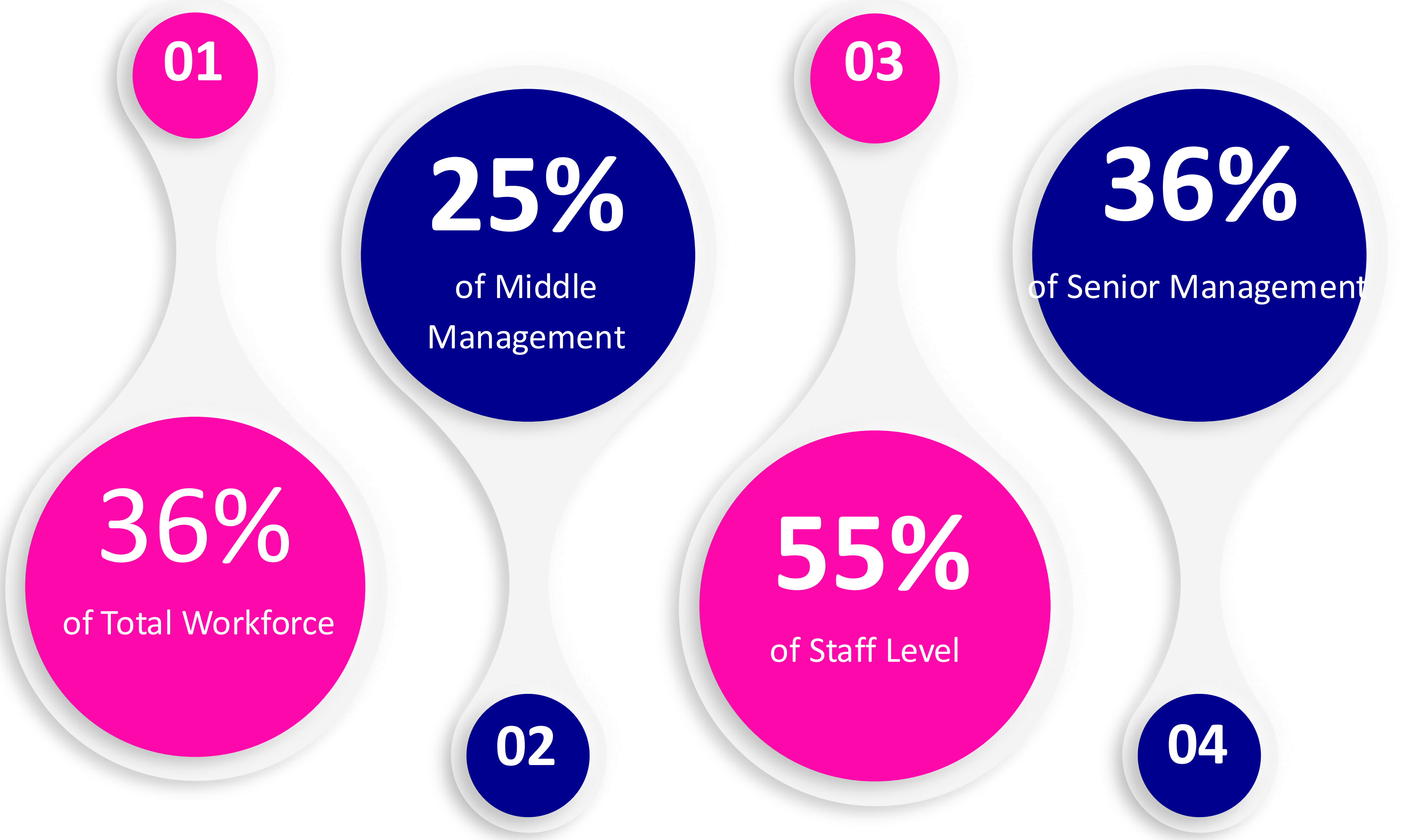
Our continued efforts are aimed to keep employee turnover at a low level to ensure uninterrupted business continuity. In, 2024 YoY turnover for FTEs remained at 23% while YoY turnover for contractor/consultants was zero.

Diversity and equal opportunities

Value creation is consider as pivotal at HAYAH; therefore, we are keen to develop a more diverse workforce which enhances value creation. In 2024, female employees made up 36% of the workforce. Female employees among senior management was 36% and 25% among middle management. The female employees in our staff level is at 55%.

Reduced inequalities and gender equality is at the forefront of HAYAH's human capital development. In 2024, the ratio of CEO total compensation to median Full Time Equivalent (FTE) employees total compensation was measured at 8.8:1. Further, in 2024 ratio of median male compensation to median female compensation was measured at 1:7.9 which is in line with the overall composition of male and female employees at different grades.

HAYAH female composition



Emiratization

Emiratization is a national initiative and HAYAH is keen to contribute to this initiative by developing UAE Nationals to achieve strong performance for today and sustainable talent for tomorrow. In 2024, UAE Nationals made up 11% of the workforce. Emiratization rate among senior management was 9% and 8% among middle management. The Emiratization rate in our female workforce is at 23%.

We aim to give preference to UAE nationals in our recruitment process wherever possible and we look forward to further strengthen our workforce by growing a healthy Emiratization rate.

9%
Senior Management

23%
Female staff

11%
Total workforce

8%
Middle Management

Environmental responsibility

Climate risk and energy management

HAYAH is committed to managing its environmental footprint and safeguarding natural resources.

We align our operational goals and collaborate with employees and vendors to operate responsibly and encourage continuous improvements in our environmental footprint.

HAYAH continues its efforts in reducing the consumption of water and electricity by using energy efficient devices and encouraging our employees to bring positive sustainable workplace changes.

Simple communications with employees have contributed to HAYAH’s energy saving initiatives. Considering a relatively smaller setup in UAE, HAYAH's resource requirements in terms of water and electricity is already at minimal level.

We prioritize the use of clean energy sources and we primarily use commercial power systems. Total energy consumption was only 25.7 MWh in 2024. Total water consumption was 98 cubic meter in 2024. Total Energy usage per FTE in 2024 remained at 0.7.

HAYAH's paper consumption is at minimal level owing to a relatively smaller setup in UAE which is further curtailed through usage of electronic invoicing. HAYAH's paper consumption in 2024 remained at 9 KGs.

25.7 MWh	0.7	98m3	9Kg
Energy consumption	Energy usage per FTE	Water consumption	Paper consumption

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