INTEGRATED REPORT

2023

SUKOON™
INSURANCE

WELCOME

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VISION, MISSION AND VALUES

Vision
Our vision is to provide outstanding insurance solutions that help create and protect wealth and well-being.

Mission
Our mission is to develop superior insurance propositions that: Customers recommend to family and friends, Owners buy for their businesses, Brokers select for their clients, Employees are proud of and Shareholders seek for longterm returns.

Values
We are guided in everything we do by five core values:

- **Constant Improvement**
  We are fast, agile and constantly thinking of new ways to enhance customer experience.
- **Integrity**
  We keep our promises, take personal accountability and earn the trust of our customers.
- **Customer First**
  We put our customers at the heart of all we do.
- **Collaboration**
  We work together as one team to make a difference.
- **Excellence**
  We believe quality is never an accident, it's a deliberate practice.

COMPANY AT A GLANCE

49+ years
of expertise in the region

4.64 billion
AED revenue in 2023

800,000+ clients
trust us

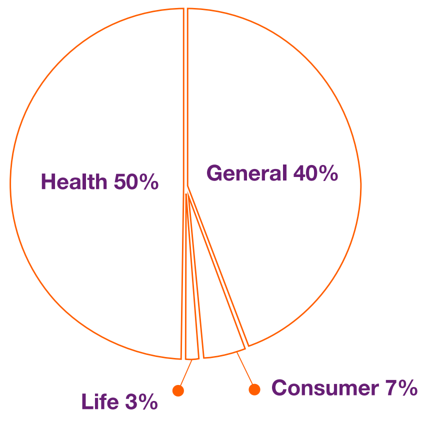
8.83 billion
AED total assets

Listed
on Dubai Stock Market

700+ professionals
ready to serve you

257.4 million
AED net profits

Some things you plan. Some things you don't. We're here for you.



Business in % of 2023 GPW

5 branches
ready to welcome you

2 countries
UAE and Oman

Syndicate 2880
now operational

Takaful
arm acquired

OIWSS
launched

A
by S&P

A2
by Moody's

Partners

Sukoon Insurance PJSC ("Sukoon") provides a wide range of comprehensive insurance solutions for individuals and commercial clients in Motor, Life, Healthcare, and General categories. If the need arises, our clients count on us to have their business up and running again as quick as possible.

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present Sukoon Insurance PJSC's ("Sukoon") 2023 Integrated Report.

2023 marked another year of remarkable achievements for Sukoon. Our unwavering commitment to excellence, innovation, and customer satisfaction propelled us forward, with the launch of our Takaful arm and workplace savings solutions exemplifying this dedication.

Financially, Sukoon remains exceptionally robust while breaking new records. Our net profit reached its historically highest level at AED 257.4 million, reflecting sustained growth and operational effectiveness. Our solvency capital ratio is now at 272% (before dividend) which further underscores our exceptional ability to meet policyholder obligations. These accomplishments have been made possible notably thanks to diligent expense management, resilient underwriting results, and a well-balanced portfolio.

Customer-centricity remains a cornerstone of Sukoon's success. We were recognized as the most customer-centric insurance company at various prestigious awards, solidifying our position as a regional benchmark. We remain true to our slogan, "here for you", consistently exceeding expectations through seamless, touchless, and paperless solutions across all business lines.

On the digital front, Sukoon's digital transformation journey continued in 2023. Strategic investments in cloud, zero-code platforms, and several digital innovations have enhanced further our clients' satisfaction and have made their interaction with Sukoon leaner and faster. This commitment earned us recognition as the "Digital Insurer of the Year" on multiple occasions. We are therefore not only embracing but also leading the digital transformation of the insurance sector.

2023 was also a very successful year in terms of the execution of our strategic initiatives. The rebranding to Sukoon strengthened our identity as a dynamic and customer-centric organization. Our Lloyd's Syndicate achieved its targets in its first full year of activity, while the acquisition of ASCANA and its rebrand to Sukoon Takaful expanded our value proposition. Additionally, the acquisition of Chubb's life portfolio in the UAE and the launch of our pension manager entity in DIFC with its Go Saver product enriched our offerings.

These numerous successes were reflected in the several accolades we received with notably the "Digital Initiative of the Year" award and the "Best Insurance Company" award. These clearly highlight our commitment to tailored solutions and risk minimization and solidify Sukoon's position as a regional leader in customer excellence.

Looking ahead, it goes without saying that we remain fully committed to continuous improvement and to increase further our customer experience notably by accelerating our digital transformation. Building upon our foundations, our teams are dedicated to enhancing customer satisfaction, technical expertise, and operational profitability.

I extend my sincere gratitude to our shareholders, employees, partners, and stakeholders for their unwavering support. Special thanks to our esteemed Board for their visionary leadership throughout 2023.

As we embark on the next chapter, I am confident that Sukoon will continue to thrive, innovate, and deliver peace of mind to our valued clients.

Badr Abdulla Al Ghurair
Chairman,
Sukoon Insurance

BOARD OF DIRECTORS

Badr Abdulla Al Gurair
Chairman

Ali Rasheed Lootah
Vice Chairman

Abdul Aziz Abdulla Al Ghurair
Board Member

Nabeel Waheed Rashed Waheed
Board Member

Rashed Saif Al Jarwan
Board Member

Hazem Shish
Board Member

REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

We have the pleasure in presenting you the financial results of Oman Insurance Company (P.S.C.) **"Sukoon" "Group" "The Company"** for the year ended 31 December 2023.

2023 has been a significant year for Sukoon where we embarked into post transformative strategy with the key objective to ensure sustainable long-term success for the Company. We have successfully managed to achieve several key strategic initiatives which have laid a solid foundation for growth in the years to come.

- We completed the acquisition of Arabian Scandinavian Insurance Company - ASCANA, rebranded it to Sukoon Takaful, and successfully integrated it with the Group. Under the Sukoon umbrella, Sukoon Takaful has attained 'A' (stable) rating by S&P setting it up to be a reference in the takaful space in the UAE with its market leading Islamic solutions to its policyholders.
- In addition, we have signed a deal with Chubb Tempest Life Reinsurance Ltd, to acquire their UAE life portfolio, subject to regulatory approvals. The acquisition is in line with our strategy to accelerate the growth of our life portfolio.
- Additionally, we received the DFSA license to operate our DIFC based subsidiary to administer and manage the End of Service Benefits Gratuity and Workplace Savings. In parallel, the UAE pension law was recently approved allowing Sukoon to propose its services both to the onshore and offshore markets.

Despite a year of recessionary conditions, upended by high interest rates, volatile oil markets and global geopolitical headwinds, Sukoon has posted a **Net Profit of AED 257.4 million** for the year ended 31 December 2023. These results are underpinned by prudent underwriting across all business segments, cost discipline, and a balanced investment portfolio. It is a testament to our strong fundamentals and customer-centric business model which has delivered sustainable results over the years. Insurance revenue has reached AED 4.6 billion, a growth of 20% year-on-year. Net investment income has reached AED 190 million, a growth of 51% year-on-year. The Company continues to maintain exceptional capital and solvency position.

Total assets of the Group at the end of year 2023 stood at AED 8.83 billion as against AED 7.61 billion at the end of year 2022.

Total shareholders' equity of the Group at the end of year 2023 stood at AED 2.77 billion as against AED 2.55 billion at the end of year 2022.

We are also very pleased to inform you that on 11 January 2024, we announced our company's legal name from Oman Insurance Company P.S.C. to Sukoon Insurance PJSC. With this change, we are excited to embrace the **"Sukoon"** brand in its entirety.

As we enter 2024, we are optimistic in our outlook, yet cautious in our approach. Regulatory insurance schemes which provide UAE residents with some form of security has given rise to new insurance industry revenues. However, inflation continues to be a persisting risk; thus, cost discipline and claims containment measures are paramount, especially in Motor and Medical lines. 2024 will also witness the introduction and implementation of corporate tax regime in the UAE, which is expected to cement its position as a leading global hub for business and investment and accelerate the UAE's development and transformation to achieve its strategic objectives.

Our investments in technology and digitalization will allow us to stay ahead of the curve in meeting these new challenges. We will continue building on our strengths and remain committed to delivering on our strategy of sustainable profitable growth.

We would like to put on record our sincere appreciation and gratitude towards all stakeholders of Sukoon. We continue to draw inspiration and guidance from our valued customers and partners whose trust and confidence helps us to continue the journey untiringly. We would like to thank our management and staff of Sukoon for their sincere and dedicated contribution to the successful growth of the Group.

May God; the Almighty; guide our steps.

On behalf of the Board,

Badr Abdulla Al Ghurair
Chairman

31 January 2024

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS OF OMAN INSURANCE COMPANY P.S.C. DUBAI UNITED ARAB EMIRATES

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of **Oman Insurance Company P.S.C.** (the "Company") **and its Subsidiaries** (the "Group"), which comprise the statement of consolidated financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) ('IFRSs').

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of Group's consolidated financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities. 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Adoption of IFRS 17 Insurance Contracts The Group adopted IFRS 17 Insurance Contracts with effect from 1 of January 2023, which resulted in changes to the measurement of insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. IFRS 17 is a new and complex accounting standard that requires management to apply significant judgement in its application to the Group's insurance contracts. The Group issues a wide range of insurance contracts and consequently a large number of judgements and estimates need to be applied and made respectively. The Group elected to apply the modified retrospective approach for transition since it assessed historical information available and determined that all reasonable and supportable information necessary for applying the full retrospective approach was not available for groups of contracts issued prior to the transition date. The Group used this approach to determine the amounts as of the transition date of 1 January 2022 and has recorded the impact within retained earnings as disclosed in note 2.3 to the consolidated financial statements. The adoption of this standard has had a significant impact on the reported financial position and performance of the Group, including key performance indicators. The adoption of IFRS 17 has also had a consequential change in processes, systems and controls. Due to the complexity and the significant judgements applied and estimates made in determining the impact of IFRS 17, this is considered to be a key audit matter. **Valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities** As at 31 December 2023, insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities amounted to AED 4,245 million, AED 1 million, AED 2,757 million and AED 13 million respectively, as detailed in note 11 and note 12 to the consolidated financial statements. A key element of the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities is the Present value of future cash flows ("PVFCFs") included in the liability for incurred claims for contracts measured under the Premium Allocation Approach. As at 31 December 2023 this amounted to AED 3,167 million and AED 2,451 million for insurance contracts and reinsurance contracts respectively. The determination of the PVFCFs for incurred claims represents the Group's expectations regarding future payments for known and unknown claims including associated expenses and involves actuarial models and several assumptions made by management. Its accuracy is dependent on the input data being correct and requires management to apply significant judgements, make significant estimates and use actuarial models. The risk of error arises as a result of inappropriate choice of actuarial methodologies, techniques and assumptions. Management used an internal and external actuary to assist them in the aforementioned determination.	In relation to the implementation and impact of adoption of IFRS 17, with the assistance of IFRS 17 and actuarial specialists, we have carried out audit procedures which included: • We obtained an understanding of the impact of the Group's adoption of IFRS 17 and identified internal controls, including entity level controls, adopted by the Group for the accounting process and system under the new accounting standard. • We assessed the key controls pertaining to the application of IFRS 17 to determine if they had been appropriately designed and implemented. • We utilized our specialists and subject matter experts to challenge management's interpretation of IFRS 17 and its application to the Group's insurance contracts. • We assessed the key technical accounting decisions, judgments, assumptions and accounting policy elections made in applying the requirements of IFRS 17 to determine if they were in compliance with the requirements of this standard; • We reperformed the mathematical accuracy of the supporting calculations and adjustments used to determine the impact on the Group's opening equity position as at 1 January 2022 and agreed the results of those calculations to the amounts reported in the consolidated financial statements; and • We tested the completeness of insurance contract data by testing the reconciliations of the Group's insurance contract assets and liabilities to insurance contracts disclosed in the 2022 consolidated financial statements. Our audit procedures included, inter alia, the following: • We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs. • Assessing the key controls related to the integrity of the data used in the process of valuation of the PVFCFs concerning incurred claims to determine if they had been appropriately designed and implemented; • Evaluating and testing the data used in the process of valuation of the PVFCFs concerning incurred claims; • Testing samples of claims case reserves by comparing the estimated amount of the case reserve to appropriate documentation, such as reports from loss adjusters, confirmations obtained from lawyers, reinsurance contracts etc; • Evaluating the objectivity, skills, qualifications and competence of the independent external actuary and reviewing the terms of the actuary's engagement with the Group to determine if the scope of his work was sufficient for audit purposes. In addition, with the assistance of our internal actuarial specialists, we: • Determined if the calculation methods and the model used were appropriate; • Assessed the following key assumptions: - loss ratios; - claims development factors; and - discount rates; • Determined if the estimates applied in the current and prior year were consistent;

Key audit matter (continued)	How our audit addressed the Key audit matter (continued)
Furthermore, another key element of the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities are the receivables for amounts due net of the impairment allowance. The Group uses the expected credit loss model to estimate the allowance which requires management to apply significant estimates, such as the probability of default, loss given default, exposure at default and discount rate. As a result of all the above factors, we consider the valuation of the PVFCFs included in the liability for incurred claims for contracts measured under the Premium Allocation Approach and the calculation of the impairment allowance on receivables reflected in the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities as a key audit matter.	• Developed a point estimate or range based on our understanding of the Group's business, and evaluated the differences between management's point estimate and our point estimate or range; • Evaluated and tested the data used in the impairment model calculations receivables for amounts due; • Evaluated and tested the calculation of the allowance for expected credit loss allowance and the key assumptions and judgments used; and • Evaluated and tested balances determined to be individually impaired. We also assessed the disclosures in the consolidated financial statement relating to this matter against the requirements of IFRSs.
Valuation of investment properties Investment properties represented 5.8% of total assets as at 31 December 2023. The Group measures its investment properties at fair value and engage external valuers to determine the fair value of all its properties. The determination of the fair value of investment properties were performed using the sales comparison method, income capitalization method and discounted cash flow method which requires management and the independent external valuers to makes significant estimates, judgements and assumptions, as detailed in Note 7. The existence of significant estimation uncertainty warrants specific audit focus in this area as any bias or error in determining the fair value could lead to a material misstatement in the consolidated financial statements. Consequently, we have identified the valuation of investment properties as a key audit matter as the fair value is determined based on level 3 valuation methodologies which requires management and the independent external valuers to make significant estimates, which are not always observable, and apply significant judgements in determining the fair value of investment properties.	Our audit procedures included: • We obtained an understanding of the process of determining the fair value of the investment properties; • We assessed the controls over the determination of the fair value of investment property to determine if they had been appropriately designed and implemented; • We assessed the competence, skills, qualifications and objectivity of the independent external valuers; • We reviewed the scope of the engagement between the external valuer and the Group to determine if this was sufficient for audit purposes; • We verified the accuracy, completeness and relevance of the input data used for deriving fair values; • We utilised our internal valuation experts, on a sample basis, to evaluate the methodology used and the appropriateness of key assumptions used in the investment property valuations; • We agreed the results of the valuations to the amounts presented in the consolidated financial statements; and • We assessed the adequacy of disclosures included in consolidated financial statements against the requirements of IFRSs.

Other Matter

The annual consolidated financial statements for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 7 February 2023.

Other Information

The Board of Directors and management is responsible for the other information, which comprises the Directors' Report which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group's consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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 2023:

i. we have obtained all the information we considered necessary for the purposes of our audit;
ii. the consolidated 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 Group has maintained proper books of account;
iv. the financial information included in the Directors' report is consistent with the books of account of the Group;
v. as disclosed in Note 10 to the Consolidated financial statements, the Group has investment in securities as at 31 December 2023;
vi. Note 23 to the consolidated 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 Group has, during the financial year ended 31 December 2023, contravened any of the applicable provisions of the UAE Federal Law No. 32 of 2021, or Company Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2023; and
viii. Note 35 to the consolidated financial statements discloses the social contributions made during the financial year ended 31 December 2023.

Further, as required by the Federal Decree Law No. 48 of 2023 and the related financial Regulations for Insurance Companies, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

Deloitte & Touche (M.E.)

Signed by:
Nurani Subramanian Sundar
Registration No. 5540
31 January 2024
Sharjah, United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	*At 31 December* 2023 AED'000	*Restated at 31 December* 2022 AED'000	*Restated at 1 January* 2022 AED'000
Assets				
Property and equipment	5	**130,488**	127,000	128,530
Intangible assets	6	**44,300**	-	-
Investment properties	7	**515,120**	464,840	462,829
Goodwill		**-**	-	4,008
Deferred tax assets		**2,481**	2,618	4,586
Statutory deposits	9	**195,528**	184,091	172,446
Financial investments at amortised cost	10.4	**1,923,693**	1,774,819	1,660,273
Financial investments at fair value through other comprehensive income (FVTOCI)	10.3	**718,399**	643,452	613,386
Financial investments at fair value through profit or loss	10.2	**1,180,592**	1,064,065	446,916
Insurance contract assets	11	**934**	716	672
Reinsurance contract assets	12	**2,756,863**	2,373,692	2,444,546
Prepayments and other receivables	13	**230,375**	190,258	129,471
Deposits with banks	14	**969,541**	553,642	359,413
Cash and cash equivalents	14	**161,327**	234,774	216,582
Total assets		**8,829,641**	**7,613,967**	**6,643,658**
Equity and liabilities Equity				
Share capital	15	**461,872**	461,872	461,872
Other reserves	16	**1,521,673**	1,507,580	1,493,743
Cumulative changes in fair value of securities		**(124,978)**	(154,667)	(166,503)
Finance income and expenses reserve		**13,054**	11,449	-
Foreign currency translation reserve		**-**	-	(75,963)
Retained earnings		**882,424**	724,521	558,789
Net equity attributable to the owners of the Company		**2,754,045**	2,550,755	2,271,938
Non-controlling interests		**15,006**	-	-
Total equity		**2,769,051**	2,550,755	2,271,938
Liabilities				
Deferred tax liabilities	32	**3,987**	-	-
Employees' end of service benefits	17	**43,978**	41,290	39,737
Insurance contract liabilities	11	**4,245,101**	3,618,837	3,551,557
Reinsurance contract liabilities	12	**12,589**	5,045	3,016
Investment contract liabilities	19	**1,095,494**	994,591	381,741
Other payables	18	**573,441**	403,449	395,669
Bank borrowings	8	**86,000**	-	-
Total liabilities		**6,060,590**	5,063,212	4,371,720
Total equity and liabilities		**8,829,641**	7,613,967	6,643,658

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial condition, results of operation and cashflows of the Group as of, and for, the periods presented therein.

Badr Abdulla Al Ghurair
Chairman

Jean-Louis Laurent-Josi
Chief Executive Officer

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

JANUARY 2023

HEALTH PLANS LAUNCHED FOR MEDIUM TO LARGE INDIVIDUALS & CORPORATES

IN PARTNERSHIP WITH ASTER DM

SUKOON INSURANCE

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December

	Notes	2023 AED'000	Restated 2022 AED'000
Insurance revenue	24.1	**4,644,425**	3,875,120
Insurance service expenses	11	**(3,709,573)**	(2,822,911)
Insurance service result before reinsurance contracts held		**934,852**	1,052,209
Net expense from reinsurance contracts held	12	**(733,819)**	(800,451)
Insurance service result		**201,033**	251,758
Interest income from financial assets at amortised cost		**122,774**	101,203
Realised (losses)/gains on sale of financial investments at amortised cost		**(424)**	103
Other investment income - net		**67,402**	24,736
Net investment income	20	**189,752**	126,042
Finance expenses from insurance contracts issued	20	**(104,229)**	(35,734)
Finance income from reinsurance contracts held	20	**86,693**	32,889
Net insurance finance expenses		**(17,536)**	(2,845)
Net insurance and investment result		**373,249**	374,955
General and administrative expenses	21	**(110,407)**	(104,600)
Board of directors' remuneration	23.3	**(1,950)**	(2,250)
Finance costs		**(3,238)**	-
Other income - net		**706**	22,176
Loss on sale of subsidiary:	32		
Gain on sale before reclassification of foreign currency translation reserve		**-**	63,043
Reclassification of foreign currency translation reserve		**-**	(89,003)
Profit before tax		**258,360**	264,321
Income tax expenses		**(970)**	(5,009)
Profit for the year		**257,390**	259,312
Attributable to:			
Owners of the Company		**256,866**	259,312
Non-controlling interests		**524**	-
		257,390	259,312
Earnings per share (AED)	22	**0.56**	0.56

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	2023 AED'000	Restated 2022 AED'000
Profit for the year		**257,390**	259,312
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss:			
Net fair value gains on revaluation of investments designated at FVTOCI		**37,288**	24,467
Items that may be reclassified subsequently to profit or loss:			
Finance income from insurance contracts issued	20	**6,302**	64,766
Finance expense from reinsurance contracts held	20	**(4,697)**	(53,317)
Exchange losses on translation of foreign operations		**-**	(13,040)
Reclassification of foreign currency translation reserve		**-**	89,003
Net fair value losses on revaluation of debt investments at FVTOCI		**(102)**	-
Total other comprehensive income for the year		**38,791**	111,879
Total comprehensive income for the year		**296,181**	371,191
Attributable to:			
Owners of the Company		**295,664**	371,191
Non-controlling interests		**517**	-
		296,181	371,191

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital AED'000	Other Reserves AED'000	Cumulative Changes In Fair Value of Securities AED'000	Finance Income And Expenses Reserve AED'000	Foreign Currency Translation Reserve AED'000	Retained Earnings AED'000	Net Equity Attributable to the Owners of the Company AED'000	Non-Controlling Interests AED'000	Total Equity AED'000
At 31 December 2021 as previously reported	461,872	1,493,743	(166,503)	-	(75,963)	515,709	2,228,858	-	2,228,858
Impact of initial application of IFRS 17 (note 2.3)	-	-	-	-	-	43,080	43,080	-	43,080
Restated balance as at 1 January 2022	461,872	1,493,743	(166,503)	-	(75,963)	558,789	2,271,938	-	2,271,938
Profit for the year	-	-	-	-	-	259,312	259,312	-	259,312
Other comprehensive income for the year	-	-	24,467	11,449	75,963	-	111,879	-	111,879
Total comprehensive income for the year	-	-	24,467	11,449	75,963	259,312	371,191	-	371,191
Transfer to contingency reserve (note 16.4)	-	1,066	-	-	-	(1,066)	-	-	-
Transfer to reinsurance regulatory reserve (note 16.5)	-	12,886	-	-	-	(12,886)	-	-	-
Transfer to retained earnings on sale of subsidiary (note 16.1)	-	(115)	-	-	-	115	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	(12,631)	-	-	12,631	-	-	-
Dividend paid (note 34)	-	-	-	-	-	(92,374)	(92,374)	-	(92,374)
Restated balance at 31 December 2022	461,872	1,507,580	(154,667)	11,449	-	724,521	2,550,755	-	2,550,755
Profit for the year	**-**	**-**	**-**	**-**	**-**	**256,866**	**256,866**	**524**	**257,390**
Other comprehensive income for the year	**-**	**-**	**37,193**	**1,605**	**-**	**-**	**38,798**	**(7)**	**38,791**
Total comprehensive income for the year	**-**	**-**	**37,193**	**1,605**	**-**	**256,866**	**295,664**	**517**	**296,181**
Transfer to contingency reserve (note 16.4)	**-**	**1,056**	**-**	**-**	**-**	**(1,056)**	**-**	**-**	**-**
Transfer to reinsurance regulatory reserve (note 16.5)	**-**	**13,037**	**-**	**-**	**-**	**(13,037)**	**-**	**-**	**-**
Transfer to retained earnings on disposal of investments at FVTOCI	**-**	**-**	**(7,504)**	**-**	**-**	**7,504**	**-**	**-**	**-**
Dividend paid (note 34)	**-**	**-**	**-**	**-**	**-**	**(92,374)**	**(92,374)**	**-**	**(92,374)**
Non-controlling interests on acquisition of subsidiary (note 32)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,489**	**14,489**
At 31 December 2023	**461,872**	**1,521,673**	**(124,978)**	**13,054**	**-**	**882,424**	**2,754,045**	**15,006**	**2,769,051**

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December

	Notes	2023 AED'000	Restated 2022 AED'000
Cash flows from operating activities			
Profit for the year before tax		**258,360**	264,321
Adjustments for:			
Depreciation	5	**24,510**	25,726
Unrealised fair value gains on investment properties	7	**(26,078)**	(2,011)
Unrealised losses on financial investments at FVTPL (excluding unit linked investments)	20	**-**	4,068
Loss on sale of investment properties	20	**2,295**	-
Provision for employees' end of service benefits	17	**6,039**	4,877
Release of impairment of financial investments at amortised cost	10.6	**(129)**	(1,173)
Allowance for impairment of financial investments at FVTOCI		**7**	-
Release of impairment on bank balances and deposits		**(157)**	(231)
Dividend income from financial investments	20	**(43,836)**	(31,914)
Interest income from financial assets		**(125,374)**	(106,369)
Amortisation of financial assets measured at amortised cost	10.5	**1,984**	5,166
Realised gains on sale of financial investments at FVTPL	20	**(1,546)**	(103)
Realised gains on sale of financial investments at FVTOCI	20	**(83)**	-
Realised loss/(gain) on sale of financial investments at amortised cost	20	**424**	(103)
Finance costs		**3,238**	-
Interest expense on lease liability		**863**	959
Other investment expenses	20	**17,092**	14,443
Rental income from investment properties	20	**(14,513)**	(7,815)
Loss on disposal of property and equipment		**24**	-
Loss on sale of subsidiary	32	**-**	25,960
Gain on bargain purchase of subsidiary	32	**(7,693)**	-
Operating cash flows before changes in working capital and payment of employees' end of service benefits and income tax		**95,427**	195,801
Changes in working capital			
Changes in insurance and reinsurance contact assets/liabilities		**86,410**	185,122
Increase in prepayment and other receivables		**(26,890)**	(65,817)
Increase in other payables		**157,245**	13,649
(Increase)/decrease in unit linked investments		**(132,590)**	67,407
Increase/(decrease) in investment contract liabilities	19	**100,903**	(75,887)
Net cash generated from operations		**280,505**	320,275
Employees' end of service benefits paid	17	**(5,687)**	(3,324)
Income tax paid		**(2,369)**	(2,132)
Net cash generated from operating activities		**272,449**	314,819

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December

	Notes	2023 AED'000	Restated 2022 AED'000
Cash flows from investing activities			
Purchases of financial investments at FVTOCI	10.5	**(258,879)**	(278,641)
Proceeds from sale of financial investments at FVTOCI		**279,174**	273,042
Purchases of financial investments at FVTPL (excluding unit linked investments)		**(2,509)**	(2,653)
Proceeds from sale of financial investments at FVTPL (excluding unit linked investments)		**21,586**	2,869
Proceeds from maturities of financial investments at amortised cost		**93,573**	254,271
Purchases of financial investments at amortised cost	10.5	**(242,766)**	(375,505)
Dividends received from financial investments at FVTPL and FVTOCI		**44,772**	31,593
Interest received from deposits and financial investments		**116,556**	100,677
Rental income received from investment properties		**16,790**	7,823
Other investment expenses paid		**(17,187)**	(14,388)
Purchase of property and equipment	5	**(26,056)**	(24,031)
Proceeds from disposal of property and equipment		**42**	-
Proceeds from sale of investment properties		**117,376**	-
Increase in term deposits with original maturities of more than three months		**(307,594)**	(191,194)
Increase in statutory deposits		**(1,437)**	(21,135)
Acquisition of subsidiary, net of cash acquired	32	**(165,309)**	-
Net proceeds from sale of subsidiary	32	**-**	50,183
Net cash used in investing activities		**(331,868)**	(187,089)
Cash flows from financing activities			
Dividend paid	34	**(92,374)**	(92,374)
Principal elements of lease payments		**(4,914)**	(5,404)
Interest elements of lease payments		**(352)**	(388)
Cash proceeds from borrowings		**86,000**	-
Finance costs paid		**(2,545)**	-
Net cash used in financing activities		**(14,185)**	(98,166)
Net (decrease)/increase in cash and cash equivalents		**(73,604)**	29,564
Cash and cash equivalents at the beginning of the year		**235,079**	217,118
Effects of exchange rate changes on the balances of cash held in foreign currency		**-**	(11,603)
Cash and cash equivalents at the end of the year	14	**161,475**	235,079

For the purpose of the consolidated statement of cash flows, the cash and cash equivalents are before the allowance for impairment as per IFRS 9 as disclosed in note 14.

During the year ended 31 December 2023, the principal non-cash transactions relate to the additions of the lease liability and right of use asset amounting to AED 5,869 thousand each (note 5).

During the year ended 31 December 2022, the principal non-cash transactions relate to:

- The additions of the lease liability and right of use asset amounting to AED 727 thousand each (note 5).
- The unit linked assets and unit linked liabilities amounting to AED 688,737 thousand each (note 36(b)).

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

FEBRUARY 2023

BEST HEALTH AND MOTOR INSURER

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

Oman Insurance Company P.S.C., (the "Company") herein after Sukoon Insurance ("Sukoon") (refer note 36 (c)) is a public shareholding company, which was established by an Amiri Decree issued by His Highness, The Ruler of Dubai. The Company is registered under the UAE Federal Law No. 32 of 2021, relating to commercial companies. The Company is subject to the regulations of the U.A.E. Federal Decree-Law No. 48 of 2023 Regarding the Regulation of Insurance Activities and is registered in the Insurance Companies Register of the Central Bank of the UAE ("CBUAE") (formerly, the UAE Insurance Authority ("IA")) under registration number 9. The Company is a subsidiary of Mashreq Bank (PSC) which is incorporated in the Emirate of Dubai. The Company's registered head office is at P.O. Box 5209, Dubai, United Arab Emirates. The Group comprises Oman Insurance Company P.S.C. and its subsidiaries (note 32). The Company's ordinary shares are listed on the Dubai Financial Market ("DFM"), United Arab Emirates.

On 2 October 2023, the UAE Federal Decree Law No. 48 of 2023 regarding the regulation of Insurance activities was issued and came into effect on 30 November 2023 which repealed the UAE Federal Law No. 6 of 2007. The Companies must within a period not exceeding (6) six months from the date of the enforcement of its provisions from 30 November 2023 ("the transitional period") comply with the provisions of the UAE Federal Decree Law No 48 of 2023. The Group will perform the necessary amendments to its Articles of Association in order to align with the new provisions and the requirements as approved by the General Assembly of shareholders and subject to regulatory approvals.

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 regime in the UAE. The Corporate Tax law will apply to taxable persons for financial years beginning on or after 1 June 2023. The corporate income tax will apply on the adjusted accounting net profits of a business. The Group has completed the assessment of the impact on its financial statements, both from current and deferred tax perspective in preparation for full compliance with the new Corporate tax law noting that the first tax period for the Group is starting on 1 January 2024. Based on this assessment performed, the Group has assessed and recognised deferred tax liability of AED 3,987 thousand on intangible assets acquired on acquisition of Arabian Scandinavian Insurance Company (PLC) - Takaful - Ascana Insurance ("ASCANA") during the year 2023 (note 32).

The licensed activities of the Company are issuing short term and long term insurance contracts and trading in securities. The insurance contracts are issued in connection with property, engineering, energy, motor, aviation, medical, marine risks, personal accident, individual life (participating and non-participating), group life, credit life and investment linked products.

The Company also operates in the Sultanate of Oman, State of Qatar, England and Wales, the United Kingdom.
The Company had a subsidiary in Republic of Turkey which was sold on 14 June 2022.

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

2.1 New and revised IFRS Accounting Standards adopted in the consolidated financial statements

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in this consolidated financial statement. The application of these revised IFRS Accounting Standards, did not have any material impact on the amounts reported for the current and prior periods, except from the application of IFRS 17 which has replaced IFRS 4 and has fundamentally changed the measurement and presentation of insurance contracts (including reinsurance contracts held).

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
IFRS 17 - Insurance Contracts (note 2.3)	1 January 2023
Amendments to IAS 1 - Amendments to IFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to IAS 12 - Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IFRS 16 on lease liability in a sales and lease back	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

2.3 Changes in accounting policies

In these consolidated financial statements, the Group has applied IFRS 17 for the first time. The nature of the changes in first time adoption of IFRS 17 can be summarized, as follows:.

Changes to classification and measurement

IFRS 17 establishes specific principles for the recognition, measurement, presentation and disclosure of insurance contracts issued and reinsurance contracts held by the Group. The adoption of IFRS 17 did not change the classification of the Group's insurance contracts.

The Group uses different measurement approaches, depending on the type of contracts, as follows:

Nature of Contracts	Product classification	Measurement model
Property & Casualty Contracts	Insurance contracts	PAA
Health Insurance	Insurance contracts	PAA
Short term life insurance contracts	Insurance contracts	PAA
Term and Endowment life insurance contracts	Insurance contracts	GMM
Direct participating contracts	Insurance contracts with direct participation features	VFA
All reinsurance contracts held other than long term individual life	Reinsurance contracts held	PAA
Long term individual life reinsurance contracts held	Reinsurance contracts held	GMM
Investment contracts without discretionary participation features (DPF)	Financial instruments	Financial liabilities measured at FVTPL under IFRS 9

The key principles of IFRS 17 under the different measurement models, where applicable, are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards;
- Divides the insurance and reinsurance contracts into groups it will recognise and measure;
- Recognises profit from a group of insurance contracts over each period the Group provides insurance contract services, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately;
- Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

The premium allocation approach (PAA) simplifies the measurement of insurance contracts in comparison with the general measurement model (GMM) in IFRS 17. The measurement principles of the PAA differ from the 'earned premium approach' used by the Group under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided (insurance revenue for each period is the amount of expected premium receipts for providing services in the period);
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart;
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision);
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses;

Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

Under the GMM and the variable fee approach (VFA), the Group recognises and measures groups of insurance contracts at:

i. A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; and
ii. An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM)

The VFA is a mandatory modification of the GMM regarding the treatment of the CSM in order to accommodate direct participating contracts.

The Group capitalises insurance acquisition cash flows for all insurance groups of contracts. The Group allocates the acquisition cash flows to groups of insurance contracts issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group.

Changes to presentation and disclosure

For presentation in the statement of financial position, the Group aggregates portfolios of insurance and reinsurance contracts issued and reinsurance contracts held and presents separately, the carrying amount of:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of reinsurance contracts held that are assets
- Portfolios of insurance contracts and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are liabilities

The line item descriptions in the profit or loss and other comprehensive income have been changed significantly compared with prior year. Previously the Group reported the following line items:

- Gross insurance premium
- Net retained premium
- Net changes in premium reserves
- Net earned insurance premium
- Gross claims settled
- Net claims settled
- Change in incurred insurance contract liabilities
- Net claims incurred
- Net commission and other underwriting income

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expense
- Income or expenses from reinsurance contracts held
- Insurance finance income or expenses
- Reinsurance finance income or expenses
- Net insurance finance income or expenses

Transition impact

On transition date, 1 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts using the modified retrospective approach.
- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in equity.

The Group assessed historical information available and determined that all reasonable and supportable information necessary for applying the full retrospective approach was not available for groups of contracts issued prior to the transition date. The Group elected to apply the modified retrospective approach, which was intended to achieve the closest possible outcome to the full retrospective application maximising the use of available information.

The Group has aggregated contracts issued more than one year apart for groups of contracts applying the modified retrospective approach at transition, as it did not have supportable information to aggregate contracts into groups including only contracts issued within one year.

The Group has elected to use the simplification in the modified retrospective approach for determining the CSM or loss component of the liability for remaining coverage at the transition date. The Group has used the following procedure to determine the CSM at initial recognition for these contracts:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at transition date, adjusted by the cash flows that have occurred between the date of initial recognition and the transition date. The cash flows that are known to have occurred include cash flows resulting from contracts that ceased to exist before the transition date.
- Estimated historical discount rates applied to some cash flows in the period prior to 2014 using an observable market interest curve based on discount rate applicable for 2014.
- Estimated the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at transition date by the expected release of risk in the periods before transition. The expected release of risk was determined with reference to the release of risk for similar contracts that the Group has issued subsequent to the transition date.

For contracts measured under the PAA, the Group has elected to disaggregate insurance finance income or expenses between amounts included in profit or loss and amounts included in other comprehensive income and reset the cumulative amount of insurance finance income or expenses recognised in other comprehensive income at the transition date to zero.

As mentioned above the line item descriptions in the consolidated statement of profit or loss and other comprehensive income have changed significantly compared with prior year. The adoption of IFRS 17 has led to the restatement of the profit for the year ended 31 December 2022 from AED 223,601 thousand to AED 259,312 thousand and the other comprehensive income from AED 324,031 thousand to AED 371,191 thousand.

The table below summarise the impact of initial application of IFRS 17 as at 31 December 2022:

	As previously reported AED '000	Effect of application of IFRS 17 AED '000	As restated AED '000
Assets			
Insurance contract assets	-	716	716
Reinsurance contract assets	3,128,009	(754,317)	2,373,692
Deferred acquisition costs	180,952	(180,952)	-
Insurance and reinsurance receivables	677,099	(677,099)	-
Prepayments and other receivables	144,449	45,809	190,258
Liabilities			
Deferred commission income	85,177	(85,177)	-
Re-insurance deposits retained	154,213	(154,213)	-
Insurance and reinsurance payables	596,083	(596,083)	-
Other payables	200,439	203,010	403,449
Investment contract liabilities	-	994,591	994,591
Insurance contract liabilities	5,642,093	(2,023,256)	3,618,837
Reinsurance contract liabilities	-	5,045	5,045
Equity			
Retained earnings	645,730	78,791	724,521
Insurance finance income and expenses reserve	-	11,449	11,449

The table below summarise the impact of initial application of IFRS 17 as at 1 January 2022:

	As previously reported AED '000	Effect of application of IFRS 17 AED '000	As restated AED '000
Assets			
Insurance contract assets	-	672	672
Reinsurance contract assets	2,699,966	(255,420)	2,444,546
Deferred acquisition costs	150,381	(150,381)	-
Insurance and reinsurance receivables	545,855	(545,855)	-
Prepayments and other receivables	99,944	29,527	129,471
Liabilities			
Deferred commission income	74,144	(74,144)	-
Re-insurance deposits retained	113,068	(113,068)	-
Insurance and reinsurance payables	385,647	(385,647)	-
Other payables	157,059	238,610	395,669
Investment contract liabilities	-	381,741	381,741
Insurance contract liabilities	4,566,602	(1,015,045)	3,551,557
Reinsurance contract liabilities	-	3,016	3,016
Equity			
Retained earnings	515,709	43,080	558,789

3. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are summarised below. This is the first set of annual financial statements in which IFRS 17 Insurance Contracts has been applied. The related changes to significant accounting policies are also described below.

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") and interpretation issued by the IFRS Interpretation Committee ("IFRSIC") applicable to companies under IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the applicable requirements of the United Arab Emirates (U.A.E.) Federal Law No. 32 of 2021, the United Arab Emirates (U.A.E.) Federal Decree Law No. 48 of 2023 regarding the regulation of Insurance activities and the Insurance Authority Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies. The consolidated financial statements comply with IFRS Accounting Standards.

3.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of financial investments measured at fair value through profit or loss ("FVTPL"), financial investments measured at fair value through other comprehensive income ("FVTOCI"), investment properties measured at fair value.

The Group's consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents and bank borrowings. The following balances would generally be classified as non-current: property and equipment, intangible assets, investment properties, goodwill, deferred tax assets, employees' end of service benefits and statutory deposits. The following balances are of mixed nature (including both current and non-current portions): financial investments, prepayments and other receivables, reinsurance contract assets, reinsurance contract liabilities, insurance contract assets, insurance contract liabilities, investment contract liabilities, other payables and deposits with banks.

The consolidated financial statements are presented in Arab Emirates Dirham ("AED") and all values are rounded to nearest thousand ("AED'000") except when otherwise indicated.

3.3 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, i.e. its subsidiaries.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other voteholders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and/or ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in ownership interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.6 Revenue recognition

(a) Interest income and expense

Interest income and expense for all interest-bearing financial instruments is calculated by applying the effective interest rate to the gross carrying amount of the financial instrument, except for financial assets that have subsequently become credit-impaired (or stage 3), for which interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision) and are recognised within 'interest income' in the consolidated statement of profit or loss.

(b) Dividend income

Dividend income from investments is recognised in the consolidated statement of profit or loss when the Group's right to receive dividend has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(c) Rental income

Rental income from investment property which are leased under operating leases are recognised on a straight-line basis over the term of the relevant lease.

3.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The tax currently payable is calculated in accordance with fiscal regulations of Sultanate of Oman and Turkey.

3.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.

The carrying of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in the consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.8 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the consolidated statement of profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur which form part of the net investment in a foreign operation, and which are recognised initially in the foreign currency translation reserve and recognised in the consolidated statement of profit

or loss.
- on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United Arab Emirates Dirhams ("AED"), using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in the foreign currency translation reserve. Such exchange differences are recognised in the consolidated statement of profit or loss in the period in which the foreign operation is disposed.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated statement of profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that does not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each period. Exchange differences arising are recognised in equity.

3.9 Property and equipment

Capital work in progress is carried at cost, less any recognised impairment loss. These assets are classified to the appropriate categories of property and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

Other property and equipment are stated at cost less accumulated depreciation and any identified accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets, other than capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.
An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Software are reported at cost less accumulated depreciation and identified impairment losses, if any. Depreciation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Cost includes expenditures that can be reliably measured and are directly attributable to the acquisition or development of technically feasible assets management intends to complete and use. This includes the cost of software, perpetual licenses, employee costs and any other cost directly attributable to the design and testing of identifiable software. These assets are controlled by the Group and capitalized only if it will generate probable future economic benefits. Capitalised development costs are recorded as asset and amortised from the point at which asset is available for use.

The useful lives considered in the calculation of depreciation for the assets are as follows:

	Years
Furniture and equipment and leasehold improvements	3 - 9
Motor vehicles	5
Computer hardware and software	3 - 15

3.10 Intangible assets acquired in a business combination

Intangibles acquired separately are measured on initial recognition at cost. The cost of the intangibles acquired in a business combination is at fair value as at the date of acquisition. Following initial recognition, intangibles are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangibles with finite lives are amortised over their respective useful lives and assessed for impairment whenever there is an indication that the intangibles may be impaired. The amortisation expense on intangibles with finite lives is recognised in the consolidated profit or loss account. Intangibles with indefinite lives assessed for impairment annually, or whenever there is an indication that the intangibles may be impaired.

The useful lives of intangible assets arising out of the acquisition of ASCANA, have been estimated to be indefinite (note 32).

3.11 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the period of retirement or disposal.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation or commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use. Fair value is determined by open market values based on valuations performed by independent surveyors and consultants or broker's quotes.

3.12 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 Employee benefits

a. Defined contribution plan

UAE national employees of the Group are members of the Government-managed retirement pension and social security benefit scheme (the "scheme") pursuant to U.A.E. labour law no. 7 of 1999. The Group is required to contribute 12.5% of the "contribution calculation salary" of payroll costs towards the scheme to fund the benefits. The employees and the Government contribute 5% and 2.5% of the "contribution calculation salary" respectively, to the scheme. The contributions are charged to consolidated statement of profit or loss.

b. Annual leave and leave passage

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

c. Provision for employees' end of service benefits

Provision is made for the full amount of end of service benefit due to non-UAE national employees in accordance with the UAE Labour Law and is based on current remuneration and their period of service at the end of the reporting period. Provisions for employees' end of service indemnity for the employees working with the entities domiciled in other countries are made in accordance with local laws and regulations applicable in these countries.

3.15 Borrowing costs

Interest expense is recognised in the consolidated statement of profit or loss as it accrues and is calculated by using the effective interest rate method.

3.16 Dividend distribution

Dividend distribution to the Shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Shareholders.

3.17 Financial instruments

a. Investments and other financial assets

i. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

iii. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is calculated using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'Net investment income' together with foreign exchange gains and losses. Impairment losses are included within 'Net investment income' in the consolidated statement of profit or loss.
- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net investment income'. Interest income from these financial assets is calculated using the effective interest rate method. Foreign exchange gains and losses are presented in 'Net investment income'.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of profit or loss and is presented net within 'Net investment income' in the period in which it arises.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss within 'Net investment income' when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVTPL except for unit linked investments are recognised in 'change in fair value of financial investments at FVTPL' included within 'Net investment income'. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

iv. Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's financial assets are subject to the expected credit loss model.

For other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the historical credit losses experienced.

Debt investment and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The impairment charge for debt investments at FVTOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

b. Other receivables
Other receivables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method, less impairment provision. The Group holds the other receivables with the objective to collect the contractual cash flows.

c. Financial liabilities
The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Group opted to measure a liability at FVTPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in insurance and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Offsetting of financial assets and liabilities

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

d. Cash and cash equivalents
For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

e. Deposits with banks with original maturities of more than three months
Deposits held with banks with original maturities of more than three months are initially measured at fair value and subsequently measured at amortised cost. Deposits held with banks are within the scope of IFRS 9 expected credit loss calculation for the assessment of impairment.

3.18 Leases

Leases are recognised as a right-of-use asset, within “Property and equipment”, and a corresponding liability, within “Other payables”, at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis which ranges between 3 to 9 years.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate of 3.5% to 5% (2022: 3.5% to 5%) is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received.

Extension and termination options are included in several leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group’s operations. The majority of extension and termination options held are exercisable through a mutual agreement between the Group and the lessor. Payments associated with short-term leases of premises are recognised on a straight-line basis as an expense in consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

3.19 Changes in accounting policies for insurance contracts issued and reinsurance contracts held

3.19.1 Insurance and reinsurance contracts issued classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred. Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without discretionary participation features (DPF) issued by the Group fall under this category. The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

3.19.2 Level of Aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group 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 groups 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.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts.

3.19.3 Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:
- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; or
- when the Group determines that a group of contracts becomes onerous.

3.19.4 Combination of insurance contracts

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:
- The rights and obligations are different when looked at together compared to when looked at individually
- The Group is unable to measure one contract without considering the other

3.19.5 Separating components from insurance and reinsurance contracts

The Group assesses its insurance and reinsurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's contracts do not include any distinct components that require separation. Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately.

3.19.6 Contract boundary

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

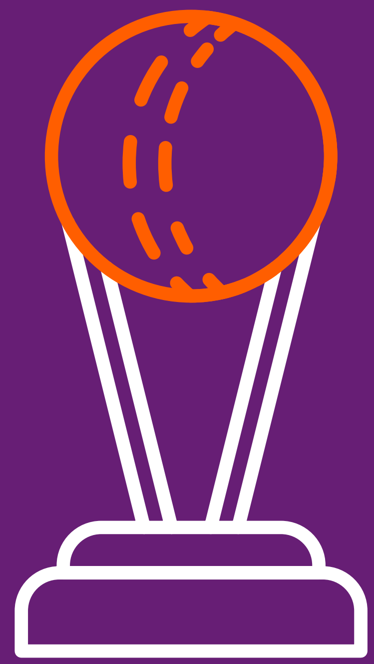
Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied: i. The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and ii. The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

MARCH 2023

CHAMPIONS



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3.19.7 Measurement

The following table sets out the accounting policy choices adopted by the Group:

	Measurement models the option is allowed to be applied	IFRS 17 options	Adopted approach
Insurance acquisition cash flows	PAA	Where the coverage period of each contract in the group at initial recognition is no more than one year, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cashflows when incurred or amortizing them over the contract's coverage period.	Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group using a systematic and rational basis.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	PAA	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	For all contracts measured under the PAA, there is no allowance as the premiums are expected to be received within one year of the coverage period.
Liability for Incurred Claims ("LIC") adjusted for time value of money	PAA	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The Group discounts the LIC for the time value of money.
Insurance finance income and expenses	ALL	IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the P&L or OCI option) is applied on a portfolio basis.	For contracts measured under the PAA, the Group applies OCI option. For contracts measured under the GMM and VFA, the Group includes all insurance finance income or expenses for the period in profit or loss.
Disaggregation of risk adjustment	ALL	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service result and insurance finance income or expenses.	The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.
Presentation of income / (expense) from reinsurance contracts held	ALL	IFRS 17 allows options in presenting income or expenses from reinsurance contracts held, other than insurance finance income or expenses. An alternative would be to gross up this single amount and present separately the amounts recovered from the reinsurer (as income) and an allocation of the premiums paid (as reinsurance expenses) in line items separate from insurance revenue and insurance service expenses.	The Group elected to present a single net amount in net expenses from reinsurance contracts held.

The Group has elected to determine cumulative results for each interim reporting period, and estimates made by the Group in previous interim financial statements will not be considered when applying IFRS 17 in subsequent interim periods or in the annual financial statements.

3.19.7.1 Insurance contracts measured under the premium allocation approach - Initial and Subsequent Measurement

The Group applies the premium allocation approach to all the insurance contracts (other than long term individual life insurance contracts) that it issues and reinsurance contracts that it holds as;

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

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

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

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

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

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

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

3.19.7.2 Insurance contracts measured other than PAA - Initial and Subsequent Measurement

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk. The Group's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid and expected future claims
- Payments to policyholders resulting from embedded surrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder
- Costs incurred for providing investment-related service and investment-return service to policyholders
- Other costs specifically chargeable to the policyholder under the terms of the contract

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time.

Subsequent measurement:
The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of insurance contracts the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group
- For contracts measured under the GMM, interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition
- The changes in fulfilment cash flows relating to future service, except to the extent that:
  - Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
  - Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

For direct participating contracts measured under the VFA, the Group adjusts the CSM for the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
- a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
- an increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses).

The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Direct participating contracts have explicit surrender values. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms less any surrender charges. All the other contracts issued by the Group do not contain investment components.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:
- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage. For contracts measured under the GMM these changes exclude those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable.
- Changes in the risk adjustment for non-financial risk that relate to future service.

For direct participating contracts measured under the VFA changes in fulfilment cash flows that relate to future services and adjust the CSM are measured at current discount rates and include the changes in the effect of the time value of money and financial risks that do not arise from underlying items.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the group comprising the fulfilment cash flows related to past service allocated to the group at that date.

3.19.7.3 Reinsurance contracts held
Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

A group of reinsurance contracts held is recognised as follows:
- If the reinsurance contracts provide proportionate coverage, the date the Group initially recognizes any underlying insurance contracts (onerous or not).
- In all other cases, at the beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date.

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer shall end when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage

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

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

3.19.7.4 Modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract

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

3.19.7.5 Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs. The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

3.19.7.6 Discount rates

The Group uses the bottom-up approach for the groups of contracts measured under PAA and GMM and the top-down approach for the groups of contracts measured under VFA to derive the discount rates.

For contracts measured under the PAA, the Group disaggregates insurance finance income or expenses for the period to include in profit or loss an amount determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The Group determines the insurance finance income or expenses in profit or loss using the discount rates determined at the date of the incurred claim.

3.19.7.7 Risk adjustment for non-financial risk

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

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach in the range of 65th to 75th percentile, adjusted for diversification. That is, the Group has assessed its indifference to uncertainty for all groups of contracts (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent in the range of 65th to 75th percentile confidence level, adjusted for diversification, less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

3.19.7.8 Contractual service margin (CSM)

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of unit linked life insurance contracts, the coverage unit is the unit reserve while for other long term life groups of contracts, the coverage unit is the premiums. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum probable loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

4. Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas where management has used estimates, assumptions or exercised judgements, measurement of insurance contracts issued and reinsurance contracts held under IFRS 17 which is applicable for annual periods beginning on or after 1 January 2023 are as follows:

4.1 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring Expected Credit Loss (ECL) is further detailed in note 31 (b).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining the criteria for significant increase in credit risk;
- Determining the criteria and definition of default;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

4.2 Investment properties

The Group values its investment properties at fair value on the basis of market valuations prepared by independent property consultants. The valuations are based on assumptions which are mainly based on market conditions existing at each reporting date. Therefore, any future change in the market conditions could have an impact on the fair value. For further details of the judgments and assumptions made, refer to note 7.

4.3 Liability for incurred claims

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

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios.

Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims. The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

4.4 Assessment of significance of insurance risk

The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

4.5 Risk adjustment

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach in the range of 65th to 75th percentile, adjusted for diversification. That is, the Group has assessed its indifference to uncertainty for all groups of contracts (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent in the range of 65th to 75th percentile confidence level, adjusted for diversification, less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

4.6 Onerous groups

The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

4.7 Time value of money

The Group adjusts the carrying amount of the insurance contracts liabilities and reinsurance contracts assets to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of contracts.

Under the bottom-up approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an ‘illiquidity premium’). The risk-free curve itself will either be derived by the Group from risk free assets in the market, or the Group may choose to apply a published risk-free yield curve. The top-down approach starts with the determination of a reference portfolio. The reference portfolio yield will be taken as the yield on the underlying items to which the liability cashflows are linked.

The Group used the following yield curves to discount cash flows:

2023	Currency	1 Year	5 Year	10 Year	20 Year	30 Year
Contracts under PAA	AED	5.61%	4.72%	5.16%	6.10%	4.79%
Contracts under VFA	AED	9.99%	9.20%	9.59%	10.44%	9.26%
Contracts under VFA	USD	9.29%	8.49%	8.89%	9.73%	8.55%
Contracts under GMM	AED	5.61%	4.72%	5.16%	6.10%	4.79%
Contracts under GMM	USD	4.76%	3.87%	4.31%	5.25%	3.93%

2022	Currency	1 Year	5 Year	10 Year	20 Year	30 Year
Contracts under PAA	AED	5.66%	4.41%	4.60%	5.64%	4.44%
Contracts under VFA	AED	8.58%	7.45%	7.63%	8.56%	7.49%
Contracts under VFA	USD	8.17%	7.05%	7.22%	8.16%	7.08%
Contracts under GMM	AED	5.66%	4.41%	4.60%	5.64%	4.44%
Contracts under GMM	USD	5.18%	3.93%	4.12%	5.16%	3.96%

5. Property and equipment

	Furniture and equipment AED’000	Computer hardware & software AED’000	Motor Vehicles AED’000	Leasehold Improve-ments AED’000	Right-of-use assets AED’000	Capital work in progress AED’000	Total AED’000
Cost							
Balance at 1 January 2022 (note 33)	51,067	179,486	1,115	8,204	38,514	32,493	310,879
Additions during the year	23	251	-	-	727	23,757	24,758
Transfers during the year	27	10,982	-	597	-	(11,606)	-
Disposals during the year	(159)	(961)	-	-	(818)	-	(1,938)
Elimination on sale of subsidiary	(1,645)	-	-	-	(873)	-	(2,518)
Effect of foreign currency exchange differences	(741)	-	-	-	(399)	-	(1,140)
Balance at 31 December 2022	48,572	189,758	1,115	8,801	37,151	44,644	330,041
Additions during the year	54	281	-	244	5,869	19,608	26,056
Transfers during the year	128	12,027	-	170	-	(12,325)	-
Disposals during the year	(142)	(92)	-	-	(5,165)	-	(5,399)
Acquisition of a subsidiary	3,006	3,865	21	-	2,974	-	9,866
Balance at 31 December 2023	**51,618**	**205,839**	**1,136**	**9,215**	**40,829**	**51,927**	**360,564**
Accumulated depreciation							
Balance at 1 January 202 (note 33)	49,263	122,285	766	684	9,351	-	182,349
Charge for the year	535	18,902	80	1,021	5,188	-	25,726
Disposals during the year	(159)	(961)	-	-	(818)	-	(1,938)
Elimination on sale of subsidiary	(1,588)	-	-	-	(548)	-	(2,136)
Effect of foreign currency exchange differences	(726)	-	-	-	(234)	-	(960)
Balance at 31 December 2022	47,325	140,226	846	1,705	12,939	-	203,041
Charge for the year	539	17,544	73	1,120	5,234	-	24,510
Disposals during the year	(142)	(26)	-	-	(5,165)	-	(5,333)
Acquisition of a subsidiary	2,606	3,128	17	-	2,107	-	7,858
Balance at 31 December 2023	**50,328**	**160,872**	**936**	**2,825**	**15,115**	**-**	**230,076**
Net carrying amount							
Balance at 31 December 2023	**1,290**	**44,967**	**200**	**6,390**	**25,714**	**51,927**	**130,488**
Balance at 31 December 2022	1,247	49,532	269	7,096	24,212	44,644	127,000

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6. Intangible Assets

Intangible assets acquired in a business combination and recognised separately from goodwill are recognized initially at their fair value at the acquisition date with an infinite life (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment loss. The useful life of intangible asset amount to AED 44,300 thousand arising out of the acquisition of Arabian Scandinavian Insurance Company (PLC) - Takaful ("ASCANA") on 18 May 2023 have been estimated to be indefinite (note 32).

7. Investment properties

The Group's investment properties represents the fair value of the properties located in Dubai, UAE.

	Plots of land AED'000	Buildings AED'000	Total AED'000
Fair value hierarchy	*Level 3*	*Level 3*	
Fair value at 1 January 2022	349,219	113,610	462,829
Net increase in fair value during the year (note 20)	(274)	2,285	2,011
Fair value at 31 December 2022	348,945	115,895	464,840
Acquisition of subsidiary (note 32)	**4,000**	**139,873**	**143,873**
Disposal during the year	**(46,195)**	**(73,476)**	**(119,671)**
Net increase in fair value during the year (note 20)	**22,497**	**3,581**	**26,078**
Fair value at 31 December 2023	**329,247**	**185,873**	**515,120**

Valuation processes

The Group has complied with the requirements of the Insurance Authority Board Decision No. (25) of 2014 with regards to the valuation of the investment properties and were accounted accordingly for the purpose of financial reporting. The Group's investment properties were valued as at 31 December 2023 by independent external professionally qualified valuers who hold recognized relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. The fair value is in accordance with relevant appraisal and valuation standards issued by the Royal Institute of Chartered Surveyors ("RICS").

Valuation techniques underlying management's estimation of fair value

Valuation of the Group's investment properties was determined using either of Discounted Cash Flow ("DCF"), Income capitalization method, and sales comparison methods based on the available inputs.

The DCF method involves forecasting future cash flows from the property based on precisely stated market-based assumptions by adopting an appropriate discount rate and capitalization rate. Income capitalization method considers a market rent that may be achieved based on the comparable evidence and deducting appropriate maintenance and vacancy rates to derive the Net Rent achievable which then capitalized at an appropriate risk yield to derive the Fair Value of the subject property. Sales comparison method considers the value of comparable properties in proximity adjusted for differences in key attributes such as property size and quality of interior fittings.

Sensitivity on the fair value of investment properties based on each methodology is as follows:

For the sales comparison method, if the prices of the comparable properties were to increase / decrease by 1% and considering all other assumptions to remain constant, the fair value would increase / decrease by AED 3,853 thousand (31 December 2022: the fair value would increase / decrease by AED 4,012 thousand).

For the Income capitalization method, if the capitalization rate were to decrease / increase by 0.25% and considering all other assumptions to remain constant, the fair value would increase / decrease by 3% / 2.8% respectively.

For the DCF method, if the capitalization rate were to decrease / increase by 0.25% and considering all other assumptions to remain constant, the fair value would increase / decrease by 3.3% / 3.1% respectively (31 December 2022: the fair value would increase / decrease by 2.6% / 2.4% respectively)..

8. Bank borrowings

	2023 AED'000	2022 AED'000
Short term bank loans	**86,000**	-

Short term bank loans are secured by assignment of certain bonds in favor of financial institutions. These loans carry a fixed interest rate of 6.17% per annum. Short term loans are utilised for Group's operational activities.

9. Statutory deposits

	2023 AED'000	2022 AED'000
Bank deposit maintained in accordance with Article 42 of U.A.E. Federal Law No. 48 of 2023	**10,000**	10,000
Statutory deposit with Central Bank of UAE on behalf of ASCANA	**10,000**	10,000
Amount under lien with the Capital Market Authority – Sultanate of Oman	**138,554**	138,528
Amounts under lien with the Qatar Central Bank	**36,974**	36,536
	195,528	184,091

The interest rates on statutory deposits with banks range from 4% to 5.6% (31 December 2022: 2.3% to 4.5%) per annum.

10. Financial investments

10.1 Composition of financial investments

The Group's financial investments at the end of reporting period are detailed below.

	2023 AED'000	2022 AED'000
At fair value through profit or loss (note 10.2)	**1,180,592**	1,064,065
At fair value through other comprehensive income (note 10.3)	**718,399**	643,452
Measured at amortised cost	**1,924,601**	1,778,059
Less: allowance for impairment as per IFRS 9 on investment at amortised cost (note 10.6)	**(908)**	(3,240)
	3,822,684	3,482,336

10.2 Financial investments at fair value through profit or loss

	Inside UAE		Outside UAE		Total	
	2023 AED'000	2022 AED'000	**2023 AED'000**	2022 AED'000	**2023 AED'000**	2022 AED'000
Quoted equity	**557**	-	**-**	16,620	**557**	16,620
Unit linked investments*	**14,836**	17,537	**1,165,199**	1,029,908	**1,180,035**	1,047,445
	15,393	17,537	**1,046,528**	1,046,528	**1,180,592**	1,064,065

* Unit linked investments of AED 1,180,035 thousand (31 December 2022: AED 1,047,445 thousand) comprises of Investment contracts without DPF and Insurance contracts with direct participation features of AED 1,095,494 thousand (31 December 2022: AED 994,591 thousand) and AED 84,541 thousand (31 December 2022: AED 52,854 thousand) respectively.

10.3 Financial investments at fair value through other comprehensive income

	Inside UAE		Outside UAE		Total	
	2023 AED'000	2022 AED'000	**2023 AED'000**	2022 AED'000	**2023 AED'000**	2022 AED'000
Quoted equity	**344,558**	259,818	**230,802**	266,003	**575,360**	525,821
Quoted bond	**12,878**	-	**8,415**	-	**21,293**	-
Quoted fund	**-**	-	**91,330**	80,072	**91,330**	80,072
Unquoted equity	**8,932**	12,734	**5,245**	5,366	**14,177**	18,100
Private equity fund	**-**	-	**16,239**	19,459	**16,239**	19,459
	366,368	272,552	**352,031**	370,900	**718,399**	643,452

The Group has designated all investments in equity instruments that are not held for trading as FVTOCI. For the year ended 31 December 2023, the Group sold equity investments held at fair value through other comprehensive income amounting to AED 236,460 thousand at the time of sale (31 December 2022: AED 259,363 thousand) in line with the Group's investment strategy. The Group realised losses of AED 4,308 thousand (31 December 2022: gains of AED 4,261thousand) which were transferred to retained earnings.

10.4 Financial investments measured at amortised cost

	Inside UAE		Outside UAE		Total	
	2023 AED'000	2022 AED'000	**2023 AED'000**	2022 AED'000	**2023 AED'000**	2022 AED'000
Investments in quoted bonds	**819,175**	866,226	**1,104,518**	908,593	**1,923,693**	1,774,819

These bonds carry interests at the rates of 0.5% to 7.6% (31 December 2022: 1% to 7.5%) per annum. The Group holds these investments with the objective of receiving the contractual cash flows over the instrument's life. The bonds are redeemable at par from 2024 to 2055 (31 December 2022: 2023 to 2055) based on their maturity dates.

As part of Syndicate-in-a-box initiative ("SIAB") arrangement, Sukoon on behalf of 'OIC Corporate Member Limited' has pledged certain bonds having nominal value of USD 49,230 thousand (equivalent to AED 180,797 thousand) to be held at Lloyd's deposit with the beneficial ownership remaining with Oman Insurance Company P.S.C. The net book value of these bonds was AED 190,589 thousand as at 31 December 2023 (note 32).

10.5 Movements in financial investments

The movements in financial investments are as follows:

	Fair value through profit or loss AED'000	Fair value through OCI AED'000	Amortised cost AED'000	Total AED'000
At 1 January 2022	446,916	613,386	1,660,273	2,720,575
Purchases	196,064	278,641	375,505	850,210
Transfer of unit linked life insurance portfolio (note 36(b))	688,737	-	-	688,737
Disposals/redemptions	(145,997)	(273,042)	-	(419,039)
Maturities	-	-	(254,168)	(254,168)
Amortisation	-	-	(5,166)	(5,166)
Movement in accrued interest	-	-	1,380	1,380
Changes in fair value	(121,655)	24,467	-	(97,188)
Release of impairment	-	-	1,173	1,173
Sale of subsidiary (note 32)	-	-	(4,178)	(4,178)
At 31 December 2022	1,064,065	643,452	1,774,819	3,482,336
Purchases	**291,579**	**258,879**	**242,766**	**793,224**
Disposals/redemptions	**(398,993)**	**(279,091)**	**(4,280)**	**(682,364)**
Maturities	**-**	**-**	**(89,717)**	**(89,717)**
Amortisation	**-**	**-**	**(1,984)**	**(1,984)**
Movement in accrued interest	**-**	**-**	**1,960**	**1,960**
Changes in fair value	**222,473**	**37,179**	**-**	**259,652**
Release of impairment	**-**	**-**	**129**	**129**
Acquisition of subsidiary (note 32)	**1,468**	**57,980**	**-**	**59,448**
At 31 December 2023	**1,180,592**	**718,399**	**1,923,693**	**3,822,684**

There were no reclassifications between financial investments categories during the year ended 31 December 2023 and 2022.

10.6 Movement in the allowance for impairment of financial investments measured at amortised cost during the year was as follows:

	2023 AED'000	2022 AED'000
At the beginning of the year	**3,240**	4,413
Written off during the year	**(2,203)**	-
(Release)/charge during the year	**(129)**	(1,173)
Balance at the end of the year	**908**	3,240

As of 31 December 2023 and 2022, there were no significant concentrations of credit risk for debt instruments measured at amortised cost. The carrying amount reflected above represents the Group's maximum exposure for credit risk for such assets.

11. Insurance contract assets and liabilities

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	LRC Excluding loss component	Loss component	LIC for contracts not under PAA	LIC for contracts under PAA: Present value of future cash flows	LIC for contracts under PAA: Risk adjustment for non-fin-risk	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Opening insurance contract liabilities	884,138	330	3,383	2,536,367	194,619	3,618,837
Opening insurance contract assets	(1,887)	204	-	879	88	(716)
Net balance as at 1 January 2023	**882,251**	**534**	**3,383**	**2,537,246**	**194,707**	**3,618,121**
Insurance revenue	**(4,644,425)**	**-**	**-**	**-**	**-**	**(4,644,425)**
Insurance service expenses						
Incurred claims and other directlyattributable expenses	-	-	12,434	3,121,257	80,395	3,214,086
Changes that relate to past service -adjustments to the LIC	-	-	(30)	25,744	(49,478)	(23,764)
Losses on onerous contracts and reversal of those losses	-	(21,008)	-	-	-	(21,008)
Insurance acquisition cash flows amortisation	540,259	-	-	-	-	540,259
Insurance service expenses	**540,259**	**(21,008)**	**12,404**	**3,147,001**	**30,917**	**3,709,573**
Insurance service result	**(4,104,166)**	**(21,008)**	**12,404**	**3,147,001**	**30,917**	**(934,852)**
Finance (income)/expenses from insurance contracts issued	(148)	52	-	90,874	7,149	97,927
Total amounts recognised incomprehensive income	**(4,104,314)**	**(20,956)**	**12,404**	**3,237,875**	**38,066**	**(836,925)**
Investment components	(10,652)	-	10,652	-	-	-
Acquisition of a subsidiary (note 32)	50,369	43,100	-	91,356	1,814	186,639
Cash flows						
Premiums received	4,545,448	-	-	-	-	4,545,448
Claims and other directly attributable expenses paid	-	-	(23,766)	(2,699,129)	-	(2,722,895)
Insurance acquisition cash flows	(546,221)	-	-	-	-	(546,221)
Total cash flows	**3,999,227**	**-**	**(23,766)**	**(2,699,129)**	**-**	**1,276,332**
Net balance as at 31 December 2023	**816,881**	**22,678**	**2,673**	**3,167,348**	**234,587**	**4,244,167**
Closing insurance contract liabilities	824,247	22,678	2,673	3,161,483	234,020	4,245,101
Closing insurance contract assets	(7,366)	-	-	5,865	567	(934)
Net balance as at 31 December 2023	**816,881**	**22,678**	**2,673**	**3,167,348**	**234,587**	**4,244,167**

11. Insurance contract assets and liabilities (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	LRC Excluding loss component	Loss component	LIC for contracts not under PAA	LIC for contracts under PAA Present value of future cash flows	LIC for contracts under PAA Risk adjustment for non-fin-risk	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Opening insurance contract liabilities	706,743	-	1,757	2,642,475	200,582	3,551,557
Opening insurance contract assets	(669)	-	-	(3)	-	(672)
Net balance as at 1 January 2022	706,074	-	1,757	2,642,472	200,582	3,550,885
Insurance revenue	(3,875,120)	-	-	-	-	(3,875,120)
Insurance service expenses						
Incurred claims and other directlyattributable expenses	-	-	12,602	2,570,215	76,096	2,658,913
Changes that relate to past service -adjustments to the LIC	-	-	267	(226,409)	(79,407)	(305,549)
Losses on onerous contracts and reversal of those losses	-	534	-	-	-	534
Insurance acquisition cash flows amortisation	469,013	-	-	-	-	469,013
Insurance service expenses	469,013	534	12,869	2,343,806	(3,311)	2,822,911
Insurance service result	(3,406,107)	534	12,869	2,343,806	(3,311)	(1,052,209)
Finance expenses from insurance contracts issued	(455)	-	-	(26,013)	(2,564)	(29,032)
Total amounts recognised incomprehensive income	(3,406,562)	534	12,869	2,317,793	(5,875)	(1,081,241)
Investment components	(13,295)	-	13,295	-	-	-
Elimination on sale of subsidiary	(2,527)	-	-	(139,859)	-	(142,386)
Cash flows						
Premiums received	4,089,432	-	-	-	-	4,089,432
Claims and other directly attributable expenses paid	-	-	(24,538)	(2,283,160)	-	(2,307,698)
Insurance acquisition cash flows	(490,871)	-	-	-	-	(490,871)
Total cash flows	3,598,561	-	(24,538)	(2,283,160)	-	1,290,863
Net balance as at 31 December 2022	882,251	534	3,383	2,537,246	194,707	3,618,121
Closing insurance contract liabilities	884,138	330	3,383	2,536,367	194,619	3,618,837
Closing insurance contract assets	(1,887)	204	-	879	88	(716)
Net balance as at 31 December 2022	882,251	534	3,383	2,537,246	194,707	3,618,121

11. Insurance contract assets and liabilities (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA

	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
	AED'000	AED'000	AED'000	AED'000
Opening insurance contract liabilities	99,057	4,900	25,675	129,632
Opening insurance contract assets	(1,139)	244	586	(309)
Net balance as at 1 January 2023	**97,918**	**5,144**	**26,261**	**129,323**
Changes that relate to current service				
CSM recognised for the services provided	-	-	(3,255)	(3,255)
Change in the risk adjustment for non- financial risk for the risk expired	-	(713)	-	(713)
Experience adjustments-premium and associated cashflows	2,933	-	-	2,933
Experience adjustments-relating to insurance service expenses	(6,970)	-	-	(6,970)
	(4,037)	**(713)**	**(3,255)**	**(8,005)**
Changes that relate to future service				
Changes in estimates that adjust the CSM	3,511	(304)	(3,207)	-
Changes in estimates that results in onerous contract losses or reversals of such losses	1,300	32	-	1,332
Contracts initially recognised in the period	(10,861)	962	10,249	350
Experience adjustment - arising from premiums received in the period that relate to future service	10,559	-	(10,559)	-
	4,509	**690**	**(3,517)**	**1,682**
Insurance service result	472	(23)	(6,772)	(6,323)
Finance expenses from insurance contracts issued	(7,493)	126	7,271	(96)
Total amounts recognised in comprehensive income	**(7,021)**	**103**	**499**	**(6,419)**
Cash flows				
Premiums received	62,468	-	-	62,468
Claims and other directly attributable expenses paid	(23,766)	-	-	(23,766)
Insurance acquisition cash flows	(10,585)	-	-	(10,585)
Total cash flows	28,117	-	-	28,117
Net balance as at 31 December 2023	**119,014**	**5,247**	**26,760**	**151,021**
Closing insurance contract liabilities	119,014	5,247	26,760	151,021
Closing insurance contract assets	-	-	-	-
Net balance as at 31 December 2023	**119,014**	**5,247**	**26,760**	**151,021**

11. Insurance contract assets and liabilities (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA (continued)

	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
	AED'000	AED'000	AED'000	AED'000
Opening insurance contract liabilities	107,803	5,087	19,715	132,605
Opening insurance contract assets	(1,744)	129	956	(659)
Net balance as at 1 January 2022	106,059	5,216	20,671	131,946
Changes that relate to current service				
CSM recognised for the services provided	-	-	(2,908)	(2,908)
Change in the risk adjustment for non- financial risk for the risk expired	-	(803)	-	(803)
Experience adjustments-premium and associated cashflows	6,065	-	-	6,065
Experience adjustments-relating to insurance service expenses	(4,714)	-	-	(4,714)
	1,351	(803)	(2,908)	(2,360)
Changes that relate to future service				
Changes in estimates that adjust the CSM	(10,610)	(29)	10,639	-
Changes in estimates that results in onerous contract losses or reversals of such losses	797	(177)	-	620
Contracts initially recognised in the period	(13,333)	1,022	12,311	-
Experience adjustment - arising from premiums received in the period that relate to future service	4,379	-	(4,379)	-
	(18,767)	816	18,571	620
Insurance service result	(17,416)	13	15,663	(1,740)
Finance expense/(income) from insurance contracts issued	9,704	(85)	(10,073)	(454)
Total amounts recognised in comprehensive income	(7,712)	(72)	5,590	(2,194)
Cash flows				
Premiums received	35,430	-	-	35,430
Claims and other directly attributable expenses paid	(24,535)	-	-	(24,535)
Insurance acquisition cash flows	(11,324)	-	-	(11,324)
Total cash flows	(429)	-	-	(429)
Net balance as at 31 December 2022	97,918	5,144	26,261	129,323
Closing insurance contract liabilities	99,057	4,900	25,675	129,632
Closing insurance contract assets	(1,139)	244	586	(309)
Net balance as at 31 December 2022	97,918	5,144	26,261	129,323

11. Insurance contract assets and liabilities (continued)

Analysis of insurance contracts initially recognised

	For the year ended 31 December 2023			For the year ended 31 December 2022		
	Non-onerous contracts originated	Onerous contracts originated	Total	Non-onerous contracts originated	Onerous contracts originated	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Claims and other directly attributable expenses	**60,016**	**7,314**	**67,330**	77,935	-	77,935
Estimates of present value of future cash outflows	**60,016**	**7,314**	**67,330**	77,935	-	77,935
Estimates of present value of future cash inflows	**(70,947)**	**(7,244)**	**(78,191)**	(91,268)	-	(91,268)
Risk adjustment for non-financial risk	**682**	**280**	**962**	1,022	-	1,022
CSM	**10,249**	**-**	**10,249**	12,311	-	12,311
Increase in contract liabilities from contracts recognised during the year	**-**	**350**	**350**	-	-	-

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:

	2023	*2022*
	Long term individual life insurance contracts issued	Long term individual life insurance contracts issued
	AED'000	AED'000
Number of years until expected to be recognised		
As at 31 December		
1	1,913	1,600
2-5	11,475	11,134
>5	13,372	13,527
Total	26,760	26,261

11. Insurance contract assets and liabilities (continued)

Insurance revenue and CSM by transition method

	New contracts and contracts measured under the full retrospective approach at transition AED'000	Contracts measured under the modified retrospective approach at transition AED'000	Total AED'000
Insurance revenue	**16,578**	**7,079**	**23,657**
Opening CSM as at 1 January 2023	**18,512**	**7,749**	**26,261**
Changes that relate to current service			
CSM recognised for the services provided	**(2,194)**	**(1,061)**	**(3,255)**
Changes that relate to future service			
Changes in estimates that adjust the CSM	(37)	(3,170)	(3,207)
Effects of contracts initially recognised in period	10,249	-	10,249
Experience adjustments- arising from premium received in the period that relates to future service	(10,160)	(399)	(10,559)
	52	**(3,569)**	**(3,517)**
Finance expenses from insurance contracts issued	4,458	2,813	7,271
Total amount recognised in comprehensive income	**2,316**	**(1,817)**	**499**
Closing CSM as at 31 December 2023	**20,828**	**5,932**	**26,760**

11. Insurance contract assets and liabilities (continued)

Insurance revenue and CSM by transition method

	New contracts and contracts measured under the full retrospective approach at transition AED'000	Contracts measured under the modified retrospective approach at transition AED'000	Total AED'000
Insurance revenue	10,264	6,730	16,994
Opening CSM as at 1 January 2022	11,428	9,243	20,671
Changes that relate to current service			
CSM recognised for the services provided	(1,555)	(1,353)	(2,908)
Changes that relate to future service			
Changes in estimates that adjust the CSM	6,105	4,534	10,639
Effects of contracts initially recognised in period	12,311	-	12,311
Experience adjustments- arising from premium received in the period that relates to future service	(4,609)	230	(4,379)
	13,807	4,764	18,571
Finance income from insurance contracts issued	(5,169)	(4,904)	(10,073)
Total amount recognised in comprehensive income	7,083	(1,493)	5,590
Closing CSM as at 31 December 2022	18,511	7,750	26,261

12. Reinsurance contracts assets and liabilities

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims

	Remaining coverage excluding loss-recovery component	Remaining coverage - loss recovery component	Incurred claims for contracts not under PAA	Incurred claims for contracts under PAA		Total
				Present value of future cash flows	Risk adj. for non-financial risk	
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Opening reinsurance contract liabilities	(11,553)	-	-	6,080	428	(5,045)
Opening reinsurance contract assets	203,665	-	2,046	2,009,806	158,175	2,373,692
Net balance as at 1 January 2023	**192,112**	**-**	**2,046**	**2,015,886**	**158,603**	**2,368,647**
Net income/(expense) from reinsurance contracts held						
Reinsurance expenses	(2,682,790)	-	-	-	-	(2,682,790)
Incurred claims recovery	-	-	107	1,855,599	66,005	1,921,711
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	-	73,997	(43,375)	30,622
Income on initial recognition of onerous underlying contracts	-	350	-	-	-	350
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	(190)	-	-	-	(190)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	(3,544)	-	-	-	(3,544)
Effect of changes in risk of reinsurers› non-performance	-	-	-	22	-	22
Net (expense)/income from reinsurance contracts held	**(2,682,790)**	**(3,384)**	**107**	**1,929,618**	**22,630**	**(733,819)**
Finance income from reinsurance contracts held	2,970	13	-	73,168	5,845	81,996
Total amounts recognised in comprehensive income	**(2,679,820)**	**(3,371)**	**107**	**2,002,786**	**28,475**	**(651,823)**
Acquisition of a subsidiary (note 32)	(6,786)	5,597	-	21,536	678	21,025
Cash flows						
Premiums paid net of ceding commissions	2,596,402	-	-	-	-	2,596,402
Recoveries from reinsurance	-	-	(288)	(1,589,689)	-	(1,589,977)
Total cash flows	2,596,402	-	(288)	(1,589,689)	-	1,006,425
Net balance as at 31 December 2023	**101,908**	**2,226**	**1,865**	**2,450,519**	**187,756**	**2,744,274**
Closing reinsurance contract liabilities	(25,235)	306	-	11,690	650	(12,589)
Closing reinsurance contract assets	127,143	1,920	1,865	2,438,829	187,106	2,756,863
Net balance as at 31 December 2023	**101,908**	**2,226**	**1,865**	**2,450,519**	**187,756**	**2,744,274**

12. Reinsurance contracts assets and liabilities

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

	Remaining coverage excluding loss-recovery component	Remaining coverage - loss recovery component	Incurred claims for contracts not under PAA	Incurred claims for contracts under PAA		Total
				Present value of future cash flows	Risk adj. for non-financial risk	
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Opening reinsurance contract liabilities	(11,712)	-	-	8,114	582	(3,016)
Opening reinsurance contract assets	243,055	-	1,097	2,039,036	161,358	2,444,546
Net balance as at 1 January 2022	**231,343**	-	**1,097**	**2,047,150**	**161,940**	**2,441,530**
Net income/(expense) from reinsurance contracts held						
Reinsurance expenses	(2,134,333)	-	-	-	-	(2,134,333)
Incurred claims recovery	-	-	1,082	1,565,869	63,846	1,630,797
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	-	(231,849)	(65,103)	(296,952)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-	-
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	4	-	-	-	4
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	(4)	-	-	-	(4)
Effect of changes in risk of reinsurers› non-performance	-	-	(4)	44	(3)	37
Net (expense)/income from reinsurance contracts held	**(2,134,333)**	**-**	**1,078**	**1,334,064**	**(1,260)**	**(800,451)**
Finance income / (expense) from reinsurance contracts held	3,571	-	-	(21,922)	(2,077)	(20,428)
Total amounts recognised in comprehensive income	**(2,130,762)**	**-**	**1,078**	**1,312,142**	**(3,337)**	**(820,879)**
Acquisition of a subsidiary (note 32)	(33,436)	-	-	(75,396)	-	(108,832)
Cash flows						
Premiums paid net of ceding commissions	2,124,967	-	-	-	-	2,124,967
Recoveries from reinsurance	-	-	(129)	(1,268,010)	-	(1,268,139)
Total cash flows	2,124,967	-	(129)	(1,268,010)	-	856,828
Net balance as at 31 December 2022	**192,112**	**-**	**2,046**	**2,015,886**	**158,603**	**2,368,647**
Closing reinsurance contract liabilities	(11,553)	-	-	6,080	428	(5,045)
Closing reinsurance contract assets	203,665	-	2,046	2,009,806	158,175	2,373,692
Net balance as at 31 December 2022	**192,112**	**-**	**2,046**	**2,015,886**	**158,603**	**2,368,647**

12. Reinsurance contracts assets and liabilities (continued)

Reconciliation of measurement component of reinsurance contract balances not measured under the PAA

	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
	AED'000	AED'000	AED'000	AED'000
Opening reinsurance contract liabilities	-	-	-	-
Opening reinsurance contract assets	(20,522)	1,424	28,301	9,203
Net balance as at 1 January 2023	(20,522)	1,424	28,301	9,203
Changes that relate to current service				
CSM recognised in profit or loss for the services received	-	-	(3,412)	(3,412)
Change in the risk adjustment for non- financial risk for the risk expired	-	(207)	-	(207)
Experience adjustments-relating to incurred claims and other directly attributable expenses recovery	(3,911)	-	-	(3,911)
	(3,911)	(207)	(3,412)	(7,530)
Changes that relate to future service				
Changes in estimates that adjust the CSM	(2,189)	(226)	2,415	-
Contracts initially recognised in the period	(13,899)	1,176	12,723	-
CSM adjustment for income on initial recognition of onerous underlying contracts	-	-	350	350
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	1,723	1,723
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	5,864	-	(5,864)	-
	(10,224)	950	11,347	2,073
Net (expense)/income from reinsurance contracts held	(14,135)	743	7,935	(5,457)
Finance income/(expenses) from reinsurance contracts held	1,777	(280)	1,486	2,983
Total amounts recognised in comprehensive income	(12,358)	463	9,421	(2,474)
Cash flows				
Premiums paid net of ceding commissions	5,464	-	-	5,464
Recoveries from reinsurance	(288)	-	-	(288)
Total cash flows	5,176	-	-	5,176
Net balance as at 31 December 2023	(27,704)	1,887	37,722	11,905
Closing reinsurance contract liabilities	-	-	-	-
Closing reinsurance contract assets	(27,704)	1,887	37,722	11,905
Net balance as at 31 December 2023	(27,704)	1,887	37,722	11,905

12. Reinsurance contracts assets and liabilities (continued)

Reconciliation of measurement component of reinsurance contract balances not measured under the PAA (continued)

	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
	AED'000	AED'000	AED'000	AED'000
Opening reinsurance contract liabilities	-	-	-	-
Opening reinsurance contract assets	(14,374)	1,032	19,657	6,315
Net balance as at 1 January 2022	(14,374)	1,032	19,657	6,315
Changes that relate to current service				
CSM recognised in profit or loss for the services received	-	-	(2,376)	(2,376)
Change in the risk adjustment for non- financial risk for the risk expired	-	(145)	-	(145)
Experience adjustments-relating to incurred claims and other directly attributable expenses recovery	(1,763)	-	-	(1,763)
	(1,763)	(145)	(2,376)	(4,284)
Changes that relate to future service				
Changes in estimates that adjust the CSM	(3,372)	(107)	3,479	-
Contracts initially recognised in the period	(11,494)	1,012	10,482	-
CSM adjustment for income on initial recognition of onerous underlying contracts	-	-	-	-
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	(4)	(4)
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	4,007	-	(4,007)	-
	(10,859)	905	9,950	(4)
Net (expense)/income from reinsurance contracts held	(12,622)	760	7,574	(4,288)
Finance income/(expenses) from reinsurance contracts held	2,869	(368)	1,070	3,571
Total amounts recognised in comprehensive income	(9,753)	392	8,644	(717)
Cash flows				
Premiums paid net of ceding commissions	3,734	-	-	3,734
Recoveries from reinsurance	(129)	-	-	(129)
Total cash flows	3,605	-	-	3,605
Net balance as at 31 December 2022	(20,522)	1,424	28,301	9,203
Closing reinsurance contract liabilities	-	-	-	-
Closing reinsurance contract assets	(20,522)	1,424	28,301	9,203
Net balance as at 31 December 2022	(20,522)	1,424	28,301	9,203

12. Reinsurance contracts assets and liabilities (continued)

Analysis of reinsurance contracts held initially recognised

	For the year ended 31 December 2023			*For the year ended 31 December 2022*		
	Contracts originated not in a net gain position	Contracts originated in a net gain position	Total	Contracts originated not in a net gain position	Contracts originated in a net gain position	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Estimates of present value of future cash inflows	**15,350**	**-**	**15,350**	13,777	-	13,777
Estimates of present value of future cash outflows	**(29,249)**	**-**	**(29,249)**	(25,271)	-	(25,271)
Risk adjustment for non-financial risk	**1,176**	**-**	**1,176**	1,012	-	1,012
CSM	**12,723**	**-**	**12,723**	10,482	-	10,482
Increase in reinsurance contract assets from contracts recognised during the year	**-**	**-**	**-**	-	-	-

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:

	2023	*2022*
	Long term individual life reinsurance contracts held	Long term individual life reinsurance contracts held
	AED'000	AED'000
Number of years until expected to be recognised		
As at 31 December		
1	5,961	4,798
2-5	14,742	11,590
>5	17,019	11,913
Total	37,722	28,301

CSM by transition method

	Contracts measured under the modified retrospective approach at transition	
	2023 AED'000	2022 AED'000
Opening CSM as at 1 January	**28,301**	**19,657**
Changes that relate to current service		
CSM recognised in the profit or loss for the services received	(3,412)	(2,376)
Changes that relate to future service		
Changes in estimates that adjust the CSM	4,138	3,475
Contracts initially recognised in period	13,073	10,482
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	(5,864)	(4,007)
	11,347	9,950
Finance income from reinsurance contracts held	1,486	1,070
Total amount recognised in comprehensive income	**9,421**	**8,644**
Closing CSM as at 31 December	**37,722**	**28,301**

MAY 2023

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ASCANA ACQUISITION COMPLETED

SUKOON™ INSURANCE

13. Prepayments and other receivables

	2023 AED'000	Restated 2022 AED'000
Accrued income	4,692	2,460
Prepayments	24,293	21,425
Staff debtors and advances	6,341	6,536
Other receivables (net of expected credit losses)	195,049	159,837
	230,375	190,258

14. Bank balances and cash

	2023 AED'000	2022 AED'000
Deposits with banks with original maturities of more than three months	969,541	553,642
Deposits with banks with original maturities within three months	98,579	82,326
Current accounts and cash	62,896	152,753
Less: Allowance for impairment as per IFRS 9	(148)	(305)
	161,327	234,774
Total bank balances and cash	1,130,868	788,416
Less: Deposit with banks with original maturities of more than three months	(969,541)	(553,642)
Add: Allowance for impairment as per IFRS 9	148	305
Cash and cash equivalents for the purpose of the consolidated statement of cash flows	161,475	235,079

The interest rates on fixed deposits and call accounts with banks range from 0.3% to 6.3% (31 December 2022: 0.6% to 6%) per annum. Bank balances amounting to AED 979,953 thousand (31 December 2022: AED 706,494 thousand) are held in banks in the United Arab Emirates.

Certain bank balances and deposits with carrying amount of AED 6,093 thousand at 31 December 2023 (31 December 2022: AED 7,764 thousand) are subject to lien in respect of guarantees.

15. Share capital

	2023 AED'000	2022 AED'000
Authorised, issued and fully paid 461,872,125 shares of AED 1 each (31 December 2022: 461,872,125 shares of AED 1 each)	461,872	461,872

16. Other reserves

	Statutory reserve	Strategic reserve	General reserve	Contingency reserve	Reinsurance regulatory reserve	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2022	231,051	303,750	933,051	17,189	8,702	1,493,743
Transfer from retained earnings to statutory reserve (note 16.1)	(115)	-	-	-	-	(115)
Transfer from retained earnings to contingency reserve (note 16.4)	-	-	-	1,066	-	1,066
Transfer from retained earnings to reinsurance regulatory reserve (note 16.5)	-	-	-	-	12,886	12,886
Balance at 31 December 2022	**230,936**	**303,750**	**933,051**	**18,255**	**21,588**	**1,507,580**
Transfer from retained earnings to contingency reserve (note 16.4)	-	-	-	1,056	-	1,056
Transfer from retained earnings to reinsurance regulatory reserve (note 16.5)	-	-	-	-	13,037	13,037
Balance at 31 December 2023	230,936	303,750	933,051	19,311	34,625	1,521,673

16.1 Statutory reserve
In accordance with the Commercial Companies Law of the United Arab Emirates and the Company's Articles of Association, 10% of profit for the year is required to be transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the statutory reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated by the law. The shareholders had resolved to discontinue the appropriation as the statutory reserve reached 50% of share capital. Accordingly, no transfer was made during the year for the Company.

Statutory reserve maintained in accordance with the Turkish Commercial Code ("TCC") which is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the subsidiary's (Dubai Sigorta A.S.) paid-in share capital. The Group has discontinued maintaining the statutory reserve relating to Dubai Sigorta A.S. after the sale of subsidiary (Dubai Sigorta A.S.) (note 32). During the year ended 31 December 2022, statutory reserve of AED 115 thousand was transferred to retained earnings on the sale of Dubai Sigorta A.S.

16.2 Strategic reserve
The strategic reserve may be utilised for any purpose to be determined by a resolution of the Shareholders of the Company at the general assembly meeting, on the recommendation of the Board of Directors. No transfers have been made to the strategic reserve during the years 2023 and 2022.

16.3 General reserve
In accordance with the amended Articles of Association, 10% of net profit for the year is required to be transferred to a general reserve. The Company may discontinue such annual transfers by a resolution of the general assembly as recommended by the Board, or when the general reserve reaches 50% of the paid-up share capital. The Company has discontinued the appropriation as the general reserve reached 50% of paid-up share capital.

16.4 Contingency reserve – Oman Branch
In accordance with Article 10 (bis) (2) (c) and 10 (bis) (3)(b) of Regulations for Implementing Insurance Companies Law (Ministerial Order 5/80), as amended, of Sultanate of Oman, 10% of the net outstanding claims and IBNR in case of the general insurance business and 1% of the gross life assurance premiums for the year in case of life insurance business at the end of the reporting period is transferred from retained earnings to a contingency reserve until the provision is equal to RO 5 million. In case of insufficient retained earnings or accumulated loss position, the deficit in transfer will be adjusted against retained earnings of future years. The reserves shall not be used without the prior approval of the Capital Market Authority of Sultanate of Oman.

16.5 Reinsurance regulatory reserve – UAE operations
In accordance with Article 34 of the Insurance Authority Board of Directors Decision No. (23) of 2019 effective eighteen months from 15 May 2019, the Group transferred AED 13,037 thousand to the reinsurance regulatory reserve amounting for the year ended 31 December 2023 (31 December 2022: AED 12,886 thousand), being 0.5% of the total reinsurance premiums ceded by the Group in the United Arab Emirates in all classes of business. The Group shall accumulate such provision year on year and not dispose of the provision without the written approval of the Director General of the CBUAE.

17. Employees' end of service benefits

	2023 AED'000	2022 AED'000
Balance at the beginning of the year	**41,290**	39,737
Acquisition of a subsidiary (note 32)	**2,336**	-
Charge for the year	**6,039**	4,877
Paid during the year	**(5,687)**	(3,324)
Balance at the end of the year	**43,978**	41,290

18. Other payables

	2023 AED'000	Restated 2022 AED'000
Accruals for staff costs	**25,210**	23,433
Lease liabilities	**24,788**	22,811
Other payables and accruals	**523,443**	357,205
	573,441	403,449

19. Investment contract liabilities

	2023 AED'000	Restated 2022 AED'000
At the beginning of the year	**994,591**	381,741
Transfer of unit linked life insurance portfolio (note 36(b))	**-**	688,737
Movement during the year	**100,903**	(75,887)
Balance at the end of the year	**1,095,494**	994,591

20. Net investment income and insurance finance income/(expenses)

	2023 AED'000	2022 AED'000
Interest income from financial assets at amortised cost:		
Interest income from financial investments at amortised cost	**71,980**	64,371
Interest income from bank deposits	**50,794**	36,832
	122,774	101,203
Realised (loss)/gain on sale of financial investments at amortised cost	**(424)**	103
Other investment income - net:		
Dividend income from financial investments at FVTPL and FVTOCI	**43,836**	31,914
Interest income from financial investments at FVTOCI	**616**	-
Rental income from investment properties	**14,513**	7,815
Fair value gains on investment properties (note 7)	**26,078**	2,011
Fair value gains on financial investments at FVTPL (excluding unit linked investments)	**-**	(4,068)
Realised gains on sale of financial investments at FVTPL	**1,546**	103
Realised loss on sale of investment properties	**(2,295)**	-
Realised loss on sale of debt investments at FVTOCI	**(83)**	-
Other investment expenses	**(17,092)**	(14,443)
Release of impairment on financial investments and bank balances and deposits as per IFRS 9	**283**	1,404
	67,402	24,736
Net investment income	**189,752**	126,042
Finance (expenses)/income from insurance contracts issued		
Change in fair value of underlying assets of contracts measured under the VFA	**2,656**	1,260
Interest accreted	**(107,143)**	(37,398)
Changes in interest rates and other financial assumptions	**6,565**	65,178
Changes in FCF at current rates when CSM is unlocked at locked-in rates	**(5)**	(8)
Net finance (expenses)/income from insurance contracts issued	**(97,927)**	29,032
Finance expenses from insurance contracts issued recognised in profit or loss	**(104,229)**	(35,734)
Finance income from insurance contracts issued recognised in OCI	**6,302**	64,766
Net finance (expenses)/income from insurance contracts issued	**(97,927)**	29,032
Finance income/(expenses) from reinsurance contracts held		
Interest accreted	**84,168**	29,663
Changes in interest rates and other financial assumptions	**(4,159)**	(50,939)
Changes in FCF at current rates when CSM is unlocked at locked in rates	**1,987**	848
Net finance income/(expenses) from reinsurance contracts held	**81,996**	(20,428)
Finance income from reinsurance contracts held recognised in profit or loss	**86,693**	32,889
Finance expenses from reinsurance contracts held recognised in OCI	**(4,697)**	(53,317)
Net finance income/(expenses) from reinsurance contracts held	**81,996**	(20,428)

21. General and administrative expenses

For the year ended 31 December 2023

	Expenses attributable to insurance acquisition cash flow	Other directly attributable expenses	Other operating expenses	Total
	AED'000	AED'000	AED'000	AED'000
Staff costs	**138,002**	**7,181**	**57,490**	**202,673**
Commission expenses	**382,063**	**4,382**	**-**	**386,445**
Depreciation	**11,346**	**5,439**	**7,262**	**24,047**
Rental costs – short-term leases	**3,344**	**305**	**689**	**4,338**
Other expenses	**8,906**	**36,892**	**44,966**	**90,764**
Adjustment for amortisation of acquisition expenses other than commissions	**(3,402)**	**-**	**-**	**(3,402)**
	540,259	**54,199**	**110,407**	**704,865**

For the year ended 31 December 2022

	Expenses attributable to insurance acquisition cash flow	Other directly attributable expenses	Other operating expenses	Total
	AED'000	AED'000	AED'000	AED'000
Staff costs	127,440	-	48,849	176,289
Commission expenses	317,920	5,107	-	323,027
Depreciation	12,647	5,665	7,414	25,726
Rental costs – short-term leases	4,294	-	5	4,299
Other expenses	6,249	23,566	48,332	78,147
Adjustment for amortisation of acquisition expenses other than commissions	463	-	-	463
	469,013	34,338	104,600	607,951

22. Earnings per share

	2023	2022 Restated
Profit for the year attributable to the owners of the Company (AED'000)	**256,866**	259,312
Weighted average number of shares	**461,872,125**	461,872,125
Basic and diluted earnings per share (AED)	**0.56**	0.56

Basic earnings per share are calculated by dividing the profit for the year attributable to the owners of the Company by the number of weighted average shares outstanding at the end of the reporting period. Diluted earnings per share is equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

23. Related party transactions and balances

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

23.1 Balances with related parties included in the consolidated statement of financial position are as follows:

	2023 AED'000	2022 AED'000
Balances with Major shareholder:		
Cash and bank balances	**15,665**	11,715
Financial investments	**123,857**	86,633
Statutory deposits	**-**	10,000
Bank borrowings	**86,000**	-
Due from/(to) Major shareholder:		
Net insurance receivables	**6,592**	4,353
Net insurance and other payables	**(3,052)**	(188)
Due from/(to) Directors and businesses over which they exercise significant management influence:		
Net insurance receivables	**8,852**	6,935
Net insurance and other payables	**(3,199)**	(3,178)

23.2 Transactions with related parties during the year are as follows:

	2023 AED'000	2022 AED'000
Transactions arising from insurance contracts with Major shareholder:		
Gross insurance premiums	**110,485**	87,922
Gross claims settled	**(51,579)**	(37,026)
Other transactions with Major shareholder:		
Interest income	**620**	552
Dividend income	**5,452**	606
Interest and other expenses	**(5,849)**	(2,768)
Rental expense	**(6,922)**	(6,275)
Transactions arising from insurance contracts with Directors and businesses over which they exercise significant management influence:		
Gross insurance premiums	**35,359**	35,794
Gross claims settled	**(9,119)**	(13,358)
Other transactions with Directors and businesses over which they exercise significant management influence:		
Other expenses	**(6,630**	(6,048)

The Group has entered into above transactions with related parties which were made on substantially the same terms, as those prevailing at the same time for comparable transactions with third parties.

23.3 Compensation of key management personnel

	2023 AED'000	2022 AED'000
Board of directors' remuneration	**(1,950)**	(2,250)
Salaries and benefits	**(5,120)**	(4,957)
End of service benefits	**(183)**	(170)
	(7,253)	(7,377)

24. Segment information

For management purposes, the Group is organised into three business segments, general insurance, life insurance and investments. The general insurance segment mainly comprises property, engineering, energy, medical, motor, general accident, aviation and marine risks. The life insurance segment includes individual life (participating and non-participating), group life, credit life as well as investment linked products. Investment comprises investments (financial and non-financial), deposits with banks and cash management for the Group's own accounts.

Segmental information is presented below:

24.1 Segment insurance revenue

	For the year ended 31 December 2023			*For the year ended 31 December 2022*		
	Non-Life Insurance	Life Insurance	Total	Non-Life Insurance	Life Insurance	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Amounts relating to changes in the LRC:						
- Expected incurred claims and other directly attributable expenses	-	15,045	15,045	-	10,524	10,524
- Change in risk adjustment for non-financial risk for the risk expired	-	888	888	-	829	829
- CSM recognised for the services provided	-	3,255	3,255	-	2,908	2,908
Insurance acquisition cash flow recovery	-	4,469	4,469	-	2,733	2,733
Contracts not measured under PAA	-	23,657	23,657	-	16,994	16,994
Contracts measured under PAA	4,492,091	128,677	4,620,768	3,743,787	114,339	3,858,126
Total insurance revenue	4,492,091	152,334	4,644,425	3,743,787	131,333	3,875,120

24.2 Segment results by operating segments

	For the year ended 31 December 2023			*Restated for the year ended 31 December 2022*		
	Non-Life Insurance	Life Insurance	Total	Non-Life Insurance	Life Insurance	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Insurance service result from insurance contracts issued	882,427	52,425	934,852	1,009,896	42,313	1,052,209
Net expense from reinsurance contracts held	(697,757)	(36,062)	(733,819)	(773,086)	(27,365)	(800,451)
Insurance service result	184,670	16,363	201,033	236,810	14,948	251,758
Net investment income			189,752			126,042
Net insurance finance expenses			(17,536)			(2,845)
General and administrative expenses			(110,407)			(104,600)
Board of directors' remuneration			(1,950)			(2,250)
Finance cost			(3,238)			-
Loss on sale of subsidiary (note 32)			-			(25,960)
Other income - net			706			22,176
Profit before tax			258,360			264,321
Income tax expenses			(970)			(5,009)
Profit for the year			257,390			259,312
Attributable to			256,866			259,312
Owners of the Company			524			-
Non-controlling interests			257,390			259,312

24.3 Segment results by geographical distribution

	For the year ended 31 December 2023			*Restated for the year ended 31 December 2022*		
	GCC	Non GCC	Total	GCC	Non GCC	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Insurance service result from insurance contracts issued	920,878	13,974	934,852	1,052,850	(641)	1,052,209
Net expense from reinsurance contracts held	(721,458)	(12,361)	(733,819)	(809,941)	9,490	(800,451)
Insurance service result	199,420	1,613	201,033	242,909	8,849	251,758
Net investment income	189,162	590	189,752	109,404	16,638	126,042
Net insurance finance expenses	(16,815)	(721)	(17,536)	(2,845)	-	(2,845)
General and administrative expenses	(110,407)	-	(110,407)	(98,894)	(5,706)	(104,600)
Board of directors' remuneration	(1,950)	-	(1,950)	(2,250)	-	(2,250)
Finance cost	(3,238)	-	(3,238)	-	-	-
Loss on sale of subsidiary (note 32)	-	-	-	(25,960)	-	(25,960)
Other income - net	3,299	(2,593)	706	19,713	2,463	22,176
Profit before tax	259,471	(1,111)	258,360	242,077	22,244	264,321
Income tax expenses	(970)	-	(970)	(2,331)	(2,678)	(5,009)
Profit for the year	258,501	(1,111)	257,390	239,746	19,566	259,312
Attributable to						
Owners of the Company	257,977	(1,111)	256,866	239,746	19,566	259,312
Non-controlling interests	524	-	524	-	-	-
	258,501	(1,111)	257,390	239,746	19,566	259,312

24.4 Segment assets and liabilities

	As at 31 December 2023				*Restated as at 31 December 2022*			
	Non-Life Insurance	Life Insurance	Investments	Total	Non-Life Insurance	Life Insurance	Investments	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets	4,234,391	1,437,481	3,157,769	8,829,641	3,459,650	1,254,586	2,899,731	7,613,967
Segment liabilities	4,685,054	1,375,536	-	6,060,590	3,813,182	1,250,030	-	5,063,212

24.5 Insurance and reinsurance contract assets and liabilities

The table below sets out the carrying amounts of insurance and reinsurance contract assets and liabilities at the end of reporting date, per level of aggregation:

	As at 31 December 2023			As at 31 December 2022		
	GCC	Non GCC	Total	GCC	Non GCC	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Insurance contract liabilities	**4,008,813**	**236,288**	**4,245,101**	3,404,345	214,492	3,618,837
Insurance contract assets	**(934)**	**-**	**(934)**	(406)	(310)	(716)
Net	**4,007,879**	**236,288**	**4,244,167**	3,403,939	214,182	3,618,121
Reinsurance contract assets	**2,699,924**	**56,939**	**2,756,863**	2,310,508	63,184	2,373,692
Reinsurance contract liabilities	**(12,553)**	**(36)**	**(12,589)**	(5,045)	-	(5,045)
Net	**2,687,371**	**56,903**	**2,744,274**	2,305,463	63,184	2,368,647

25. Contingent liabilities

At 31 December 2023, the Group had contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business amounting to AED 49 million (31 December 2022: AED 81 million).

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Group's consolidated financial performance or consolidated statement of financial position.

26. Commitments

26.1 Purchase commitments

	2023 AED'000	2022 AED'000
Commitments in respect of uncalled subscription of certain shares held as investments	**26,302**	36,331
Capital commitments towards acquisitions of property and equipment	**18,898**	21,654

27. Insurance risk

The Group has a robust process for managing risks in accordance with the groupwide risk appetite. The Enterprise Risk Management (ERM) department supervises the Executive Risk Committee and the Risk Management Framework. The Executive Risk Committee has been established as a second line of defense body but composed of members who holds position to take immediate executive actions to address the risk issues. The Executive Risk Committee convenes at least on a quarterly basis. The Group has an ongoing commitment to maintain an effective risk culture, as it is critical to the Group's success in maintaining and developing an effective risk management system. Accountabilities for the implementation and oversight of particular risks are aligned with individual executives. The risk owners are responsible for ensuring adequate level of review and confirmation of the risk evaluations along with the effectiveness of control.

The Group assesses the exposure to climate change risk by implementing scenario analysis and stress testing based on outcome of the modeling of natural catastrophic events exposure and by reviewing the impact on Group's profitability and solvency. The scenario analysis covers different lines of businesses, countries, perils and return period data. Overall, the outcome shows that the Group is well capitalised to reasonably absorb most of the shocks from the various scenarios included into the stress test.

Additional enhancement implemented for the Risk Management Governance is the establishment of Board Risk Committee ("BRC") in 2021, which validates Enterprise Risk management framework and Risk Appetite of the Company before submitting them to the Board, provides oversight of the management of risks within the Risk management framework and risk appetite approved by the Board.

The Executive Committee oversees the management of insurance risks through its Risk Committee, Reinsurance Committee, Reserving Committee, Large and Strategic accounts forum and Audit committee. Each of these committees have a distinct role to play within the risk governance framework.

Insurance risk is the risk arising from the uncertainty around the actual experience and/or policyholder behavior being materially different than expected at the inception of an insurance contract. These uncertainties include the amount and timing of cash flows from premiums, commissions, expenses, claims and claim settlement expenses paid or received under a contract.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the estimated amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than the estimate. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

27.1 Frequency and severity of claims

The Group manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, line of business and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

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

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Group should not suffer net insurance losses more than the limit defined in the Risk appetite statement in any one event. The Group has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are frequently reviewed individually and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

27.2 Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, certain claims are settled over a long period of time and element of the claims provision include incurred but not reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities and changing situation during the claim evaluation. In estimating the liability for the cost of reported claims not yet paid, the Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is possible that the final outcome will prove to be different from the original liability established. The amount of insurance claims is in certain cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

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

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

27.3 Process used to decide on assumptions

The risks associated with insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group uses assumptions based on a mixture of internal and market data to measure its claims liabilities. Internal data is derived mostly from the Group's claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Group has reviewed the individual contracts and in particular, the line of business in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The Group uses several statistical methods and actuarial techniques to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The three methods more commonly used are the Chain Ladder, Expected Loss Ratio and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year.

Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business or involves significant deal of changes in terms of process.

Expected Loss Ratio method (ELR) is used to determine the projected amount of claims, relative to earned premiums. ELR method is used for line of businesses that lack past data, while the chain ladder method is used for stable businesses. In certain instances, such as new lines of business, the ELR method may be the only possible way to figure out the appropriate level of loss reserves required.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

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

The Group uses standard actuarial techniques to estimate its loss provisions as mentioned above. Actuarial techniques and/or methodologies used to estimate the loss provisions could vary based on the specific nature of the lines of business. The general excluding motor and group life business typically have a lower frequency and higher severity of claims while the medical and motor business are more attritional in nature i.e., higher frequency and lower severity. For the attritional lines, any inconsistencies in the claims processes could impact the loss development experience assumed in the technical provisions calculation and hence is one of the key assumptions in the estimation of the technical provisions. For the less attritional lines, typically the loss ratio assumptions under the Bornhuetter-Ferguson technique is a key assumption in the estimation of the technical provisions. The Group monitors closely and validates the key assumptions in the estimation of the technical provisions on a periodic basis.

27.4 Claims development process

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The Group has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

Gross claims development

Accident year	Before 2021 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	Total AED'000
At the end of each reporting year					
2021		2,291,477	-	-	2,291,477
2022		2,253,864	2,519,440	-	4,773,304
2023		2,248,383	2,567,448	3,194,501	8,010,332
Gross estimates of the undiscounted amount of the claims		**2,248,383**	**2,567,448**	**3,194,501**	**8,010,332**
Cumulative payments to date		1,949,723	2,030,961	1,745,069	5,725,753
Gross undiscounted liabilities for incurred claims	**856,490**	**298,660**	**536,487**	**1,449,432**	**3,141,069**
Effect of discounting					(205,627)
Effect of risk adjustment for non-financial risk					234,587
Others*					231,906
Total gross liabilities for incurred claims					**3,401,935**

** Others includes Gross Unallocated loss adjustment expenses reserve and Insurance claims payable.*

Net claims development

Accident year	Before 2021 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	Total AED'000
At the end of each reporting year					
2021		1,159,214	-	-	1,159,214
2022		1,112,863	1,168,232	-	2,281,095
2023		1,097,770	1,175,023	1,371,599	3,644,392
Net estimates of the undiscounted amount of the claims		**1,097,770**	**1,175,023**	**1,371,599**	**3,644,392**
Cumulative payments to date		995,592	1,029,365	971,823	2,996,780
Net undiscounted liabilities for incurred claims	**117,080**	**102,178**	**145,658**	**399,776**	**764,692**
Effect of discounting					(40,071)
Effect of risk adjustment for non-financial risk					46,831
Others*					(7,792)
Total net liabilities for incurred claims					**763,660**

** Others includes Net Unallocated loss adjustment expenses reserve, Non-performance risks and Net (re)insurance claims payable*

27.5 Sensitivity analysis

Sensitivity analysis for contracts measured under PAA

	For the year ended 31 December 2023		*For the year ended 31 December 2022*	
	LIC AED'000	Impact on LIC AED'000	LIC AED'000	Impact on LIC AED'000
Insurance contract liabilities	**3,401,935**		2,731,953	
Reinsurance contract assets	**(2,638,275)**		(2,174,489)	
Net insurance contract liabilities	**763,660**		557,464	
5% increase - LIC				
Insurance contract liabilities	**3,572,032**	**(170,097)**	2,868,551	(136,598)
Reinsurance contract assets	**(2,770,189)**	**131,914**	(2,283,213)	108,724
Net insurance contract liabilities	**801,843**	**(38,183)**	585,338	(27,874)
5% decrease - LIC				
Insurance contract liabilities	**3,231,838**	**170,097**	2,595,355	136,598
Reinsurance contract assets	**(2,506,361)**	**(131,914)**	(2,065,765)	(108,724)
Net insurance contract liabilities	**725,477**	**38,183**	529,590	27,874

Sensitivity analysis for contracts not measured under PAA

	For the year ended 31 December 2023		*For the year ended 31 December 2022*	
	Net Insurance contract liabilities	Impact on net Insurance contract liabilities	Net Insurance contract liabilities	Impact on net Insurance contract liabilities
	AED'000	AED'000	AED'000	AED'000
Insurance contract liabilities	**151,021**		129,323	
Reinsurance contract assets	**(11,905)**		(9,203)	
Net insurance contract liabilities	**139,116**		120,120	
5% increase - Expenses				
Insurance contract liabilities	**151,139**	**(118)**	129,424	(101)
Reinsurance contract assets	**(11,930)**	**25**	(9,223)	20
Net insurance contract liabilities	**139,209**	**(93)**	120,201	(81)
10% increase - Lapses				
Insurance contract liabilities	**150,812**	**209**	129,144	179
Reinsurance contract assets	**(12,133)**	**228**	(9,379)	176
Net insurance contract liabilities	**138,679**	**437**	119,765	355
1% increase - Mortality				
Insurance contract liabilities	**151,116**	**(95)**	129,405	(82)
Reinsurance contract assets	**(11,923)**	**18**	(9,217)	14
Net insurance contract liabilities	**139,193**	**(77)**	120,188	(68)

27.6 Concentration of insurance risk

The Group's underwriting business is mainly based within GCC countries.

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

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

The geographical concentration of the Group's insurance contract liabilities is noted below. The disclosure is based on the countries where the business is written:

	Non-Life	Life	Total	Non-Life	Life	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
GCC countries:						
Insurance contract liabilities - net	**3,974,378**	**236,288**	**4,210,666**	3,376,583	214,182	3,590,765
Reinsurance contract assets - net	**2,676,550**	**56,903**	**2,733,453**	2,308,088	63,184	2,371,272
Non GCC countries:						
Insurance contract liabilities - net	**33,501**	**-**	**33,501**	27,356	-	27,356
Reinsurance contract assets - net	**10,821**	**-**	**10,821**	(2,625)	-	(2,625)

28. Capital management

The Group's objectives when managing capital are summarised as follows:

- to comply with the insurance capital requirements required by the regulators of the insurance industry where the entities within the Group operate;
- to protect its policy holders' interests;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for other stakeholders; and
- to provide an adequate return to the shareholders by pricing insurance contracts commensurately with the level of risk.

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

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held to meet these solvency margins as defined in the Regulations. In accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022, the Group has disclosed the solvency position for the immediately preceding period as the current year solvency position is not yet finalised.

	At 30 September 2023
	AED'000 (Unaudited)
Minimum Capital Requirement (MCR)	**100,000**
Solvency Capital Requirement (SCR)	**901,974**
Minimum Guarantee Fund (MGF)	**485,436**
Own Funds:	
Basic Own Funds	**2,412,653**
Ancillary Own Funds	**-**
Minimum Capital Requirement Surplus (over MCR)	**2,312,653**
Minimum Capital Requirement Surplus (over SCR)	**1,510,679**
Minimum Capital Requirement Surplus (over MGF)	**1,927,217**

Based on the CBUAE regulatory requirements, the minimum regulatory capital required is AED 100 million (31 December 2022: AED 100 million) against which the paid up capital of the Company is AED 462 million (31 December 2022: AED 462 million).

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no changes in the Group's management of capital during the year.

29. Classification of financial assets and liabilities

a. The table below sets out the Group's classification of each class of financial assets and liabilities and their carrying amounts as at 31 December 2023:

	FVTPL AED'000	FVTOCI AED'000	Amortised cost AED'000	Total AED'000
Financial assets:				
Cash and cash equivalents	**-**	**-**	**161,327**	**161,327**
Deposits with banks	**-**	**-**	**969,541**	**969,541**
Stautory deposits	**-**	**-**	**195,528**	**195,528**
Financial investments measured at fair value	**1,180,592**	**718,399**	**-**	**1,898,991**
Financial investments measured at amortised cost	**-**	**-**	**1,923,693**	**1,923,693**
Other receivables (excluding prepayments)	**-**	**-**	**206,082**	**206,082**
Total	**1,180,592**	**718,399**	**3,456,171**	**5,355,162**
Financial liabilities:				
Investment contract liabilities	**1,095,494**	**-**	**-**	**1,095,494**
Other payables	**-**	**-**	**573,441**	**573,441**
Total	**1,095,494**	**-**	**573,441**	**1,668,935**

b. The table below sets out the Group's classification of each class of financial assets and liabilities and their carrying amounts as at 31 December 2022:

	FVTPL AED'000	FVTOCI AED'000	Amortised cost AED'000	Total AED'000
Financial assets:				
Cash and cash equivalents	-	-	234,774	234,774
Deposits with banks	-	-	553,642	553,642
Stautory deposits	-	-	184,091	184,091
Financial investments measured at fair value	1,064,065	643,452	-	1,707,517
Financial investments measured at amortised cost	-	-	1,774,819	1,774,819
Other receivables (excluding prepayments)	-	-	168,833	168,833
Total	1,064,065	643,452	2,916,159	4,623,676
Financial liabilities:				
Investment contract liabilities	994,591	-	-	994,591
Other payables	-	-	403,449	403,449
Total	994,591	-	403,449	1,398,040

Management considers that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values, except for the financial investments measured at amortised cost of which fair value is determined and disclosed in note 30.3 of these consolidated financial statements.

30. Fair value measurements

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used for the year ended 31 December 2022.

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

Some of the Group's financial assets and liabilities are measured at fair value at the end of the reporting period.

30.1 The following table gives information about how the fair values of these financial assets and liabilities measured at fair value are determined:

	Fair value as at 31 December					
	2023 AED'000	2022 AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets measured at FVTPL						
Unit linked investments	**1,180,035**	1,047,445	Level 2	Quoted prices in secondary market	None	Not applicable
Quoted equity investments	**557**	16,620	Level 1	Quoted bid prices in an active market	None	Not applicable
Financial assets measured at FVTOCI						
Quoted equity investments	**575,360**	525,821	Level 1	Quoted bid prices in an active market	None	Not applicable
Quoted fund	**91,330**	80,072	Level 2	Quoted prices in secondary market	None	Not applicable
Quoted bonds	**21,293**	-	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity and private equity fund	**30,416**	37,559	Level 3	Multiple based approach and net assets as per financial statements	Price to book value multiple	Price to book value multiple for similar companies will directly impact the fair value calculation.
Financial liabilities measured at FVTPL						
Investment contract liabilities	**1,095,494**	994,591	Level 2	Quoted prices in secondary market	None	Not applicable

There were no transfers between any of the levels during the year. There are no other financial liabilities which should be categorised under any of the levels in the above table

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30.2 Reconciliation of Level 3 fair value measurement of financial assets measured at FVTOCI.

	2023 AED'000	2022 AED'000
At 1 January	**37,559**	40,753
Disposals	**(12,429)**	(13,681)
Changes in fair value recognised in other comprehensive income	**(3,659)**	10,487
Acquisition of subsidiary	**8,945**	-
At 31 December	**30,416**	37,559

30.3 Fair value of financial instruments measured at amortised cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements to approximate their fair values as these are substantially short term in nature and carry market rates of interest.

		Fair Value		
	Carrying amount AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
31 December 2023				
Financial assets:				
Quoted debt investments	**1,923,693**	**1,800,597**	**-**	**-**
31 December 2022				
Financial assets:				
Quoted debt investments	1,774,819	1,619,260	-	-

30.4 Fair value sensitivity analysis

The following table shows the sensitivity of fair values to 1% increase or decrease in market price as at 31 December 2023 and 31 December 2022 on the consolidated statement of profit or loss:

	Favourable change AED'000	Unfavourable change AED'000
31 December 2023		
Financial assets:		
Quoted debt investments	**18,219**	**(18,219)**
31 December 2022		
Financial assets:		
Quoted debt investments	16,193	(16,193)

31. Financial risk

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts.

The most important components of this financial risk are market risk (which includes foreign currency exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns over its obligations under insurance contracts. The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance contracts with reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods. The Executive Committee oversees the management of financial risks through its Investment Committee and Credit Committee.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance liabilities. The notes below explain how financial risks are managed using the categories utilised in the Group's ALM framework. In particular, the ALM Framework requires the management of interest rate risk, equity price risk and liquidity risk at the portfolio level. Foreign currency and credit risk are managed on a group-wide basis.

a. Market risk

Market risk quantifies the adverse impact due to broad, systemic movements in one or more market risk drivers. Market risk drivers include equity prices, credit spreads, foreign exchange rates and interest rates.

The Group's market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent they are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be acceptable, which are monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated - for example, credit spreads, changes in interest rate and changes in foreign currency rates.

i. Foreign currency exchange risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. There are no significant exchange rate risks as substantially all monetary assets and monetary liabilities of the Group are denominated in the local currencies of the countries where the Group operates or US Dollars to which local currencies are fixed.

Management believes that there is a minimal risk of significant losses due to exchange rate fluctuations and consequently the Group has not hedged their foreign currency exposure.

ii. Price risk

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

At the end of the reporting period, if the prices of quoted equity and quoted fund investments are 1% higher / lower as per the assumptions mentioned below and all the other variables were held constant, the Group's other comprehensive income would have increased / decreased by AED 6,667 thousand (31 December 2022: AED 6,059 thousand) in the case of the financial investments at fair value through other comprehensive income and the Group's profit for the year ended 31 December 2023 would increase / decrease by AED 6 thousand (31 December 2022: AED 166 thousand) in the case of the financial investments at fair value through profit or loss.

Method and assumptions for sensitivity analysis:

- The sensitivity analysis has been done based on the exposure to equity and fund price risk as at the end of the reporting period.
- As at the end of the reporting period if equity or net asset value of the fund prices are 1% higher / lower on the market value uniformly for all equity while all other variables are held constant, the impact on other comprehensive income has been shown above.
- A 1% change in equity prices has been used to give a realistic assessment as a plausible event.

With respect to unquoted equity and private equity fund, if the net asset value were to increase / decrease by 1% and considering all other assumptions to remain constant, the fair value would increase/decrease by AED 304 thousand (31 December 2022: AED 376 thousand).

iii. Cash flow and fair value interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the finance income or finance cost of the Group. The Group is exposed to interest rate risk on its financial investments measured at amortised costs and term and statutory deposits that carry fixed interest rates.

The Group generally manages to minimise the interest rate risk by closely monitoring the market interest rates and investing in those financial assets in which such risk is expected to be minimal.

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing financial assets and liabilities assuming the amount of assets and liabilities at the end of the reporting period were outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2023 would increase/decrease by AED 30,917 thousand (31 December 2022: AED 25,524 thousand).

b. Credit risk

Credit risk is the risk of loss arising from counterparties that has a financial obligation to the Group and is either unable or unwilling to meet its obligation in full and when it becomes due. The Group has no significant concentrations of credit risk.

Key areas where the Group is exposed to credit risk are:

- Insurance/reinsurance contract assets;
- Other receivables;
- Financial investments;
- Deposits with banks with original maturities of more than three months;
- Statutory deposits; and
- Bank balances and cash

The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of their counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Group maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of expected credit losses on insurance and reinsurance receivables and subsequent write-offs. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

The fair value of cash and bank balances and bank deposits as at 31 December 2023 and 31 December 2022 approximates their carrying value.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

The following financial assets of the Group are subject to the expected credit loss model:

- Debt investments carried at amortised cost;
- Deposits with banks with original maturities of more than three months;
- Statutory deposits; and
- Bank balances and cash

There is no significant concentration of credit risk with respect to cash and cash equivalents, as the Group holds cash accounts in a large number of financial institutions. The credit risk on deposits with banks with original maturities of more than three months, statutory deposits and bank balances and cash is limited because the counterparties are licensed banks with sound financial positions.

All of the entity's debt investments at amortised cost are considered to have low credit risk, and the impairment charge recognised during the year was therefore limited to 12 months' expected losses. Management considers low credit risk for listed bonds to be an investment grade credit rating with at least one major rating agency.

The reinsurance contract assets and reinsurance receivables are with highly rated reinsurers based on the Group internal Risk management framework.

The below table summarises the staging for financial assets using the general approach:

	2022			2021		
	Stage 1 AED'000	Stage 3 AED'000	Total AED'000	Stage 1 AED'000	Stage 3 AED'000	Total AED'000
Financial investments at amortised cost	1,924,601	-	1,924,601	1,775,854	2,205	1,778,059
Allowance for impairment	(908)	-	(908)	(1,035)	(2,205)	(3,240)
Debt instruments at FVTOCI	21,293	-	21,293	-	-	-
Allowance for impairment	(7)	-	(7)	-	-	-
Cash and bank balances, deposits with banks and statutory deposits	1,326,544	-	1,326,544	972,812	-	972,812
Allowance for impairment	(148)	-	(148)	(305)	-	(305)

c. Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date. The Group manages the liquidity risk through a risk management framework for the Group's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent and bank facilities, to ensure that funds are available to meet their commitments for liabilities as they fall due.

The maturity profile is monitored by management to ensure adequate liquidity is maintained. The table below summarises the maturity profile of the Group's financial assets including interest receivables, financial liabilities, unearned premiums, life assurance fund and unit linked reserves within insurance contract liabilities and reinsurance contract assets is based on remaining undiscounted contractual obligations and outstanding claims and incurred but not reported claims reserve within insurance contract liabilities and reinsurance contract assets is based on their expected cash flows.

2023	Carrying amount AED'000	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	No maturity date AED'000	Total AED'000
Assets						
Statutory deposits	195,528	166,005	44,841	-	-	210,846
Financial investments at amortised cost	1,923,693	325,806	907,083	1,224,061	-	2,456,950
Financial investments at FVTOCI	718,399	-	-	-	718,399	718,399
Financial investments at fair value through profit or loss	1,180,592	153,971	443,779	582,285	557	1,180,592
Insurance contract assets	934	580	269	85	-	934
Reinsurance contract assets	2,756,863	1,931,749	805,712	19,402	-	2,756,863
Other receivables (excluding prepayments)	206,082	206,082	-	-	-	206,082
Deposits with banks	969,541	947,337	43,972	-	-	991,309
Cash and cash equivalents	161,327	171,183	-	-	-	171,183
Total	8,112,959	3,902,713	2,245,656	1,825,833	718,956	8,693,158
Liabilities						
Bank borrowings	86,000	88,683	-	-	-	88,683
Investment contract liabilities	1,095,494	142,940	411,985	540,569	-	1,095,494
Insurance contract liabilities	4,245,101	2,639,033	1,220,634	385,434	-	4,245,101
Reinsurance contract liabilities	12,589	8,821	3,679	89	-	12,589
Other payables (excluding lease liabilities)	548,653	548,653	-	-	-	548,653
Lease liabilities	24,788	4,085	21,441	-	-	25,526
Total	6,012,625	3,432,215	1,657,739	926,092	-	6,016,046

c. Liquidity risk (continued)

2022	Carrying amount AED'000	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	No maturity date AED'000	Total AED'000
Assets						
Statutory deposits	184,091	103,252	94,667	-	-	197,919
Financial investments at amortised cost	1,774,819	187,399	854,555	1,194,450	-	2,236,404
Financial investments at FVTOCI	643,452	-	-	-	643,452	643,452
Financial investments at fair value through profit or loss	1,064,065	139,752	401,589	506,104	16,620	1,064,065
Insurance contract assets	716	458	193	65	-	716
Reinsurance contract assets	2,373,692	1,737,771	616,423	19,498	-	2,373,692
Other receivables (excluding prepayments)	168,833	168,833	-	-	-	168,833
Deposits with banks	553,642	543,304	22,084	-	-	565,388
Cash and cash equivalents	234,774	234,784	-	-	-	234,784
Total	6,998,084	3,115,553	1,989,511	1,720,117	660,072	7,485,253
Liabilities						
Investment contract liabilities	994,591	132,701	381,324	480,566	-	994,591
Insurance contract liabilities	3,618,837	2,313,911	976,498	328,428	-	3,618,837
Reinsurance contract liabilities	5,045	3,694	1,310	41	-	5,045
Other payables (excluding lease liabilities)	380,638	380,638	-	-	-	380,638
Lease liabilities	22,811	4,085	21,441	-	-	25,526
Total	5,021,922	2,835,029	1,380,573	809,035	-	5,024,637

32. Subsidiaries

Details of the Company's subsidiaries at 31 December 2023 and 2022 are as follows:

Name of subsidiary	Place of incorporation and operation	Proportion of legal ownership interest		Proportion of voting power held	Principal activity
		2023	2022		
Equator Insurance Agency L.L.C.*	Dubai - U.A.E	**99.97%**	99.97%	100%	Insurance agency
Synergize Services FZ L.L.C**	Dubai - U.A.E	**100%**	100%	100%	Management Information technology and transaction processing.
OIC Corporate Member Limited**	England and Wales - United Kingdom	**100%**	100%	100%	A limited liability underwriting member of Lloyd's
Oman Insurance Management Services Limited***	Dubai - U.A.E	**100%**	100%	100%	Insurance management company
Oman Insurance Workplace Savings Solutions Limited****	Dubai - U.A.E	**100%**	-	100%	Acting as an administrator of an employee money purchase scheme
Arabian Scandinavian Insurance Company (PLC) - Takaful - Ascana Insurance ("ASCANA")****	Dubai - U.A.E	**93.04%**	-	93.04%	General and life takaful insurance

* The Company holds the remaining equity in Equator Insurance Agency L.L.C, beneficially through nominee arrangements.

** Synergize Services FZ L.L.C was incorporated on 24 January 2014 in Dubai Outsource Zone, UAE and is engaged in the business of providing management information technology and transaction processing services.

*** Syndicate 2880 was launched under the Syndicate-in-a-box initiative ("SIAB"). On 10 February 2022, Sukoon's Syndicate 2880 received Lloyd's approval to commence underwriting and has started operations under interim operating model where underwriting is carried out from London, United Kingdom. Sukoon has incorporated Oman Insurance Management Services Limited (the "Service company") in Dubai International Financial Centre ("DIFC") as a fully owned subsidiary of Oman Insurance Company P.S.C. The Service company will exclusively act on behalf of Sukoon's Syndicate 2880 under the delegated authority from the Syndicate 2880 and approval from Lloyd's of London. The Service company received its license from the Dubai Financial Service Authority ("DFSA") on 18 October 2022 to commence its operations. The Service company received Lloyd's approval to commence its operations on behalf of the Syndicate 2880 from 1 January 2023. As part of SIAB arrangement, Sukoon has also incorporated "OIC Corporate Member Limited", a private limited company in England and Wales, United Kingdom as a fully owned subsidiary of Oman Insurance Company P.S.C.

**** On 13 April 2023, Sukoon has incorporated Oman Insurance Workplace Savings Solutions Limited ("OIWSS") in DIFC as a fully owned subsidiary of Oman Insurance Company P.S.C. OIWSS received its license from the DFSA on 10 July 2023.

***** Acquisition of a subsidiary

On 19 December 2022, Sukoon had signed a sale and purchase agreement to acquire a majority stake in Arabian Scandinavian Insurance Company (PLC) – Takaful – Ascana Insurance ("ASCANA") from the key shareholders of ASCANA who represent this stake. On 18 May 2023 ("the acquisition date"), the Group acquired a 93.0432% of the share capital and voting interests of ASCANA for a cash consideration of AED 186,089 thousand and thereby obtaining control of ASCANA. This acquisition is in line with Sukoon's strategy to diversify its sources of business and consolidate its presence in the UAE and GCC, while allowing it to enter the growing takaful insurance market. This acquisition will not only strengthen Sukoon's ability to meet a wider range of customer needs with Shariah-compliant products, but it will also allow ASCANA to leverage Sukoon's strong heritage, market positioning and specialized underwriting capabilities.

During the last quarter of 2023, the purchase price allocation exercise was completed and the acquisition date fair value of net assets and non-controlling interests were changed from their provisional amounts to fair valued amounts as per IFRS 3 Business Combinations. This has resulted in a gain on bargain purchase of AED 7,693 thousand (included within "Other income - net" in the consolidated financial statement) compared to the provisional goodwill amount of AED 3,541 thousand.

The purchase consideration of the acquisition has been allocated to the assets acquired and liabilities assumed using their fair values at the acquisition date. The computation of the purchase consideration and its allocation to the net assets of ASCANA based on their respective fair values as of 18 May 2023 is presented below.

The following table summarises the identifiable assets acquired and liabilities assumed:

	AED'000
Property and equipment	2,008
Intangible assets	44,300
Investment properties	143,873
Financial investments at fair value through other comprehensive income	51,351
Financial investments at fair value through profit or loss	8,096
Statutory deposits	10,000
Prepayments and other receivables	16,838
Deposits with banks	101,050
Cash and cash equivalents	20,780
Reinsurance contract assets	26,338
Employees' end of service benefits	(2,336)
Other payables	(18,088)
Reinsurance contract liabilities	(5,313)
Insurance contract liabilities	(186,639)
Deferred tax liabilities	(3,987)
Fair value of identifiable net assets	208,271

Bargain purchase:

	AED'000
Fair value of identifiable net assets	208,271
Fair value of consideration transferred	(186,089)
Non-controlling interest on proportionate basis	(14,489)
	7,693

Outflow of cash to acquire subsidiary, net of cash acquired:

	AED'000
Cash consideration paid	186,089
Less: cash and cash equivalent balances acquired	(20,780)
Net cash outflow - investing activities	165,309

Sale of the subsidiary

Dubai Sigorta A. S was founded in 2012 and its major lines of business include the underwriting of accident and health insurance. On 4 March 2022, a share sale and purchase agreement was signed between Sukoon and VHV Reasürans A.S. - Istanbul, Türkiye (a company of VHV Group - Hannover, Germany) for Sukoon to fully sell 100% shareholding in the Group's subsidiary Dubai Sigorta A.S., Türkiye. The Company completed the transaction for the sale of its subsidiary, Dubai Sigorta A. S. after receiving relevant approvals from Türkiye regulators and subsequently the shares were transferred on 14 June 2022 for a cash consideration of USD 26,640 thousand (equivalent to AED 97,835 thousand).

	At 14 June 2022
	AED'000
Cash consideration received	97,835
Carrying amount of net assets sold	(32,041)
Carrying amount of goodwill	(2,751)
Gain on sale before reclassification of foreign currency translation reserve	63,043
Reclassification of foreign currency translation reserve	(89,003)
Loss on sale of subsidiary recognised in consolidated statement of profit or loss	(25,960)

Net cash flows on sale of subsidiary for the purpose of consolidated statement of cash flows:

	At 14 June 2022
	AED'000
Consideration received in cash and cash equivalents	97,835
Less: cash and cash equivalent balances disposed	(47,652)
Net cash inflow	50,183

33. Reclassification of prior period presentation

Following comparative figures have been reclassified to conform to current year presentation in accordance with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IAS 1, Presentation of the Financial Statements. Previously computer equipment related software were presented as intangible assets instead of property and equipment. This reclassification has no impact on the previously reported profit, total assets, total liabilities, equity position or cashflows of the Group.

AUGUST 2023

LAUNCH: OMAN INSURANCE WORKPLACE SAVINGS SOLUTIONS

SUKOON'S EOSG & WORKPLACE SAVINGS VENTURE

33. Reclassification of prior period presentation (continued)

As of 31 December 2022, Property and equipment were initially reported at AED 41,280 thousand, and following reclassification of AED 85,720 thousand, the value increased to AED 127,000 thousand. Accordingly, Intangible assets reported at AED 85,720 thousand is now presented as Nil. As of 1 January 2022, Property and equipment were initially reported at AED 49,407 thousand, and following reclassification of AED 79,123 thousand, the value increased to AED 128,530 thousand. Accordingly, Intangible assets reported at AED 85,720 thousand is now presented as Nil.

34. Dividends

At the Annual General Meeting held on 27 March 2023, the shareholders approved a cash dividend distribution of 20% of the share capital amounting to AED 92,374 thousand (AED 20 fils per share) for the year ended 31 December 2022 (At the Annual General Meeting held on 12 April 2022, the shareholders approved a cash dividend distribution of 20% of the share capital amounting to AED 92,374 thousand (AED 20 fils per share) for the year ended 31 December 2021).

35. Social contributions

The Group made social contributions amounting to AED 47 thousand during the year ended 31 December 2023 (31 December 2022: AED 30 thousand).

36. Other information

a. The Group established operations in Qatar on 6 January 2008 through an agency agreement entered with a local sponsor valid for an indefinite period. On 25 February 2019, the Qatar Central Bank ("QCB") did not accept the Group's application to open a foreign branch. Accordingly, the Group's management has taken the decision to no longer issue new policies in the State of Qatar. The Group will continue to service the existing policies as per the applicable conditions of the underlying contracts.

b. On 23 February 2022, Sukoon and Assicurazioni Generali S.p.A acting through its branch office in the UAE ("Generali UAE") signed an agreement to transfer the unit linked life insurance portfolio of Generali UAE to Sukoon. The migration of the portfolio was completed on 21 November 2022 (portfolio transfer date) after obtaining necessary approvals from the regulators (the CBUAE and The Institute for the Supervision of Insurance (IVASS) in Italy). On the portfolio transfer date, the Group recognised unit linked assets and unit linked liabilities amounting to AED 688,737 thousand each in the consolidated statement of financial position.

c. Rebranding and Subsequent event
On 6 October 2022, Oman Insurance Company P.S.C. ("OIC") changed its brand identity to Sukoon Insurance ("Sukoon"). Sukoon is a registered trademark of Oman Insurance Company P.S.C. The new corporate identity reinforces OIC's deep-rooted heritage in the region and reflects its position as a modern insurer that has pioneered innovation, provided unrivalled quality of service, and stood rock-solid to fulfil customer and partner obligations.
Subsequent to year end 31 December 2023, Oman Insurance Company P.S.C. has changed its legal name to Sukoon Insurance P.J.S.C. after obtaining relevant shareholders and regulatory approvals.

d. On 24 August 2023, Sukoon and Chubb Tempest Life Reinsurance Ltd. acting through its branch office in the UAE ("Chubb UAE") signed an agreement to transfer the life insurance portfolio of Chubb UAE to Sukoon. This portfolio transfer is expected to be completed by Q1-2024 subject to obtaining the necessary regulatory approvals.

e. Gross insurance premium

	2023 AED'000	2022 AED'000
Direct premium	**3,474,351**	3,105,966
Inward premiums (both locally and internationally)	**1,138,205**	1,283,898
ULIP premium for saving products	**143,033**	88,755
	4,755,589	4,478,619

37. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 31 January 2024.

CORPORATE GOVERNANCE

2023

SUKOON™
INSURANCE

CORPORATE GOVERNANCE REPORT 2023

1. Corporate Governance System at Oman Insurance Company P.S.C. ("Sukoon") during 2023

The Board of Directors of Oman Insurance Company P.S.C (Hereinafter referred to as 'Sukoon' or the 'Company') – believes in strong corporate governance practices. Sukoon considers Corporate Governance very important to achieve sustainable long-term growth and prosperity for the company as the Board of Directors is committed to enhance the value of shareholders' rights while being aware of the interests of all the concerned parties, including but not limited to employees, clients, suppliers, business partners and the community where Sukoon carries on its business.

Corporate Governance in Sukoon is not only a goal but also a continuous trip towards development and excellence in business. Based on this fact, the Board of Directors has continued to improve the corporate governance standards at Sukoon during 2023 in accordance with (i) the "Chairman Resolution of Securities and Commodities Authority's no. (3) of 2020 Concerning approval of Public Joint Stock Companies Governance Guide" and the other relevant resolutions issued from time to time by the Securities and Commodities Authority "Authority" and (ii) the Corporate Governance Regulation for Insurance Companies issued by the Central Bank of UAE. Furthermore during 2022 Central Bank UAE issued the Corporate Governance Regulations for Insurance Companies, to ensure that Companies' approaches to corporate governance are in line with leading international standards. The Chief Executive Officer and the senior executive teamwork towards enhancing and strengthening the internal control system which is considered as a conclusive factor in the framework of corporate governance at Sukoon.

Sukoon has created a framework for corporate governance in order to conduct its business inside and outside the company and toverify the existence of an accurate framework which accurately identifies the responsibilities and obligations of the Board of Directors and the Executive Management, together with protecting rights of all concerned parties.

The main components of the "Corporate Governance framework" embedded with Sukoon consists of the following:

Corporate Governance Framework at Sukoon 3 Pillars		
Board of Directors	**Committees**	**Internal Control System**
• Active • Independent • Non-executive	• Audit Committee • Remuneration and Nomination Committee • Investment Committee • Risk Committee	• Compliance • Risk Management • Internal Audit

2. Statement of transactions of the Board members and their first-degree relatives in relation to Sukoon's securities during 2023 are described below:

Purchase and Sale of the Company's shares and transactions involving our securities by directors and officers and employees are governed by the Insider Trading Policy. The following table outlines the transactions (sale/purchase) by any of the Board members or their first-degree relatives in relation to Sukoon's securities during 2023.

Board Member	Position	Shares held at 31 Dec 2023	Total Sales Transactions	Total Purchases Transactions
Abdul Aziz Al Ghurair	Chairman	None	None	None
Ali Rashed Lootah	Vice- Chairman	133,428	None	None
Rashed Saif Al-Jarwan	Board Member	None	None	None
Badr Al-Ghurair	Board Member	None	None	None
Muna AbdulRazzaq Tahlak	Board Member (Resigned April 2023)	None	None	None
Nabeel Waheed	Board Member	None	None	None
Hazem Shish	Board Member	None	None	None

دبي للإيداع
Dubai CSD

شركة تابعة لسوق دبي المالي ش م ع
Subsidiary of Dubai Financial Market PJSC

على راشد احمد عبدالله لوتاه
P.O.Box: 1611
DUBAI
United Arab Emirates

رصيد المستثمر لشركة واحدة
Investor's Balance By Company

Investor Name - اسم المستثمر: على راشد احمد عبدالله لوتاه

Investor No - رقم المستثمر: 0022884801

Position Date - كما في تاريخ: 31/12/2023

Company - الشركة: -------

Symbol - رمز التداول: SUKOON

Security Price - سعر الورقة المالية: AED 0.000

عضو التداول Trading Member	رقم الحساب A/C No.	المتوفر Available	المعروض Offered	المجمد Frozen	المعلق Pending	الرصيد Balance	القيمة السوقية Market Value
MASQ المشرق للاوراق المالية MASHREQ SECURITES LLC	32676874	133,428	0	0	0	133,428	0.00
المجموع Total		**133,428**	**0**	**0**	**0**	**133,428**	**0.00**

3. Board of Directors formation

A. Board of Directors and related information

S/N	Name	Type of Directorship	Experience	Qualifications	Duration of membership from date of appointment	Other membership and positions in other PJSC	Other positions in Regulatory, GVT bodies and other significant Business entities
01	Abdul Aziz Abdulla Al Ghurair	Non-Executive/ Non-Independent	Banking and Finance	Bachelor Degree in Industrial Engineering	13 years and 6 months	1.Chairman of Mashreq Bank PJSC 2.Board Member Arabian Scandinavian Insurance Company (Takaful)	1.Chairman - Dubai Chamber of Commerce 2.Chairman – UAE Banks Federation 3.Governing Council Member – Global Muslim Philanthropy Fund for Children in partnership with UNICEF and Islamic Development Bank 4.Chairman- AbdulAziz Abdullah Al Ghurair Refugee Education Fund 5.Chairman-Masafi LLC 6.Vice Chairman of Al Ghurair Investment 7.Chairman of Abdullah Al Ghurair Education Foundation 8. Emiratus Chairman and Board member of Family Business Council-Gulf 9. Vice-Chairman- Al Ghurair Holding Limited. 10. Vice Chairman- Al Ghurair Investment Co. LLC
02	Ali Rashed Lootah	Non-Executive/ NON-Independent	Real Estate and Financial	Bachelor Degree in Civil Engineering	13 years and 6 months	V. Chairman of Mashreq Bank PSC Board Member of Badr Al Islami Co.	1. Member of the UAE Civil Engineers Society 2. Board Member at AGI

3. Board of Directors formation (continued)

A. Board of Directors and related information (continued)

03	Rashed Saif Al- Jarwan	Non-Executive/ Non-Independent	Gas/ Petroleum	Bachelor Degree in in Petroleum and Gas Engineering	13 years 6 months	1.Board Member Mashreq Bank 2.Vice Chairman Dana Gas 3.Board Member Sukoon Takaful (ASCANA)	1.Chairman Al Ghurair Holding 2.Board member Emirates General Petroleum Corporation (EMARAT)
04	Badr Al-Ghurair	Non-Executive/ Independent	Properties	Bachelor Degree in Economics	11 years 11 months	Board Member Arabian Scandinavian Insurance Company (Takaful)	CEO- Carstaxi
05	Muna Abdul Razzaq Tahlak	Non-Executive/ Independent	Consultant Obstetrics and Gynecology, Head of the Department of Obstetrics and Gynecology, Latifa Hospital (2009-2013)	1-American Board in Obstetrics and Gynecology 2-Fellowship in Obstetrics and Gynecology	**Served for 4 years on the Board of Directors Resigned in 12 April 2023**	None	CEO Latifa Women and Children Hospital
06	Nabeel Waheed	Non-Executive/ Independent	Banking/ Finance	Bachelor Degree in Science; Finance	10 years and 5 months	None	1- Ex-Com member at AG Melco 2- Group Chief Financial Officer & Head of Corporate Functions - Al Ghurair Investment LLC
07	Hazem Shish	Non-Executive/ Independent	Finance/ Banking	Master of Science in Management	1 Year and 8 Months	None	Non-Executive Independent Board member at AGI

B. Female representation percentage in the Board of Directors for 2023

One seat amongst 7 in the Board of Director is reserved for females. Currently the seat is vacant as the previous Board Member Dr. Muna AbdulRazzaq Tahlak resigned on the 12th of April 2023. Her vacant seat will be filled at the next Annual General Assembly.

C. Reasons for not nominating any Woman for the Board Membership

The position had been previously filled, however the Board member resigned on the 12th of April 2023. The seat remains reserved to female membership only.

D. Remuneration

D.1 Remunerations paid to the board members for the year 2022:

Board Member Name	Amount in AED
Abdul Aziz Abdulla Al Ghurair	450,000
Ali Rashed Ahmed Lootah	300,000
Rashed Saif Al- Jarwan Al- Shamsi	300,000
Ali Lakhraim Al Zaabi	300,000
Badr Abdulla Al Ghurair	300,000
Munak Tahlak	300,000
Nabeel Waheed	300,000
Total Remuneration	**2,250,000**

D.2 Remunerations proposed for the Board Members in 2023 (subject to the Approval of Annual General Assembly):

Board Member Name	Amount in AED
Abdul Aziz Abdulla Al Ghurair	450,000
Ali Rashed Ahmed Lootah	300,000
Rashed Saif Al- Jarwan Al- Shamsi	300,000
Hazem Shish	300,000
Badr Abdulla Al Ghurair	300,000
Munak Tahlak	N/A
Nabeel Waheed	300,000
Total Remuneration	**1,950,000**

D.3 Details of remunerations and allowances received by Board Members other than for attending committee meetings:

None

D.4 Details of the allowances received by Board Members for attending the Board meetings and committees emanating from the Board for the fiscal year of 2023.

Sukoon held meetings in relation to Investment Committee, Audit Committee, Nomination & Remuneration Committee and Risk Committee: the details of these meetings will be presented in the next sections. No remunerations have been paid to the Board members for the same.

D.5 Number of Board meetings held during the fiscal year 2023 and the relevant details.

Board Member	Board Meetings					
	Meeting 1 7-Feb-2023	Meeting 2 21-Mar-2023	Meeting 3 10-May-2023	Meeting 4 25-Jul-2023	Meeting 5 25-Oct-2023	Meeting 6 13-Dec-2023
Abdul Aziz Abdulla Al Ghurair	✓	✓	✓	✓	A	✓
Ali Rashed Ahmed Lootah	✓	AP	✓	✓	✓	✓
Rashed Saif Al-Jarwan Al-Shamsi	✓	✓	✓	✓	✓	✓
Badr Abdulla Al Ghurair	✓	✓	✓	A	✓	✓
Muna AbulRazzaq Tahlak	A	A	Resigned 1 April 2023			
Nabeel Waheed	✓	✓	A	✓	✓	✓
Hazem Shish	✓	✓	✓	✓	✓	✓

✓: Present in person; A- Absent with valid reason; - AP: Appointed another board member as a Proxy to attend on his behalf

E. Statements of Board Resolutions passed by Circulation:

The Board of Directors has passed the following Board Resolutions by circulation during 2023:

1. Board Resolution dated 23 February 2023: Convening Annual General assembly and Announcing dividends distribution following Central Bank approval.
2. Board Resolution dated 12 of December 2023 Convening the General Assembly for 'Name Change'.
3. Board Resolution dated 15th December 2023 changing the Board Chairmanship.

The above-mentioned Board Resolutions were disclosed to the Market.

F. Duties and functions of the Board of Directors carried out by the Executive Management pursuant to authorization from the Board to the Management, including the period and delegation of authority and powers.

The CEO performs his duties pursuant to the authority delegated to him by the Chairman by virtue of a notarized power of Attorney.

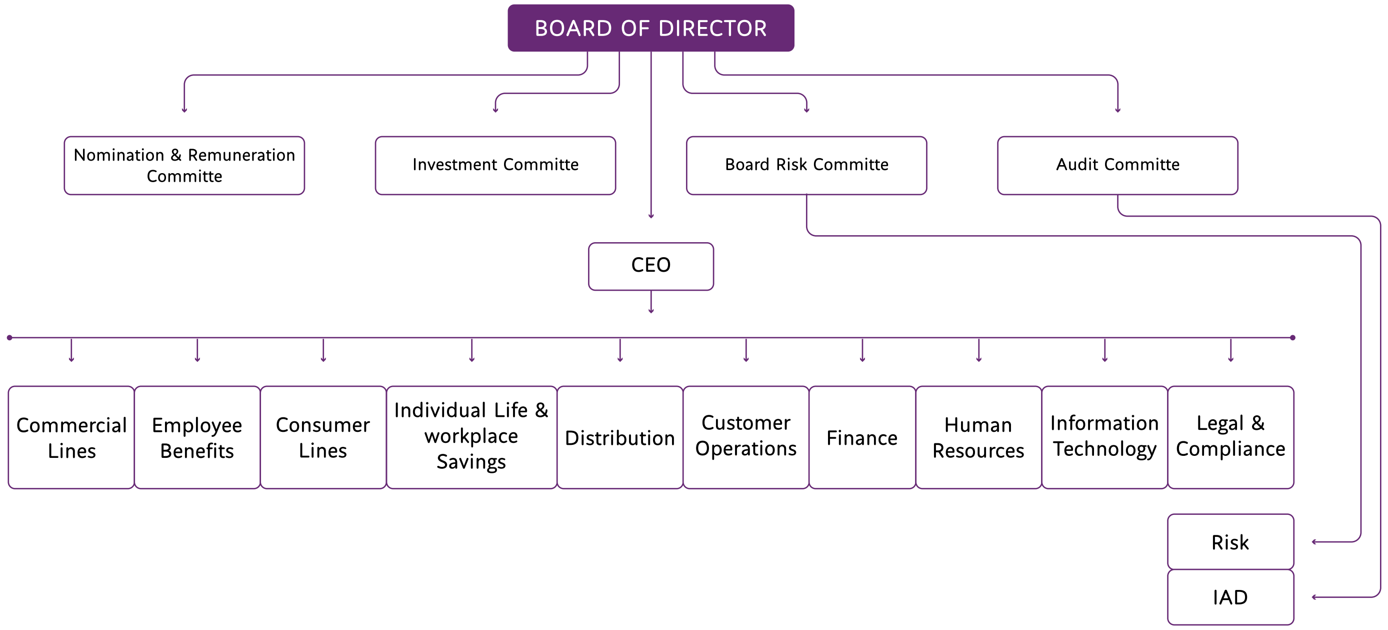
The CEO shall be supported by the senior executive team who are responsible for managing the day-to-day business of Sukoon, in line with the Annual Action Plan approved by the Board of Directors.

Name	Delegated authorities	Term of delegation
Jean-Louis Laurent Josi	All the management duties that form part of the daily conduct of the Company's Business and the implementation of its purposes including, but not limited to, representation of the Company before governmental, non-governmental entities and third parties, the conclusion of contracts on behalf of the Company and monitoring the annual budget.	Unlimited unless cancelled

G. Details of the transactions made with the related parties (stakeholders) showing the nature of the relationship and type of transaction.

Board Member Name	Amount in AED	Total AED
Gross Insurance Premiums		
Mashreq Bank & Group	110,484,726	
Al-Ghurair Group of Companies	25,296,674	
Masafi Co (LLC)	3,107,048	
Carstaxi	551,469	
Dana Gas	1,052,296	
Gulf Marine Services Company W LLC	3,007,783	
Arabian Scandinavian Insurance Company PLC – Takaful – ASCANA	1,942,676	
Muna Adbulrazzaq Mohammad Tahlak	3,919	
The Cobbler	46,585	
AbdulAziz Al Ghurair	151,747	
Ali Rashed Ahmad Abdulla Lootah	64,825	
Hazem Shish	88,487	
Nabeel Waheed Rashed Waheed	3,031	
Abdula Aziz Abdulla Ahmad Al Ghurair	3,415	
Badr Abdulla Ahmad Al Ghurair	45,431	
Total Gross Insurance Premium		**145,843,281**
Gross Claims Settled		
Mashreq Bank & Group	51,579,240	
Al-Ghurair Group of Companies	5,608,458	
Masafi Co (LLC)	2,871,872	
Carstaxi	23,318	
Dana Gas	461,703	
Badr Abdulla Ahmad Al Ghurair	797	
Hazem Shish	71,517	
The Cobbler	13,117	
Total Gross Claims settled		**60,630,022**
Gross Claims Settled		
Interest Income (Mashreq Bank)	620,247	
Dividend Income (Mashreq Bank)	5,452,018	
Investment & Other general expenses (Mashreq Bank)	5,849,416	
Rental expense (Mashreq bank)	6,921,845	
Other investment expenses (Mashreq Capital (DIFC) Limited)	6,629,749	
Total Other transactions		**25,473,275**

H. Sukoon Organizational Structure



I. Details and Positions of the Chief Executive Officers and the Senior Executives of the Company

Position	Appointment Date
CEO	01-Apr-18
Head of Distribution	27-Aug-06
Head of Commercial Lines	03-Jan-18
Head of Consumer Lines	02-Jun-13
Head of Employee Benefits	31-Oct-22
Head of Life	01-Jul-14
Head of Customer Operations	03-Jun-12
Head of HR	06-Apr-11
Head of Actuarial	02-Jul-15
Head of Finance	05-Mar-18
Head of Legal & Compliance	12-Mar-13
Head of IT	15-Aug-18

4. External Auditor

The External Auditors of Sukoon are Deloitte &Touche (Middle East), a leading professional services organization established in the Middle East region with uninterrupted presence since 1926. DME's presence in the Middle East region is established through its affiliated independent legal entities, which are licensed to operate and to provide services under the applicable laws and regulations of the relevant country. DME's affiliates and related entities cannot oblige each other and/or DME, and when providing services, each affiliate and related entity engages directly and independently with its own clients and shall only be liable for its own acts or omissions and not those of any other affiliate.

DME provides services through 23 offices across 15 countries with more than 7,000 partners, directors and staff. It has also received numerous awards in the last few years such as the 2022 & 2023 Great Place to Work® in the UAE, the 2023 Great Place to Work® in the KSA and the Middle East Tax Firm of the Year."

DME is independent from the Board of Directors of the Company and its 'Executive Management'.

a. Fees and Costs of the Audit or Services provided by the External Auditor

Name of the Audit Office	Deloitte & Touche (Middle East)
Number of years served as External Auditor of Sukoon	Appointed in 2023
Total audit and other regulatory reporting fees for the financial statements of 2023 (AED)	AED 1,575,000
Fees and costs for services other than auditing the financial statements of 2023 (AED); if there are no other fees, this shall be expressly indicated.	AED 7,500
Details and nature of other services provided (if any); if there are no other services, this should be expressly indicated	Agreed upon procedure on the schedule of unclaimed dividends of Oman Insurance Company PSC in accordance with SCA' s Circular
The other services provided by another external auditor other than Sukoon's Auditor during 2023 (if any); if there is no other external auditor, this should be expressly indicated	Total of AED 970,000 relation to auditing and taxation services of foreign branches and subsidiaries

b. Sukoon's Auditor Reservations included in the Interim and Annual Financial Statements of 2023

No reservations or exceptions have been included by the external auditors within the Interim or the Annual Financial Statements of 2023.

5. Audit Committee (AC)

a. AC Chairman Acknowledgement of his responsibility for the Committee system, review of its work mechanism and effectiveness

Mr. Nabeel Waheed, Chairman of the Audit Committee within Oman Insurance Company P.S.C, hereby acknowledges his responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

b. Names of the Audit Committee Members, and its Competencies and Duties.

The Audit Committee is formed of two Non-Executive Board members and an expert in internal audit & compliance who is not a Board member.

Audit Committee Members	Position
Nabeel Waheed Rashed Waheed	Chairman
Badr Abdulla Al Ghurair	Member
Hazem Shish	Member
Nasser Paracha	Member

The Audit Committee is governed by the Audit Committee Charter. The Audit Committee Charter outlines the purpose, roles and responsibilities of the Audit Committee and is reviewed and updated as may be required. The Audit Committee Charter was reviewed, updated and approved by the Audit Committee and the Board of Directors.

Audit Committee Purposes

The Audit Committee is formed as a board committee. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, namely (a) reviewing the Internal Controls, Risk Management System, Regulatory Compliance, and integrity of the Financial Statements, (b) the External Auditors' qualifications & Independence; and (c) the performance of the Sukoon Internal Audit Department.

c. Audit Committee Responsibilities

The Board of Directors shall identify the scope of the Audit Committee responsibilities outlined in the Audit Committee Charter. The key tasks and responsibilities of the Audit Committee are:

Internal Control, Risk Management System and Regulatory Compliance

- To re-consider the effectiveness of the Company's financial controls, internal control and risk management system.
- To discuss the Internal Control System with the Management and to discuss the Internal and External audit reports on the significant findings, recommendations and management's responses.
- To consider compliance with the listing and disclosure rules issued by the Authority including other legal requirements applicable to financial statements.

Financial Information Review

- Discuss the annual audited financial statements with the external auditors to ensure the integrity of the financial statements, while emphasizing that: any changes to the accounting policies and practices, aspects subject to judgment or estimation, substantial adjustments resulting from the audit, going concern and, compliance with the International Financial Reporting Standards.
- To consider any significant and unusual matters to be reported in the financial statements and to address concerns raised by the CFO, Compliance Officer or External Auditors.
- To review the Sukoon financial and accounting policies and procedures.
- To ensure compliance with listing rules and other legal requirements in relation to financial reporting.

Relations with External Auditors

- To review the scope and the approach proposed for audit by external auditors, including coordinating audit efforts with the Internal Audit Department.
- To review the performance of External Auditors and make a recommendation to the Board of Directors on the appointment or discharge of External Auditors. Appointment shall be made and remuneration shall be fixed by a resolution by the General Assembly of Sukoon.
- To check and ensure that the external auditors are independent by obtaining data from auditors on the relationships between the auditors and the Company, including the non-audit services, and discussing the relationships with the auditors.
- To consider and approve the External Auditor's remuneration and appointment period.
- To ensure that significant findings and recommendations of the external auditors and managements' proposed responses are received, discussed and appropriately acted on.
- To regularly meet with the External Auditors to discuss any matters that the Committee or auditors believe should be discussed in particular.

Internal Audit Department

- To approve the Internal Audit Charter.
- To approve the annual audit plan, audit the budget and the resource plan, all major changes thereto and to review the internal audit activities' performance related to its plan.
- To discuss the internal audit budget, resource plan, activities, and organizational structure of the internal audit with the Chief Internal Audit Executive.
- To ensure that the internal audit is adequately resourced and has an appropriate standing within the Company.
- To monitor the compliance with the codes of professional conduct.
- To consider the results of the investigations initiated by the Board of Directors.
- To ensure that there is coordination between Internal and External Auditors.
- To ensure that the duties and responsibilities under the Charter are fulfilled.
- To ensure that the significant findings and recommendations made by the Internal Auditors and management's proposed responses are received and discussed and appropriately acted upon.
- To submit a report to the Board of Directors on the Committee's compliance with the duties and responsibilities outlined in this Charter.
- To regularly and separately meet with the Chief Internal Audit Executive to discuss any matters that the Committee or Internal Audit Department believes should be discussed in particular.

SEPTEMBER 2023

22 PARTNERS EMERGED VICTORIOUS

MID-YEAR RECOGNITION PROGRAMME

Compliance

- To review the effectiveness of the system of monitoring compliance with laws and regulations and the results of the management's investigation and monitoring (including the disciplinary actions) in any cases of non-compliance;
- To review the findings of any inspections by regulatory bodies and any notes by the Auditor.
- To review the process of communicating the Code of Conduct to the company employees and monitor compliance with such Code.
- To obtain regular updates from the management and Sukoon's legal counsel on compliance.

Reporting Responsibilities

- To regularly report to the Board of Directors on the Committee's activities and the relevant issues and recommendations.
- To provide an open communication platform among the Internal Auditor, External Auditors and the Board of Directors.
- To submit annual reports to shareholders on the Committee's formation, responsibilities and management and any other information as may be required by the applicable laws, including approval of non-audit services.
- To review any other reports by the Company relating to the Committee's responsibilities.

Other Responsibilities

- To perform any other activities related to this charter as requested by the Board of Directors.
- To annually review and assess the adequacy of the Committee's Charter, apply for the Board's approval on the proposed changes and ensure appropriate disclosure, as may be required by law or regulations.
- To annually ensure that all the responsibilities outlined in this Charter have been performed.
- To develop and supervise the special investigations as may be required.
- To regularly evaluate the performance of committee members and individuals.

d. Audit Committee Meetings during 2023

The Audit Committee held 4 meetings during 2023. At each meeting, the Committee receives a written report from the Head of the Internal Audit Department outlining the audit findings of the Internal Audit Department and the adequacy of Sukoon's management response to address the issues raised in the report, including the key issues raised and the management planned to resolve, and the time taken to resolve such raised issues. The Internal Audit Committee questions the Sukoon management where the Committee believes that no sufficient progress has been made.

e. Relations with External Auditors and Actuarial Experts

In the February 2023 Board Audit Committee meeting, the Committee reviewed the findings of the audit conducted by PWC for the 2022 Financial Statements. The Board Audit Committee met with representatives of Deloitte & Touche (Middle East) at each Board Audit Committee held in 2023. The main agenda items were to approve the financial statements, audit plan, scope and timelines for the year 2023, and also to discuss status updates. External auditors provided their quarterly report to the Committee on the results of their review of the condensed consolidated interim financial information of the company.

Furthermore, in February 2023 & November 2023, the Audit Committee reviewed the valuation of technical provisions report presented by the appointed actuary, Badri Consultancy representative to ensure adequacy of insurance reserves in the books of accounts of the Company.

Audit Committee Meetings Attendance Record for the year 2023:

Committee Member Name	Meeting 1 2-Feb-23	Meeting 2 05-May-23	Meeting 3 04-Sep-23	Meeting 4 29-Nov-23
Nabeel Waheed	✓	A	✓	✓
Badr Al Ghurair	A	✓	✓	✓
Nasser Paracha	✓	✓	✓	✓
Hazem Shish	✓	✓	✓	A

✓ Present in person – (A) Absent with valid reason

6. Nomination and Remuneration Committee (N&R C)

a. N&R C Chairman acknowledgment of his responsibility for the Committee system, review of its work mechanism and effectiveness

b. Dr. Muna Tahlak, Chairman of the N&R C within Oman Insurance Company P.S.C, hereby acknowledges her responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

c. Details of Nomination and Remuneration Committee members

Name	Position
Dr. Muna Tahlak*	Chairman
Mr. Ali Rashed Ali Ahmed Lootah	Member
Mr. Rashed Saif Al Jarwan	Member
Mr. Ali Raza Khan	Member

* Dr. Muna Tahlak has resigned as a Board Member on the 12th of April 2023. Mr. Ali Raza Khan was appointed as the new Chair in the board meeting held on the 25 January 2024.

d) Nomination & Remuneration Committee Responsibilities

The key tasks and responsibilities of the Nomination and Remuneration Committee are:

Development

a. Develop the company's wage policies and revise the same annually;
b. Organize and follow up the procedures for nomination to the Board of Directors ;
c. Identify the number of executives required and develop human resources policies for the company.

Supervision

a. Reviewing executives' remuneration to ensure its reasonableness

e. Number of meetings held by the Committee during the fiscal year and the dates of those meetings, indicating the number of times of personal attendance of all members of the Committee

f. Attendance Record of the meetings of the Nominations and Remuneration Committee:

The meeting was attended by all members of the committee and the agenda was discussed as follows:

- Review of remunerations and salaries granted to the company's staff as compared to the local market.
- Assure independence of independent directors.
- Review of training and development plans and approve the plans.
- Review and declare the remunerations granted to the employees in accordance with performance in 2022.

Member Name	Remuneration & Nomination Meeting #1 (Feb 23, 2023)
Dr. Muna Tahlak*	✓
Mr. Ali Rashed Ali Ahmed Lootah	✓
Mr. Rashed Saif Al Jarwan	✓
Mr. Ali Raza Khan	✓
Mr. Jean-Louis Laurent Josi	✓
Mr. Andreas Grammas	✓

✓ Present in person; (A) absent for a valid reason

7. Investment Committee (IC)

a. IC Chairman Acknowledgement of his responsibility for the Committee system, review of its work mechanism and effectiveness

Mr. Badr Al Ghurair, Chairman of the Investment Committee within Oman Insurance Company P.S.C, hereby acknowledges his responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

b. Details of Investment Committee members

The Investment Committee shall consist of five members, whose names shall be indicated as follows:

Name	Position
Mr. Badr Abdullah Al Ghurair	Chairman
Mr. Hazem Shish	Member
Mr. Nabeel Waheed Rashed Waheed	Member
Jean-Louis Laurent Josi	Member
Hammad Khan	Member

c. Responsibilities of the Investment Committee

The main responsibilities of the Investment Committee are summarized below:

- Develop asset allocation and distribution strategy
- Review and sign investment policy statement
- Continuous evaluation of the implementation of investment policies
- Monitor the performance of the comprehensive investment profile
- Review the stress testing framework
- Approval of delegation of authority to senior management

d. Meetings of the Investment Committee during 2023 (Dates and registration of attendance for each member)

Member Name	Meetings			
	Meeting 1 23-Mar-2023	Meeting 2 15-June-2023	Meeting 3 30-Oct-2023	Meeting 4 12-Dec-2023
Mr. Badr Abdullah Al Ghurair	✓	✓	✓	✓
Mr. Nabeel Waheed Rashed	✓	✓	✓	✓
Mr. Hazem Shish	✓	✓	✓	✓
Jean-Louis Laurent Josi	✓	✓	✓	✓
Hammad Khan	✓	✓	✓	✓

✓: Personally attending | **A:** (A) Absent with valid reason

8. Committee concerned with following up and supervising transactions of the "Insiders" persons

a. Committee members

Name	Position
Mrs. Louise O'Donnell	Member
Mrs. Lamia Zouari	Member

Ms. Louise O'Donnell and Mrs. Lamia Zouari members of the Insiders Committee within Oman Insurance Company P.S.C, hereby acknowledge their responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

b. Statement of duties, duties and responsibilities

The Insiders Committee oversees the implementation of an effective process to regularly maintain an updated register for Insiders and monitor their adherence to the Insiders' trading policy and shall have the following duties.

- Prepare a special and comprehensive register for all Insiders, who are entitled or have access to the Company's internal information prior to publication;
- Manage, monitor and supervise the transactions of Insiders and their ownerships if any and keep a special register therefor;
- Notify the Authority and the Market of the updated list of Insiders upon their request and of any amendments thereto during the financial year;
- Comply with any other requirements as determined by the Authority

During 2023 the Committee continued to maintain and update the register of Insiders and notify to Dubai Financial Market any change in the register.

9. Risk Committee

a. BRC Chairman acknowledgment of his responsibility for the Committee system, review of its work mechanism and effectiveness

Mr. Nabeel Waheed Chairman of the Board Risk Committee within Oman Insurance Company P.S.C, hereby acknowledges his responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

b. Details of Board Risk Committee members

The Board Risk Committee shall consist of four members, whose names shall be indicated as follows:

Name	Position
Mr. Nabeel Waheed	Chairman
Mr. Rashed Saif Al-Jarwan	Member
Mr. Anuratna Chadha	Member
Mr. Vincent Pluchet	Member

Standing Invitees of the Committee are as follows:

Name	Position
Mr. Jean-Louis Laurent Josi	Standing Invitee
Mr. Muhammad Danial Khan	Standing Invitee
Mr. Moiz Azam	Standing Invitee

c. Responsibilities of the Board Risk Committee

The main responsibilities of the Board Risk Committee are summarized below:

- Review and agree on the risk management framework including risk appetite proposed by the Executive Risk Committee in order to further submit to the Board for approval.
- Monitor the compliance of the actual risk profile against the risk management framework and risk appetite of the Company approved by the Board.
- Make recommendations to the Executive Risk Committee.
- Receive reports back from Executive Risk Committee on their actions in order to ensure that the risk profile of the Company remains within risk appetite.
- Assess the relevance and the efficiency of the defined risk management framework including risk appetite and propose amendments to the Board when needed.
- Establish, and delegate authority to Executive Risk Committee to carry out any of its responsibilities.

d. Meetings of the Board Risk Committee during 2023 (dates and registration of attendance for each member)

Member Name	Meetings
	Meeting 1 17-Jul-2023
Mr. Nabeel Waheed	✓
Mr. Rashed Saif Al-Jarwan	✓
Mr. Anuratna Chadha	✓
Mr. Vincent Pluchet	✓
Standing Invitees	
Mr. Jean-Louis Laurent Josi	✓
Mr. Muhammad Danial Khan	✓
Mr. Moiz Azam	✓

A: Absent with valid reason | ✓: Personally attending

9. Internal Control System

The Board of Directors acknowledges its responsibility for the Company's internal control system and for checking the same and ensuring its effectiveness through the Internal Audit Section and the Anti-Fraud Section.

a. Internal Audit

Mr. Biju Varma, appointed on 1 June 2021 as Head of Internal Audit, is responsible for overseeing the internal audit section. He is a Chartered Accountant, certified by the Institute of Chartered Accountants of India, and a Fellow of Life Management Institute (FLMI), certified by the Life Office Management Association (LOMA, USA) and possesses 22+ years of audit, including 13+ years of Insurance industry Internal Audit experience.

b. Compliance

Mrs. Dima Fakhoury is the Head of the Compliance. She is responsible for overseeing regulatory compliance and money laundering activities. She holds a CRMA from the Charted Institute of Internal Auditors, an International Compliance Officer certification from the Charted Institute for Securities and Investments, and an Insurance certificate from the Charted Institute of Insurance. She was appointed in January 2019.

c. The Internal Control deals with critical issues

The Internal Control through its relevant structures assesses internal controls on an ongoing basis, whether they are effective or not, if they are operating as planned, and monitors whether management has taken or takes action to address any deficiencies or weaknesses that are detected. The Board monitors the activities of the Internal Control system. The results are presented to the shareholders / regulators to which the Company is subject in the form of an Annual Corporate Governance report and in the form of disclosures submitted in compliance with inclusion/regulatory requirements. In 2023, Internal Control has not faced any significant problems in the company.

11. Details of the violations committed during the fiscal year, the reasons and actions taken by the company

Oman Insurance Company has not committed any serious violations or breaches during the year of 2023. In the event of any violation or breach, the company takes the corrective action(s) required to avoid the violation committed and is keen to implement the same.

12. Statement of cash and in-kind contributions made by the company during 2023 for community development and environmental conservation.

During 2023, the company has contributed to community development through the below initiatives:

In collaboration with Emirates Red Crescent, Sukoon Insurance is giving care packages to Gazan families in need. For each policy bought online between 1st Dec 2023 – 5th Jan 2024, we will be contributing towards a care package.

The Company participated in Job and Training Exhibitions with two esteemed colleges in Oman. This was a good opportunity to promote the company's Internship Training Program, explaining the enrolment process, and the skills and benefits that students will gain upon completion of the training. The participation allowed more reach and exposure to students and graduates seeking for training opportunities to complete their on-job training and gaining more experience in a reputable company.

Sukoon Insurance in Oman signed a Memorandum of Understanding (MoU) with the Muscat University on 4th of December 2023. The partnership aims to further strengthen the relationship and support the university's finance students to complete their bachelor's degree requirement in finance and accounting (On Job Training), and empower them with the necessary skills and knowledge to succeed in their future careers. The training duration will be for 7 months with Sukoon.

In Oman, the company completed 4 batches of Internship Training Program with a total of 13 interns. The interns have successfully completed their on-the-job training where they were given several trainings combining soft and hard skills such as effective communication, teamwork, computer proficiency and more. Furthermore, they assisted the company's Sales and Marketing team by conducting daily cold calls and obtaining confirmed meetings, which helped the interns gain valuable work experience.

Sukoon Insurance in Oman started a new initiative to collect water bottle caps since we consume so many water bottles on a daily basis. The plan is to collect sufficient numbers of caps and deliver them to a charitable organization where they give a Wheelchair for every 1,000 caps in return. The company will later donate the wheelchairs to hospitals and/or clinics. At the same time the company is helping to recycle the plastic caps which helps the environment.

13. General Information

a. Statement of the Company's market share price (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2023

Month	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 20223	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
Highest Price	3.700	3.700	3.500	3.500	3.550	N/A	3.850	N/A	3.820	3.530	3.530	3.900
Lowest Price	3.700	3.700	3.500	3.500	3.550	N/A	3.850	N/A	3.530	3.530	3.530	3.800
Closing	3.700	3.700	3.500	3.500	3.550	3.500	3.850	3.850	3.600	3.530	3.530	3.900

Share price at the end of each month during fiscal year 2023:

Share price at the end of each month during fiscal year 2023

b. Comparative performance of the company's shares with the general market index and sector index to which the company belongs (insurance sector) during 2023

Month	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
Sukoon's Share	3.7	3.7	3.5	3.5	3.55	3.55	3.85	3.85	3.6	3.53	3.53	3.9
Dubai Financial Market Index	3,303.27	3,437.76	3,406.72	3,544.79	3,576.63	3,791.99	4,059.27	4,082.87	4,163.58	3,877.08	3,992.36	4,059.80

c. Share performance compared to the insurance sector in the United Arab Emirates

Month	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
Sukoon's Share	3.7	3.7	3.5	3.5	3.55	3.55	3.85	3.85	3.6	3.53	3.53	3.9
Insurance Index	2336.18	2489.72	2330.57	2486.88	2498.11	2623.58	2830.14	2806.39	2873.74	2725.04	2793.62	2823.68

d. Distribution of Shareholders' Equity as of 31/12/2023

Shareholder Class	Shareholding Percentage				
	Individuals	Companies	Bank	Government	Total
Local	128,632,174	33,114,645	300,125,300	0	100%
Arab	0	0	0	0	0
Foreign	0	0	0	0	0
Total	**27.8502**	**7.1697**	**64.9802**	**0**	**100%**

e. Statement of Shareholders holding 5% of the Company's capital as of 31/12/2023

SN	Name	No. of Shares	Percentage in Capital
01	Mashreq Bank	299,125,300	64. 7637%

f. Statement of the distribution of the shareholders according to the size of their ownership as of 31/12/2023

SN	Equity (shares)	No of Shareholders	No of Shares	Percentage of share in capital
01	Less than 50,000	42	344,590	0.075%
02	From 50,000 to 500,000	32	7,048,657	1.526%
03	From 500,000 to 5,000,000	34	71,812,448	15.548%
04	More than 5,000,000	9	382,666,430	82.851%
	Total	**120**	**461,872,125**	**100.000**

g. Statement of actions taken with regard to investor relations controls

Name of Investor Relations Officer and their contact information:

Mr. Hammad Khan
hammad.khan@sukoon.com
Link to Investor Relations webpage on the company website: www.sukoon.com/en/about-us/investor-relations
Dir: 04 2337100

h. Statement of the Special Resolutions put forward for discussion at the General Assembly meeting held in 2022 and the actions taken thereon

The Company held its Annual General Assembly during 2023 on the 27th of March 2023 and no Special Resolutions have been passed therein.

i. Name of Corporate Secretary in charge of the Board of Directors Meetings & Date of Appointment

Miss Louise O Donnell, Head of Legal, Compliance, International & Strategy was appointed on 30 December 2022 as the Corporate Secretary in charge of the Board of Directors Meetings, she holds an Accounting & Finance degree from DKIT Ireland and is a Fellow Chartered Accountant of Ireland. She completed the Certified Board Secretary course in 2023 from the Institute of Corporate Governance "Hawkamah". Her main responsibilities and duties as the Board Secretary are as follows:

- Prepare the agenda for the Board meetings in coordination with the Chairman of the Board.
- Provide the members of the board with the material of the meetings.
- Prepare the minutes of the Board Meetings.
- Follow up with the Executive Management on the implementation of the Resolutions issued by the Board.
- Upload the disclosures related to the Board Meetings on Dubai Financial Market's s website.
- Maintain the minutes of the Board Meetings and the General Assemblies of shareholders in addition to the Board Committee meetings.

j. Statement of important events during 2023

The Company continued its upward trajectory in 2023, delivering excellence on all fronts and maintaining its strong market position in the Middle East and North African (MENA) region. Here are a few key accomplishments of the year:

1. The Company successfully rebranded itself from Oman Insurance Company to Sukoon, thereby reinforcing its deep-rooted heritage in the UAE and strengthening its guarantee to deliver peace of mind at every turn.
2. The Company expanded its horizons to the Takaful market with the acquisition of Arabian Scandinavian Insurance Company (ASCANA). It was then rebranded to Sukoon Takaful to reinforce its position as a Takaful solutions provider which pioneers innovation, provides unrivalled services, and stands rock-solid to meet its obligations.
3. Dubai Financial Services Authority (DFSA) granted the Company a license to operate its Lloyd's Syndicate at DIFC. It is fully operational with five dedicated underwriters at present.
4. Generali's life portfolio was acquired with a smooth migration of thousands of the company's life policyholders to Sukoon's fold.
5. A number of strategic accords were signed to enrich its value propositions further. The Company joined hands with AG Cars to strengthen its motor solutions. With Aster DM, the Company introduced new health plans to cater to protection needs of medium and large individuals and corporates.
6. In a first for the region, the Company also launched Health Extend, a unique corporate solution which allows employees to enhance their coverage with additional benefits.
7. The Company understands its responsibility to the world around and never shies away from playing its part. For instance, in a bid to extend aid to those ravaged by the war in Palestine, the Company launched 'Tarahum for Gaza', a limited-time initiative offering car packages to families in need for each motor insurance plan purchased.
8. 2023 was another rewarding year in terms of recognition. Sukoon collected 28 awards in total, including the 'Digital Transformation of the Year' award at the Middle East Insurance Industry Awards (MIIA), 'Insurance Customer Satisfaction & Happiness UAE' award at the 13th Annual Global Banking & Finance Review Awards, and '3G Service Excellence' and '3G Best Social Impact' awards at the Global Good Governance (3G) Awards. The Company was also crowned UAE's Insurer of the Year at MENA IR Awards – a feat it relished once more in 2024. It's health, life, and motor solutions, among others, were conferred titles as well.

k. Statement of the percentage of Emiratization at the company for the year 2023

The Emiratization rate at Oman Insurance Company during the past year is as follows:

- 2020: 14.6%
- 2021: 14.1%
- 2022: 16.2%
- 2023: 23.4%

l. Statement of innovative projects and initiatives undertaken by the Company or under development in 2023

A number of initiatives were undertaken during 2023 and was a noteworthy year for Sukoon with respect to our digital innovation and transformation. We have managed to materialize significant innovative digital success stories, reaffirming the Company's vision to be a reference in the regions and contributing to winning many a coveted industry and global awards. Few initiatives delivered in 2023 are:

- ZeroCode - Dynamic Pricing for B2B Motor enabled 100% Straight Through Processing resulting in policies booked by brokers directly on a real time basis using "KUDOS" ZeroCode Platform without IT Team or Underwriters intervention.
- Developed the Marine Cargo Portal, market competitive portal to meet the automated referral and STP requirements of intermediaries & clients.
- Health Plus Portal, Straight Through Processing resulting in Policies booked by brokers directly on a real-time basis with zero manual intervention.

Mr. Badr Abdulla Al Ghurair
Chairman of the Board of Directors
Signature:

Mr. Nabeel Waheed
Chairman of Audit Committee
Signature:

Ali Raza Khan
Chairman of Nomination & Renumeration Committee
Signature:

Mr. Biju Varma
Head of Internal Audit
Signature:

Company's Official Seal

سكون للتأمين ش.م.ع
SUKOON INSURANCE
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Dubai, UAE
ص.ب 5209
الإمارات العربية المتحدة
Sukoon Insurance PJSC

SUSTAINABILITY REPORT

2023

SUKOON™
INSURANCE

THE CEO'S MESSAGE

I am pleased to present the fourth chapter of Sukoon Insurance PJSC ("Sukoon")'s Environmental, Social and Governance report for 2023. This report culminates performance highlights, key achievements, and best practices compliant to the organisation's vision, mission, and core ideas. It is, furthermore, pertinent to practical efforts made that have significantly helped us leave a lasting impact.

The myriad progress and the scope of advancement made can be thoroughly weighed by reminiscing the recognition the company is gaining with each passing year. We've always been eager to float novel ideas and lead industry trends which benefit us and our stakeholders alike.

The approval from the Central Bank for the acquisition of Chubb's life portfolio in the UAE marks a vital step forward. Our Lloyd's syndicate, operating from the DIFC, met its targets in its inaugural year, showcasing promising results. Additionally, securing the DFSA license for our DIFC-based subsidiary to manage the End-of-Service Benefits Gratuity and Workplace Savings reflects our commitment to offer comprehensive services across onshore and offshore markets. Furthermore, the recent approval of UAE's much-touted pension law allows Sukoon to expand its offerings in alignment with evolving market dynamics.

Following our rebrand process which was our foremost achievement in the past year, we've also successfully launched Sukoon Takaful under a strategic acquisition of ASCANA's majority share. Staying true to its purpose, Sukoon continues to diversify its range of products. Our acquisition of Arabian Scandinavian Insurance Company (P.S.C) Takaful – ASCANA Insurance (Sukoon Takaful) has seen remarkable progress, marked by streamlined processes and alignment with our strategies. Our venture into Takaful is in full swing and leveraging all those who look for Sharia-compliant insurance plans.

Sukoon, has immensely grown through the course of years and will have a triumphant story to tell in the times to come.

2023 was another rewarding year in terms of recognition. Sukoon collected 28 awards in total, including the 'Digital Transformation of the Year' award at the Middle East Insurance Industry Awards (MIIA), 'Insurance Customer Satisfaction & Happiness UAE' award at the 13th Annual Global Banking & Finance Review Awards, and '3G Service Excellence' and '3G Best Social Impact' awards at the Global Good Governance (3G) Awards. The Company was also crowned UAE's Insurer of the Year at MENA IR Awards – a feat it relished once more in 2024. It's health, life, motor, and digital solutions – even the Company's rebranding itself – were conferred titles as well. If there is one common theme behind winning these prestigious and coveted recognitionsin the market, it is the hard work and resilience of our employees. I am elated by the unwavering commitment and yearning for innovation brought by our employees to this organisation.

Sukoon did exceptionally well in the year, retained its grasp on higher profits and delivered sustainable financial results. Our persistent efforts contributed significantly, helping us declare increased shareholder's value by closing the statement at net income of AED 184.9 million. Our thriving performance led to amplified financial success, is evident as our Insurance Revenue surged by an impressive 18%, reaching an outstanding AED 3.36 billion. Our global customer satisfaction index stands at 87%, which resonates strong preference and trust customers lay, considering their wellness, in the company.

Sukoon understands its social responsibility and has been at the forefront of impactful CSR initiatives, demonstrating long-lasting commitment to diverse causes. Among other health campaigns, breast cancer awareness was actively rolled out in order to educate the masses about early detection and treatment of the disease. Additionally, multiple webinars concerning otherwise unaddressed topics, such as 'holiday anxiety', were also hosted. The Company, additionally, lauched its 'Tarahum for Gaza' in collaboration with Emirates Red Crescent, to play its part in the global humanitarian efforts. These initiatives collectively illustrate their multifaceted approach to fulfilling social responsibility, emphasising health awareness and global solidarity.

We're all set to kick-start the New Year with a resolution to conquer it. Emphasising the importance of achieving optimal customer satisfaction has become increasingly critical in a market where the spotlight often falls solely on pricing. Consequently, we are committed to ongoing investments across various domains aimed at enhancing the overall customer experience. A key priority involves maximising the impact of our recently implemented strategic initiatives, including Sukoon Takaful, the pension market, the Direct channel, our Lloyd's Syndicate, and ensuring seamless integration of these new endeavors with our existing processes.

As we look forward to 2024, we are confident that our sustainable goals will continue to bring dividends to our stakeholders, while we invest in our people and contribute to our society through green solutions ever committed to have a balanced social, economic, human, and environmental sustainability.

Jean-Louis Laurent Josi
CEO, Sukoon

OUR 2023 KEY ACCOMPLISHMENTS

Customer Service

a. Won 28 accolades in 2023
b. Demonstrated excellence: 86% overall customer satisfaction

Employee Wellbeing

a. Employee Coaching
b. LivFit
c. Women's Network

Increased Shareholder Value

a. Highest Net Profit in the history of the company
b. ROE ~ 9.7%
c. Shareholder's equity increased by 8.6% to ~ AED 2.77billion

Digitalization

a. Launch of the innovative 100% STP Health Plus portal
b. API Gateway to onboard brokers/partners enhanced with new APIs for pricing and renewal
c. Launch of the innovative, first-in-the-region Motor Fleet Renewal Solution (individual scheme) on ZeroCode Platform (KUDOS)
d. Launch of the innovative, first-in-the-region B2B portal with dynamic pricing on ZeroCode Platform (KUDOS)

SUKOON AWARDS 2023

MENA IR AWARDS 2023

- UAE Insurer

IDC Excellence Awards

- CIO of the Year (Sreedhar Suragouni)

3G AWARDS

- 3G Service Excellence
- 3G Best Social Impact

THE GLOBAL ECONOMICS

- Best Rebranding in Insurance

Finance Derivative

- UAE's Best Online Insurance Company

World Economic Magazine

- UAE's Best Life Insurance Company
- UAE's Best Motor Insurance Company
- UAE's Most Customer-Centric Insurance Company

World Business Stars Magazine

- UAE's Best Health Insurance Company
- UAE's Best Life Insurance Company
- UAE's Best Motor Insurance Company
- UAE's Digital Insurer of the Year

HR TECH SUMMIT & AWARDS 2023

- CHRO of the Year (Andreas Grammas

COSMOPOLITAN THE DAILY

- UAE's Best Health Insurance Company
- UAE's Best Motor Insurance Company

InsureTek MIDDLE EAST 2023

- Digital Initiative of the Year

Global Excellence awards

- UAE's Leading Insurance Solutions Company

GAZET INTERNATIONAL AWARDS

- UAE's Digital Initiative of the Year
- UAE's Best Life Insurance Company
- UAE's Best Health Insurance Company
- UAE's Most Customer-Centric Insurance Brand

gbm

- UAE's Digital Insurer of the Year
- UAE's Health Insurance Company of the Year
- UAE's Most Customer-Centric Insurance Brand

MIIA

- Digital Transformation of the Year

Omania

- Top 50 Omani Women (Maha Al Balushi)

Global Banking & Finance review

- Insurance Customer Satisfaction & Happiness – UAE

CMO ASIA

- Best Employer 2023-2024

OUR STRATEGIC PILLARS

We pledge to continue to be true to our mission, vision & values to bring assurance to our stakeholders' wealth & wellbeing and to be their preferred & trusted partner

Customer-centric

Reliability

Expertise

Employer-of-choice

49 Years
of expertise in the region

830,000+ Clients
trust us

730+ Professionals
ready to serve you

AED 4.64 Billion
revenue in 2023

AED 8.83 Billion
AED total assets in 2023

Listed
on Dubai Stock Market

AED 257.4 Million
AED net profits in 2023

1. Well Managed by an Experienced Team

a. Leading positions in the UAE: among top 3 players in most of the LOB's and a household brand
b. Leading positions in the GCC: engineering among the largest in the region
c. 730+ strong, versatile employees

2. Strong Market Position

a. Financially prudent - rated A2 by Moody's, and A Stable by S&P
b. Profitable franchise with significantly high solvency at >272% as at Dec 31, 2023
c. Significant reinsurance business in upstream and downstream Energy and a profitable international Aviation account
d. Members of Emirates Insurance Association & Gulf Insurance Federation
e. First company in the UAE to have Lloyd's syndicate in the region approval has been received from Lloyd's to launch Syndicate 2880 under the Syndicate-in-a-Box initiative (SIAB). The Syndicate is now operational on the Lloyd's platform under the Dubai International Financial Centre (DIFC)
f. Among the first to offer End-of-Service Benefits Gratuity and Workplace Savings Solution with the launch of Oman Insurance Savings Solutions (OIWSS) in DIFC
g. Leading the way of Sharia-Compliant solutions with Sukoon Takaful, its recently acquired Takaful arm

3. Robust Customer Satisfaction

a. Rated as #1 insurance company
b. 86% of customers being satisfied or very satisfied with our services
c. Winner of 28 awards in 2023 including: "Insurance Customer Satisfaction and Happiness"; "Digital Insurer of the Year" 'UAE Insurer' and '3G Service Excellence'.

4. Digital Innovator

a. Launch of the innovative 100% STP Health Plus portal
b. API Gateway to onboard brokers/ partners enhanced with new APIs for pricing and renewal
c. Launch of innovative, first-in-the-region Motor Fleet Renewal Solutions (Individual scheme) on ZeroCode Platform (KUDOS)
d. Launch of the innovative, first-in-the-region B2B Portal with dynamic pricing on ZeroCode Platform (KUDOS)

OCTOBER 2023

OUR BRAND CAMPAIGN RESULTS EXCEEDED EXPECTATIONS

BRAND & MARKETING CAMPAIGN

SUKOON INSURANCE

STAKEHOLDER ENGAGEMENT

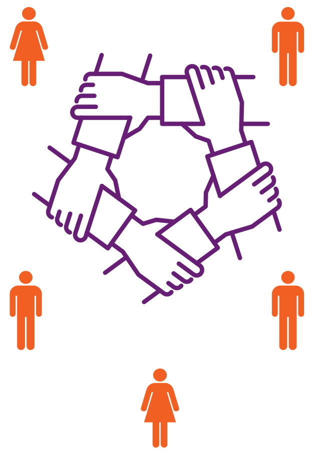
We reviewed internally and externally our stakeholder's perspectives and opinions. The process identified the impact we have on each stakeholder group as well as the level of influence each stakeholder group has on our business. We communicate with our stakeholders through multiple channels, listening and seeking their feedback. We have listed below our key stakeholder groups and our engagement methods along with the frequency of engagement.

Customer

a. Customer satisfaction surveys at key touchpoints Monitored Monthly.
b. KPI: > 90 % satisfied customer.

Employees

a. Employee Engagement Programmes.
b. Intranet, Townhalls, Inhouse Trainings.
c. KPI: EE> 4.



Shareholders & Investors

a. Board of Directors Meetings, Market Disclosures, General Assembly, Investor Relations.
b. KPI: Financial Performance, Minimum of 4 BOD meetings annually.

Suppliers & Business Partners

a. Tenders & RFPs, Broker Portals, Trainings & Workshop.
b. KPI: Fair Business Practices & Selection.

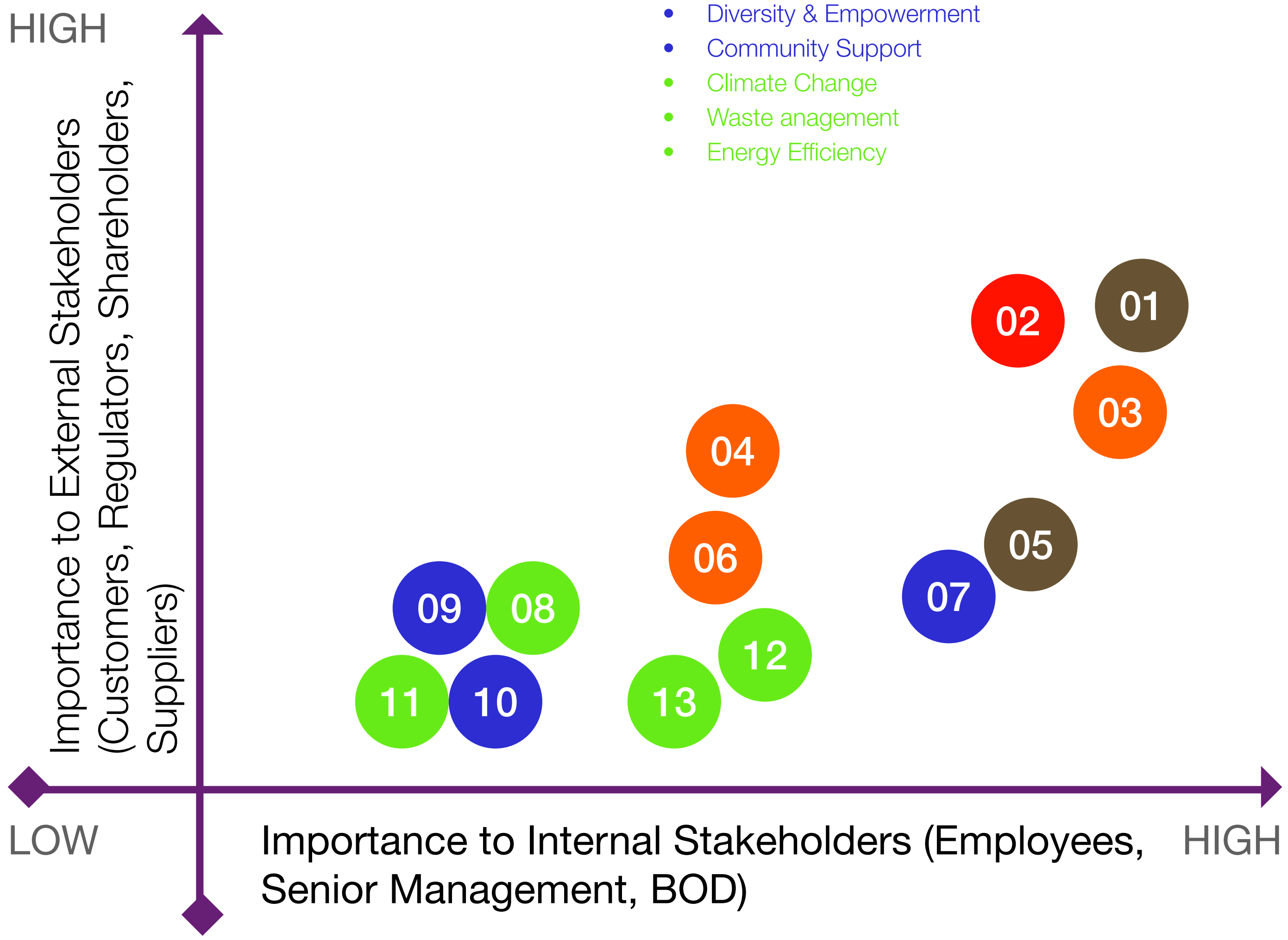
Regulators, Media & Others

a. Regulatory Reporting to UAE Central Bank, DHA, HAAD, Communication with Regulators (DFM, SCA).
b. KPI: Compliance to all regulations.

MATERIALITY

The above review helped us in understanding the correlation and the impact each has on the assessment of materiality. As a result of stakeholder engagement, we identified material topics based on the significance of economic, environmental & social influence it has on our stakeholders. By focusing on materiality, we aim to achieve our sustainable development goals which is also built into our overall strategic objectives and pillars identified for the coming years.

- Digital Transformation & Innovation.
- Customer Satisfaction
- Product responsibility
- Governance, Ethics & Compliance (Internal)
- Data Privacy
- Responsible Investment
- Employee's Development
- Utilization of resources
- Diversity & Empowerment
- Community Support
- Climate Change
- Waste anagement
- Energy Efficiency



Assessment Process & Identification of Key ESG Issues & Impact

ESG: OUR PRIOTITIES

In our first Environment, Social & Governance report, we demonstrated the adoption of United Nation's Sustainable Development Goals (SDGs) in our operational strategies. In our second report for 2021, we continue to show our commitment in working towards developing business sustainably and in line with our goal to become a reference point in the region for customer service.

In our continued efforts, we have adopted SDG goals in our insurance activities, aligned to our business models through digitalization, prioritizing risks and opportunities that supports the growth of sustainable business. We at Sukoon are committed to bring gains for our stakeholders in the longer run, promote wellbeing of our employees, contributing to our community and adding value to our customer experience. Based on the Global Reporting Index (GRI) reference, material issues identified were factored into our operational and governance framework.

Our mission to protect one's wealth & well-being is redefined through our many initiatives to care for our people and our community alike, through our wellness programs. Explore our LivFit program, Employee Wellness, Women's Network initiatives to know more.

3 GOOD HEALTH AND WELL-BEING

We at Sukoon make conscious efforts to bring equality in our Workforce & Workplace. We are committed to improving gender representation at Senior Management & Board as well as focusing on Women's Wellness. Know more about our Diversity, Women's Network, and our Women's Leadership.

5 GENDER EQUALITY

We aim to empower our employees through an array of professional courses under our Learning & Development, Diversity & Nationalization programs.

8 DECENT WORK AND ECONOMIC GROWTH

As an Industry Leader, we have been a pioneer in innovating insurance products through technology adding to our stakeholder's values as well as empowering our customers, partners, and employees to support sustainable development. See our Technology & Innovation to learn more

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We aim to inculcate the culture of responsible spending for a sustainable community and social responsibility towards the growth of the community. We engage in many social activities in giving back to the community.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We are committed to investing in Corporate Governance for ensuring operational excellence and long-term gains for our stakeholders and sustainable operations. We ensure we are compliant with regulations and have high ethical standards for our employees.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

NOVEMBER 2023

DIGITAL TRANSFORMATION OF THE YEAR

MIDDLE EAST INSURANCE INDUSTRY AWARDS (MIIA)

GOVERNANCE AND RISK MANAGEMENT

With our strong corporate governance framework, we diligently follow local regulations and laws, while maintaining a robust corporate governance framework

Sukoon considers corporate governance as a critical element in creating a sound working environment that supports achieving the overall long-term goals for all stakeholders. Risk management & Corporate Governance is key to making us perform sustainably.

Governance structures are put well in place to reduce and manage risk in line with achieving Sukoon's strategic objectives and to contribute to building strong ESG goals and action plans. There are key policies which are outlined in the policy section which support us in operating a dynamic risk and governance framework. Furthermore, there are audits done by external and internal to ensure adherences to best practices.

1. Pillars of corporate governance framework

a. Board of Directors

- Active
- Independent
- Non-executive

b. Committees

- Audit Committee
- Nomination & Remuneration Committee
- Investment Committee
- Risk Committee

c. Internal Control System

- Compliance
- Risk Management
- Internal Audit

(First insurance company in the UAE, awarded and recognized by the Institute of Internal Audit to be in compliance with its International Standards)

2. Board of Directors

The election of our Board Members shall take place every three years. The new board election was done on April 12, 2022. The election of the board members was conducted during the Annual General Assembly meeting, where shareholders elected the board members by way of vote. Nomination & Election process has been duly approved by SCA and disclosed to DFM and published in the local newspaper and on the company website.

Our Board of Directors meets at least every quarter. Responsibility for administrating all-risk policies and management of risk are delegated to the Executive management. The Board is appraised on a regular basis to significant risks for Sukoon and manages overall response plans. Board Member evaluation will be conducted as we progress in our commitment to governance principles.

3. Board of Directors Committees

a. Board Risk Committee (Meets Quarterly)

The first in the market committee was established in 2020. Incudes 2 Board Members, two independent experts, CEO, and the Head of ERM, validates the Company's ERM framework & Risk Appetite.

b. Nomination and Remuneration Committee (Meets Annually)

The committee includes 3 Board members & is chaired by an independent member.

Responsible for developing & reviewing the remuneration policies, reviews the bonus of Executive Management and developing procedures for the nomination of Board Members.

c. Audit Committee (Meets Quarterly)

The committee includes 2 Board members & an audit expert, chaired by an independent member. Responsible for reviewing external, internal audit reports, disclosures & financial statements.

d. Investment Committee (Meets Quarterly)

The committee includes 3 Board members, the CEO, and is chaired by an independent member. Head of Investment, Finance & Risk attend all meetings.

Responsible for strategy, review & execution of company investments.

4. Management Committees

a. Executive Risk Committee (Meets Quarterly)

Established by the CEO, committee serves as the senior management committee to assess all significant risk issues, and to protect Sukoon's reputation & intrinsic values. It oversees Sukoon's risk management.

b. Credit Committee (Meets Monthly)

Established & chaired by the Head of Finance, committee oversees and supports the management and control of credit risk. It oversees administration of Sukoon's credit portfolios.

c. Executive Committee (Meets Bi-Monthly)

This committee was established by the CEO.
It serves as the Executive Management level committee to discuss key strategic & business issues.

RISK MANAGEMENT GOVERNANCE

As Sukoon continues to be the leading insurance company in the UAE and GCC and to have a strong market position, the maintenance of a strong governance framework, ensuring the right overview and control at each level of our structure, is central to everything we do. This is achieved through Risk Management Policies & Committees steering them.

Effective governance is much more than committees: it is about ensuring the stability, consistency, and innovativeness of our business to make sure our customers' expectations are met and exceeded.

Sukoon has two levels of risk committee Board Risk Committee (BRC) & Executive Risk Committee (ERC). ERC's role is defined to challenge, oversee, and monitor the management of risks within Sukoon to ensure they are being managed within the risk governance requirements and risk appetite. There are four committees that further report to ERC. Validation of the ERM framework and risk appetite set by ERC is done by BRC. They also work as a channel of communication between the Board & ERC. With these committees, the Company can assess different severe (but plausible) events and scenarios to understand the financial and capital implications on the Company, proactively monitor and regulate reinsurance exposures and structures, large & unusual transactions. They also ensure that adequate and reasonable reserves are in place for insurance exposures along with the appropriateness of credit risk associated with insurance receivables/ reinsurance recoverable.

Compliance Policies

Sukoon's compliance policies are aimed to guide employees to a higher ethical standard, support the organization in its strategies, and ensuring compliance to local & international regulatory guidelines.

The compliance policies are reviewed and updated annually. The key focus areas are AML, CTF Sanctions, Risk assessment framework, conflict of interest, anti-corruption & bribery, and whistleblower policies. The policies are structured through procedures, processes, training & awareness to Sukoon's employees

01 AML & CTF Sanction Compliance Policy

02 Compliance Risk Assessment & Monitoring Process

03 Conflicton of Interest Policy

04 Anti-Bribery & Corruption

05 Sanction Policy

06 Whistleblowers' Policy

07 Gift's & Entertainment Policy

08 Risk Management Framework Policy

09 Risk Appetite Statement & Framework Policy

TECHNOLOGY AND INNOVATION

We at Sukoon have undergone a massive digital transformation and delivered various industry-level innovative solutions resulting in winning coveted industry awards for Digital Transformation.

We strongly believe in capitalising on the digital era to bring healthy returns to our shareholders and truly empower our customers, employees, and partners. We continue to enable a traditional supply chain with digital channels and leverage the external ecosystem as part of our digital strategy.

1. Strengthening Our Foundations

a. Technologies

- Modernised and resilient IT estate resulting in 99.9% service availability over the last 56 months
- Payment Gateway / API Gateway solutions
- Digital workspace with 40% on Cloud (Greenfield) and remote connectivity enabled for 95% of the staff
- Launch of the innovative, first-in-the-region Motor Fleet Solution (individual scheme) and B2B with dynamic pricing on ZeroCode platform (KUDOS)

b. Digital Channel

- 16 portals to enable self-service across the business domains
- Mobile Apps for Medical and Motor assistance for recovery
- Bancassurance (Mashreq & RAKbank)
- Launch of the innovative Health Plus portal

c. Analytics

- Created Golden Record and implemented Single Customer View on Cloud
- Data Lake and AI-based pricing implementation in plan

2. Key Initiatives

a. E-Commerce

- 100% STP for New Business and Renewals of Fleet – New Business delivered and renewals
- 100% STP of DHA medical products and Health Plus New business
- Predictive Analytics – Enable Personalization for Up-Sell/Cross-Sell (in progress)
- Rationalisation of 16 portals to one with Single Sign On (in progress)
- Launched enhanced Marine Cargo portal

b. E-Services

- Enabled Self-Servicing for Fleet Endorsements and Claims and renewals
- Opti channel Experience – API Channel for Brokers & Partners and B2B with dynamic pricing
- Digitisation of Consumer and Commercial Claims – 24/7 availability for UW, Operations, and Brokers on low-code platform

c. E-Partners

- Enabled medical reimbursement claims submission by partners leveraging APIs
- Leading and innovative Medical Ecosystem (in progress)

3. Information Security

At Sukoon, security is an integral part of the architecture guidelines. In the last 3 years, we have implemented multiple security products in December.

a. Key Initiatives: 2023

- Achieved AAMEN Certification with 94.55% which is the highest for any insurer in the region and successfully completed recertification in 2023
- Achieved ISO 27001 certification and surveillance Audit and we stood successful with Nil Non-conformances
- Protection of Business and Privacy Information – Microsoft Information Protection and Microsoft DLP (implemented)
- Encryption & Backup for Data Security – Parablu for laptops and Data Encryption for the rest implemented for identified systems
- Secured Login Mechanism – two-factor authentication
- Centralized Log maintenance – SIEM implemented
- Privilege Access management – CyberArk implemented
- Fortification against SPAM, Phishing, Malware – Vulnerability Management implemented
- Improved Threat Detection – MS-DLP implemented
- 24/7 security monitoring & response – dedicated Security Operations Centre in place

CUSTOMER ENGAGEMENT

Customer-centricity is at the fore of our ambitions. We believe that customer satisfaction is not only the basis for profitable growth but also a key driver for employee engagement. It also defines design principles for digitalisation and setting a benchmark for technical excellence.

Our “Customer First” value has led us to venture digitally to provide quality, personalised and value-propositioned services. From mobile applications to digital platforms and seeking customer surveys, we are constantly in the search of the next awe-striking factor for our customers.

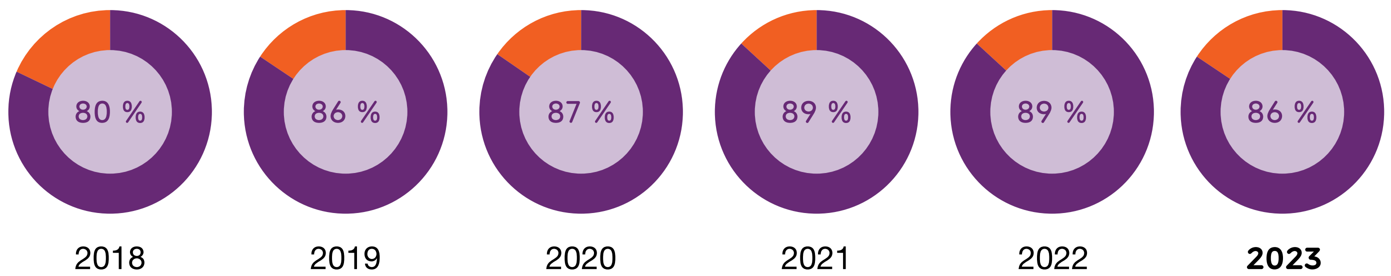
In addition to the inevitable digital world we are transitioning towards, we also boast a highly-skilled, empathetic team of insurance professionals to support our customers through well-managed call centers, email support, and Customer Service Desk and Complaints Unit for direct and intermediary channels.

1. Customer Satisfaction Survey

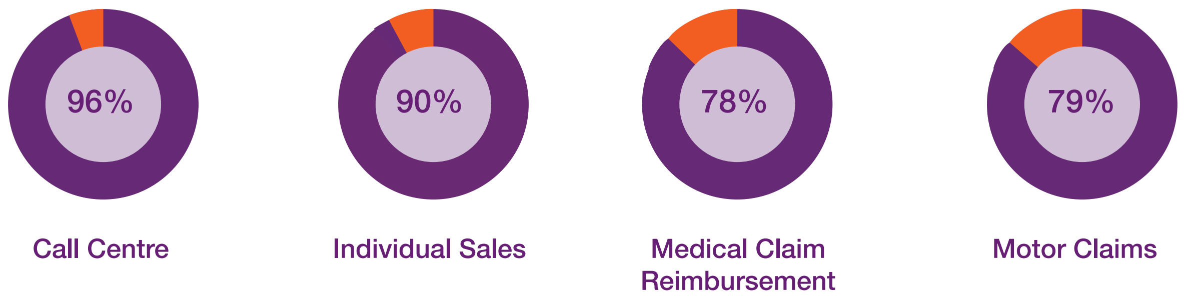
We passionately seek our customer feedback through monthly surveys. The satisfaction With a satisfaction score of 86% achieved in 2023, we keep marching forward in our pursuit to deliver absolute delight to our customers.

Indicators are reported monthly and form the base of measurement as well.

a. Global Satisfaction Index - Yearly Indicators



b. Department Indicator



CUSTOMER EMPOWERMENT

Digitally empowering customers strives to provide a seamless customer experience. We have launched a digital platform for our customers through mobile apps, online accesses, eCommerce platform which has truly changed the way traditional insurance processes run. The tedious tasks of purchasing insurance, finding the right product, seeking assistance, or submitting claims are all now a click away!

1. Individual Life

Online client portfolio platform

2. Medical Online Portal

mySukoon – an online portal to assist members with policy administration and medical claims reimbursements

3. E-Commerce

Online purchasing and renewal of insurance policies:

a. Motor Insurance
b. DigiTerm & Critical Illness
c. DHA Plus

4. Mobile Apps

a. IMC - Emergency Motor Roadside Assistance
b. mySukoon – Medical Network Geo-localization & Reimbursement Claims
c. LivFit – Wellness App

Customer Testimonials

We are known for our exceptional customer service. Here are a few testimonials which bear witness to our commitment to delight our customers at every turn:

"A strong commitment to excellent customer service, including responsive support and clear communication."

- Inayatullah (for Motor Claims)

It was a straightforward process. Once my documents were fully uploaded as needed, you guys right away processed my claim. I believe I got what is deserved nothing less nothing more.

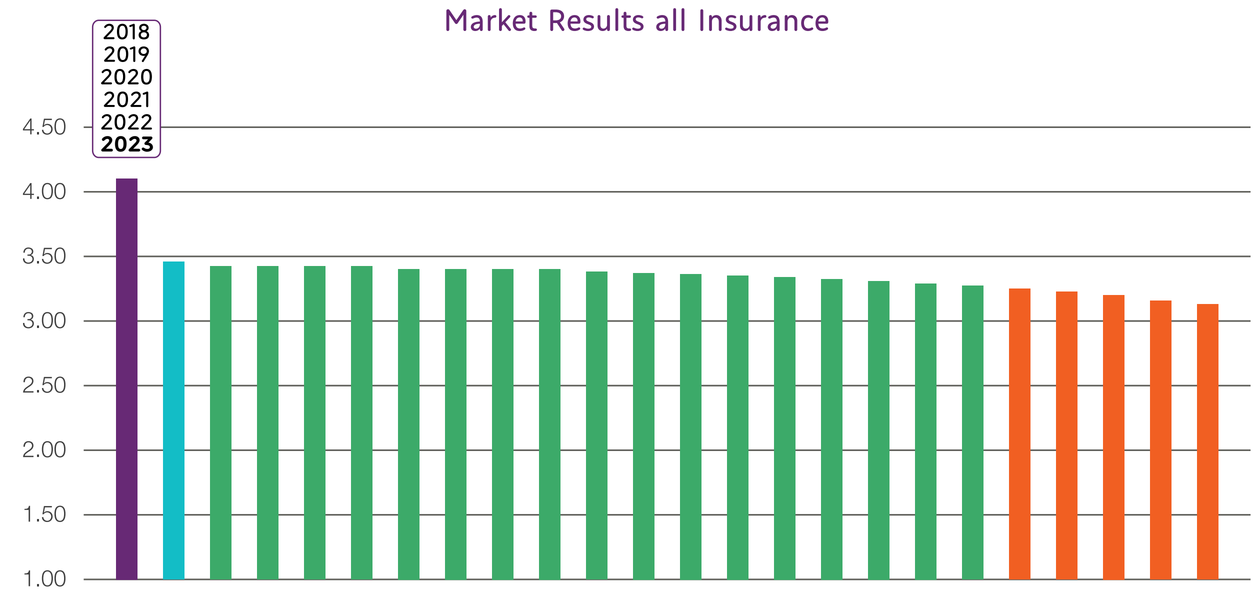
– Tarek (for Medical Reimbursement Claims)

PARTNER ENGAGEMENT

A similar empowerment strategy has been thought of for our partners.

We launch surveys for our brokerage channel on a regular basis which forms a significant part of our distribution channel. In 2023, we invited 2,065 individual brokers from 128 different brokerage firms to gauge their satisfaction along five streams – Sales and Underwriting, Policy Servicing, Claims, Finance, and Services – and rank the same vis-à-vis Sukoon's competition. A high ranking across the board clearly demonstrates Sukoon's position as UAE's leading insurer with excellence as its non-negotiable.

The following is a summary of the survey's results:



1. SME & EBP Medical

Online process from quotation to policy

2. B2B Platform

Stabilization of the broker platform for motor policies

3. Self-Service Administration

Medical member addition or deletion feature

4. Online Pre-Authorization Portal

Online pre-authorization request tool for medical providers

5. Individual Life

Portfolio management platform

BRAND AWARENESS

Legal Name Rebrand

2023 marked one year since we embraced our new corporate identity. Following the successful completion of all regulatory requirements, we closed the year with the legal name change and marked the completion of the rebrand. Oman Insurance Company P.S.C. became Sukoon Insurance PJSC.

Why Sukoon? Apart from its meaning 'peace of mind' in the region's three most widely spoken languages, our new identity embodies our diverse customer base, corporate dynamism, and proven resilience. In addition to reaffirming our association to UAE's insurance market, it clearly reflects our position as an insurer which pioneers innovation, provides unrivalled quality of service, and stands rock-solid to meet customer and partner obligations.

ASCANA Rebrand

Following the acquisition of Arabian Scandinavian Insurance Company (ASCANA), efforts were made to not only safeguard its deep-rooted heritage in the region but also align it to Sukoon's market-leading values and propositions. Thus, Sukoon Takaful was introduced.

Embracing its new identity, Sukoon Takaful now shares the strong heritage, award-winning customer service standards and rock-solid financial foundation of Sukoon, backed by its 48-year expertise in providing Sharia-compliant insurance solutions to its clients.

Marketing and PR

To increase brand awareness and capitalise on the limitless potential of digital marketing and online clientele, we actively use online platforms for campaigns such as digital and social marketing and digital PR campaigns. Here are some numbers from the brand campaign we launched in 2023:

516K	Total ad clicks
176M	Total views and listen of static, video, and audio advertisements

LivFit: A Comprehensive Wellness Programme

LivFit is a wellness program that we launched to promote a healthier lifestyle. It is now a full-fledged wellness platform for our customers and employees alike.

Sessions are aimed at health, lifestyle & awareness, and chronic disease management. In the pre-pandemic era, we held wellness workshops, visiting our employees and customer. Due to the limited social movement in the current time, we quickly adapted, and brought in our online platform to continue to care for our stakeholders and community. LivFit videos and sessions were made available to our customers on our websites, social media platforms as well as our LivFit app.

12.3M	Impressions on Facebook
5.9M	Impressions on Instagram

1. Health

a. Health Risk Assessment
b. Health Screening
c. Vaccination (Flu)
d. Mental Well- being

2. Lifestyle & Awareness

a. Virtual Coaching
b. Mobile App Fitness Plan
c. Tobacco Cessation
d. Corporate Challenges
e. Video Workout Library
f. Awareness Literature
g. Wellness Fair/ Webinars
h. Virtual Fitness Classes
i. Discount & Offers

3. Chronic Diseases Management

A Care program to manage conditions & improve quality of life:

a. Diabetes
b. Hypertension
c. Hyperlipidemia

EMPLOYEE ENGAGEMENT

As the customer is at the heart of it all, our employees are the cornerstone of Sukoon. We have done a great deal to ensure that our employees are happy, healthier, and dedicated to bringing a delightful experience to our customers. Our dynamic and diverse company culture advocates communication, transparency and accentuates employee engagement.

We aim to create a healthy, cooperative, and friendly environment, empowering employees and helping them flourish throughout their career.

Attracting, developing, and retaining the right talent is the foundation of Sukoon's approach to its people. The Company continuously promotes itself as an employer of choice to acquire strong candidates.

Year	Tenor	Attrition
2023	5.53	15.8%
2022	5.85	13.5 %
2021	5.89	14 %
2020	5.00	8 %
2019	4.00	13 %
2018	4.00	15 %

1. Employee Reward & Recognition

Sukoon has a variety of engagement initiatives to further enhance its engaged workforce:

a. Line managers have the option to attend workshops on the topic
b. A dedicated champions team acts as a support for line managers in their team engagement activities
c. Wellness initiatives covering both physical and mental health are conducted
d. High performing employees are awarded in quarterly award ceremonies

2. Employee Coaching

Sukoon launched its Employee Coaching program in 2019 for life and career advancement. With two internal qualified coaches, Sukoon provides face-to-face and virtual sessions to its employees to help them reach their maximum potential

3. Women's Network

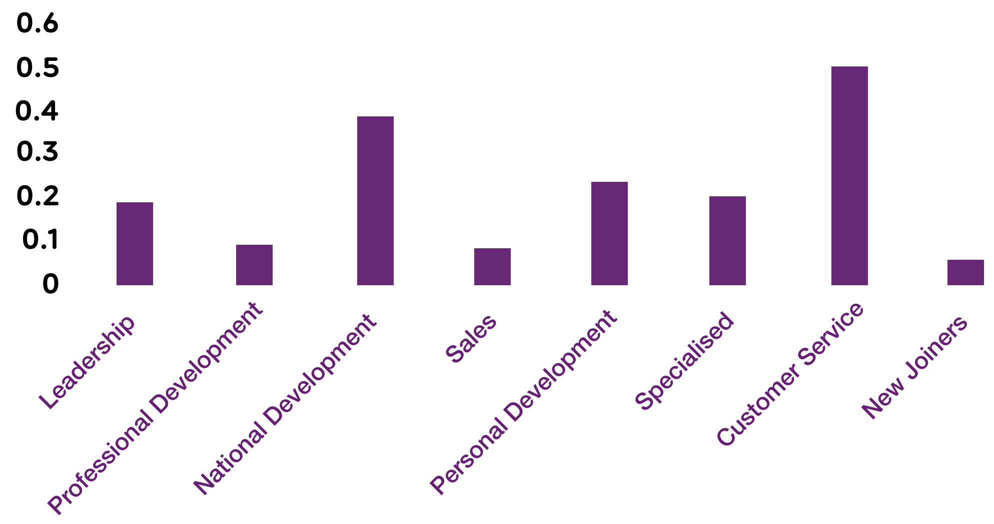
Sukoon Womens Network still continues to contribute and focus on the four pillars which it was established on in particular for Career development, Mentoring, Balance for Better, and Giving.

Some of the celebrated highlights of 2023 include the following:
a. Women's International Day
b. Emirati Women's Day
c. Omani Women's Day
d. Mother's Day
e. Breast Cancer Awareness Day

4. Learning & Development

In line with Sukoon's digitization excellence, Sukoon Learning Academy embraces new, innovative learning methods. Gamification (through which teams operate in a simulated business environment), blended learning (combining online, self-study and workshop modules), and the state-of-the-art e-Learning platform and mobile app (Learn with Sukoon) are all in active use. Sukoon employs a comprehensive e-learning platform, which hosts some important modules applicable for all, such as our in-house designed AML and Code of Conduct, Risk Awareness etc. In 2023 our focus was on Customer Service trainings and National Development.

Percentage wise break up of courses in 2023



5. Professional Qualifications 2023

Sukoon supports professionalizing its workforce for enhanced professional customer experience. Sukoon Learning Academy is a licensed examination center for both CII and LOMA qualifications, open for both internal and external candidates. The Company additionally invested its resources and energies in LinkedIn Learning and its own e-Learning platform, Learn with Sukoon, to ensure employees have access to all the latest offerings and articles trending in the market.

DECEMBER 2023

ASCANA BECOMES SUKOON TAKAFUL

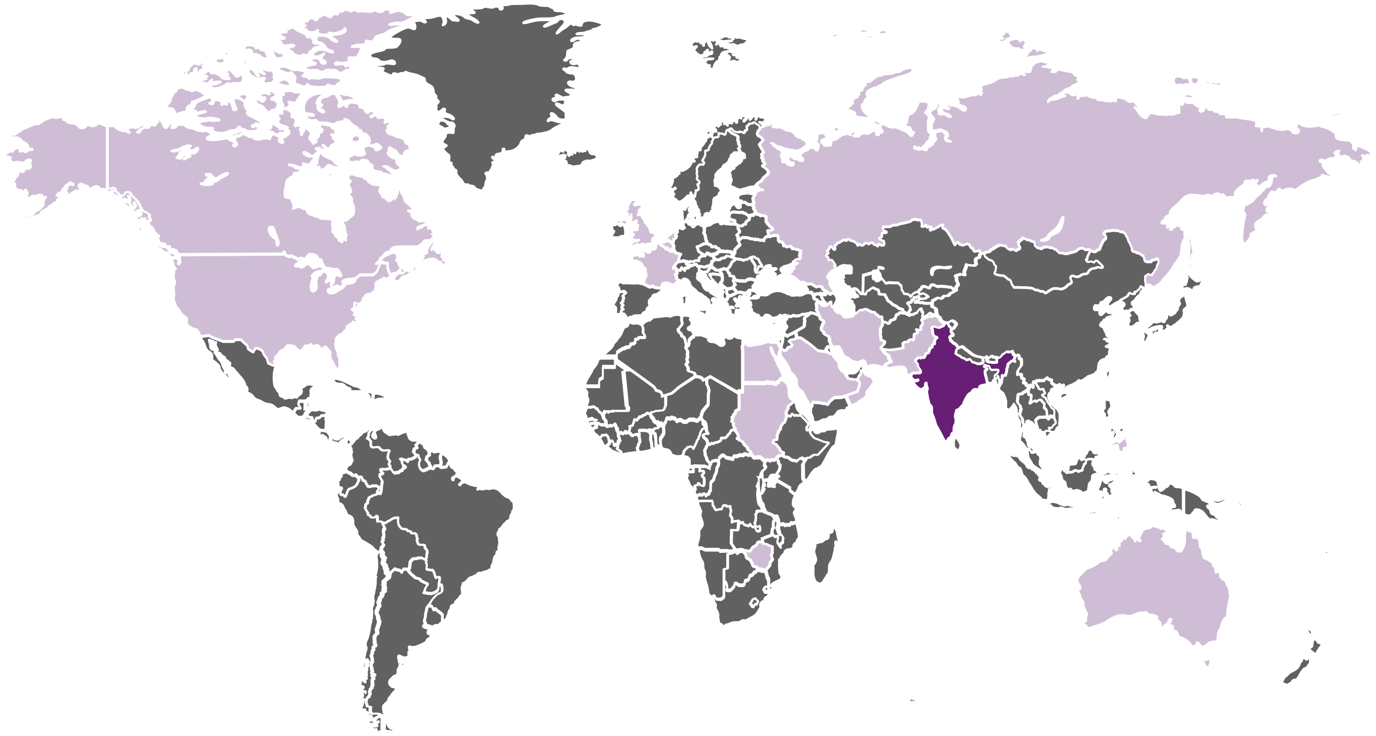
ASCANA REBRANDING

SUKOON™ INSURANCE

DIVERSITY

With 700+ Employees Across 35 Nationalities, Diversity is Ingrained in Sukoon's Company Culture.

We celebrate the diversity, experience, and harmony that our employees add to the spirit of the company. With 700+ employees and 35 nationalities, diversity is ingrained in Sukoon's company culture.

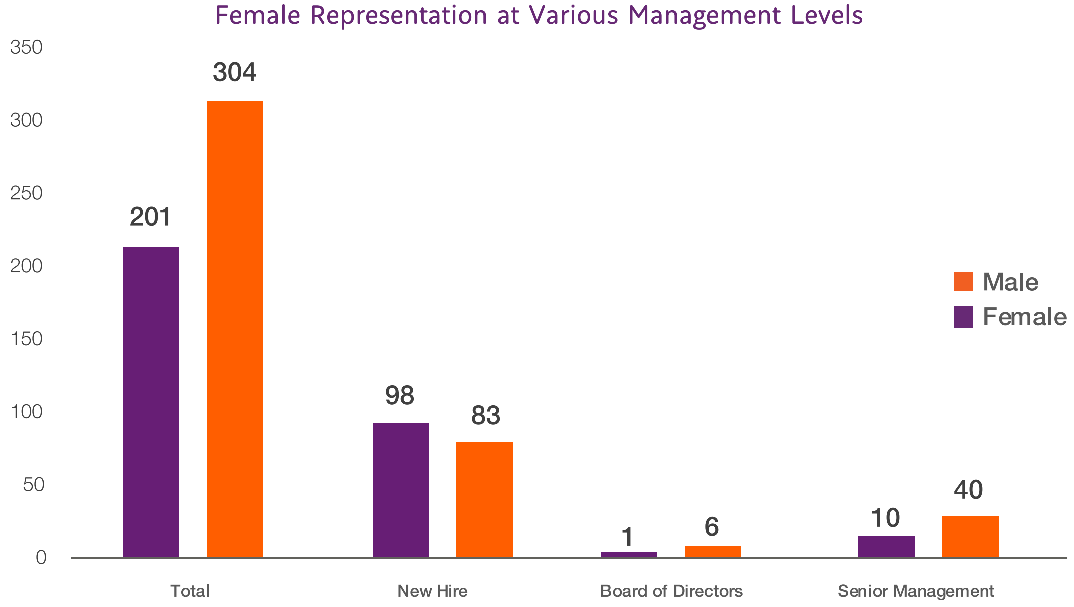


5 GENDER EQUALITY

10 REDUCED INEQUALITIES

1. Female Representation

Female Representation at Various Management Levels



- The female board position currently remains vacant, which will be filled at our next General Assembly

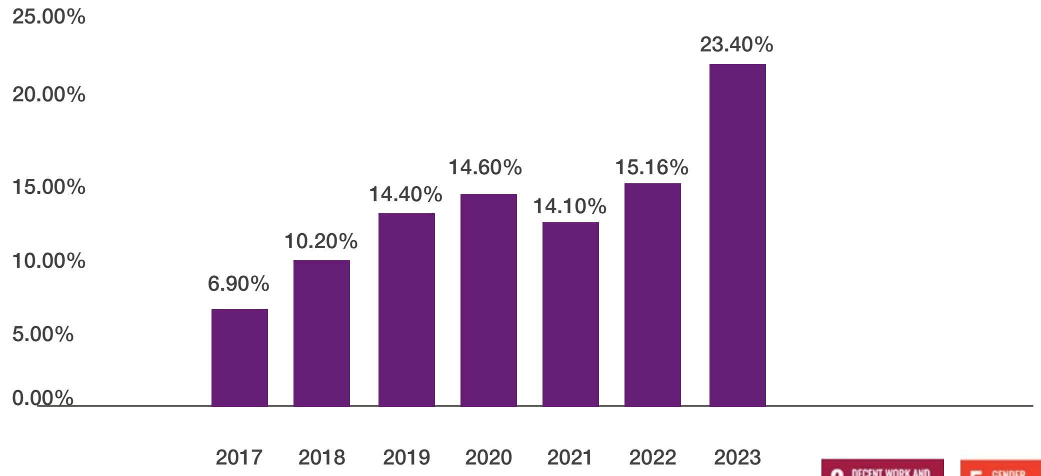
2. Diversity: Emiratization

Sukoon's strategy is to increase the number of Emirati talent and successfully integrate the national workforce to core insurance positions, thus enabling our people for a long-term career in the insurance sector.

The Company actively engages with the various pools to attract national employees. These include:

a. Partnership with the Ministry of Human Resources and Emiratization
b. Universities and Educational institutions
c. Government accelerators
d. National recruitment agencies
e. Career exhibitions
f. Social Media

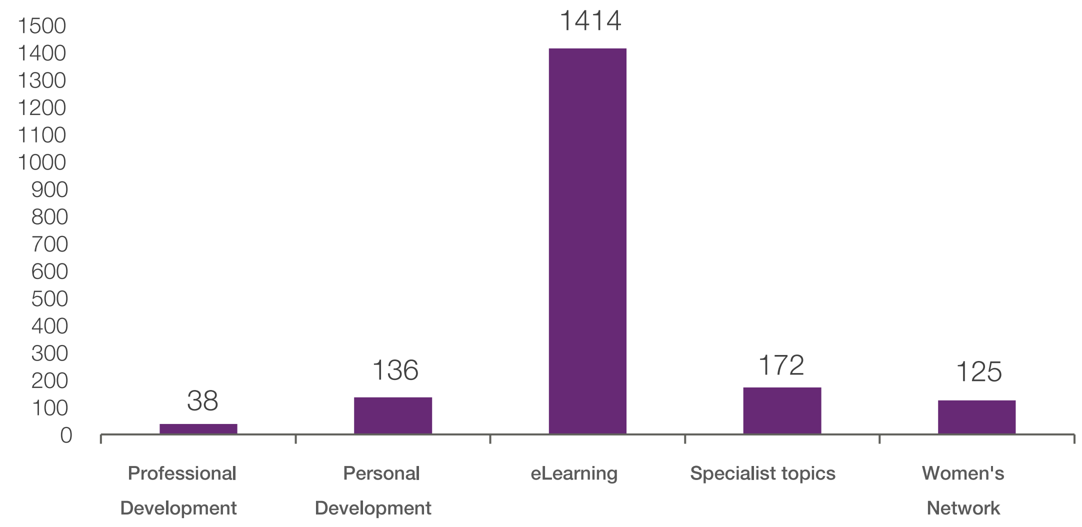
Percentage of UAE National Employees



3. National Development

Sukoon's signature program, 'Insure your Ambition', is specifically designed for Emirati nationals, addressing both professional and personal development, with a dedicated focus on guiding our national recruits' career trajectories

UAE National employees spent hours in L&D events in **2023**



MOHRE: Best Company in UAE National Recruitment 2019

IA: Outstanding company in the application of the Emiratization regulations 2019

MOHRE: Best company in posting UAE Nationals Vacancies 2019

IA: Outstanding company in the application of Emiratization regulations 2020

OUR SOCIAL RESPONSIBILITY

The Group made social contributions amounting to AED 47 thousand during the year ended 31 December 2023 (31 December 2022: AED 30 thousand).

In collaboration with Emirates Red Crescent, the company gave care packages to Gazan families in need. For each policy bought online between 1st Dec 2023 – 5th Jan 2024, Sukoon contributed towards a care package. The total contribution will be AED 18,750.

The Company participated in Job and Training Exhibitions with two esteemed colleges in Oman. This was a good opportunity to promote our Internship Training Program, explaining the enrolment process, and the skills and benefits that students will gain upon completion of the training. Our participation allowed more reach and exposure to students and graduates seeking for training opportunities to complete their on job training and gaining more experience in a reputable company.

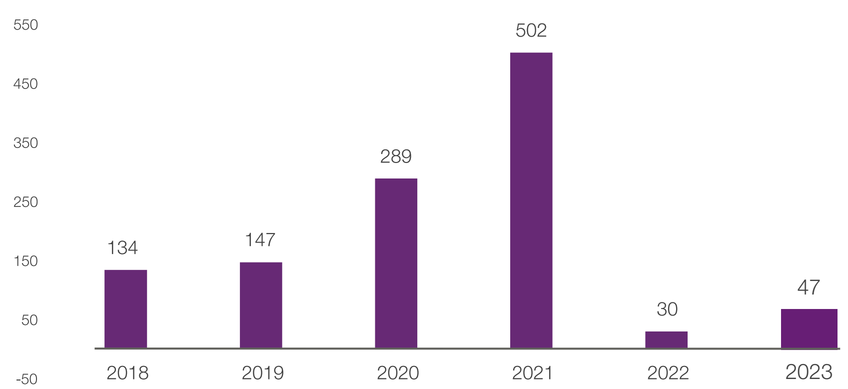
The Oman Cancer Association has announced its 19th annual breast cancer walkathon. Sukoon Oman will be participating in the walkathon which will be held on the 12th January 2024 to support the patients with cancer, the survivors and their families. This is a great initiative and engagement activity to participate in as a group to also help increase public awareness on cancer control and prevention.

Sukoon Insurance Oman signed a Memorandum of Understanding (MoU) with the Muscat University on 4th of December 2023. The signage ceremony was held at Muscat University premises in the presence of Sukoon Insurance General Manager Mr. Murtadha Al Ajmi and the Vice-Chancellor of the university Mr. Khamis Al Yahyaee. The partnership aims to further strengthen the relationship and support the university's finance students to complete their bachelor's degree requirement in finance and accounting (On Job Training), and empower them with the necessary skills and knowledge to succeed in their future careers. The students will be trained directly under the finance department with the leadership of our finance manager Mr. Ali al Balushi. The training duration will be for 7 months with Sukoon.

In Oman, the company completed 4 batches of Internship Training Program with a total of 13 interns. The interns have successfully completed their on-the-job training where they were given several trainings combining soft and hard skills such as effective communication, teamwork, computer proficiency and more. Furthermore, they assisted the company's Sales and Marketing team by conducting daily cold calls and obtaining confirmed meetings, which helped the interns gain valuable work experience.

Sukoon Insurance in Oman started a new initiative to collect water bottle caps since we consume so many water bottles on a daily basis. The plan is to collect sufficient numbers of caps and deliver them to a charitable organization where they give a Wheelchair for every 1,000 caps in return. The company will later donate the wheelchairs to hospitals and/or clinics. At the same time the company is helping to recycle the plastic caps which helps the environment.

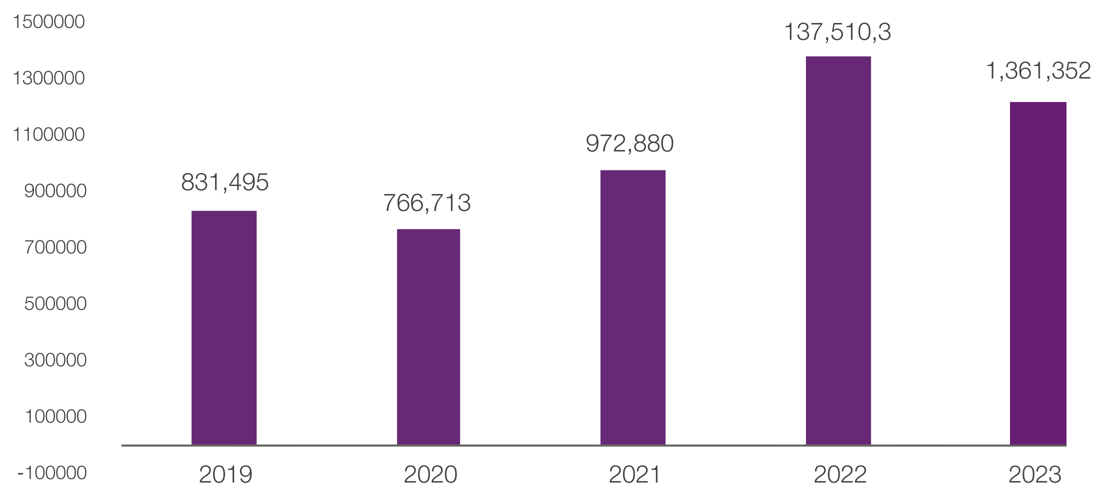
Value AED'000



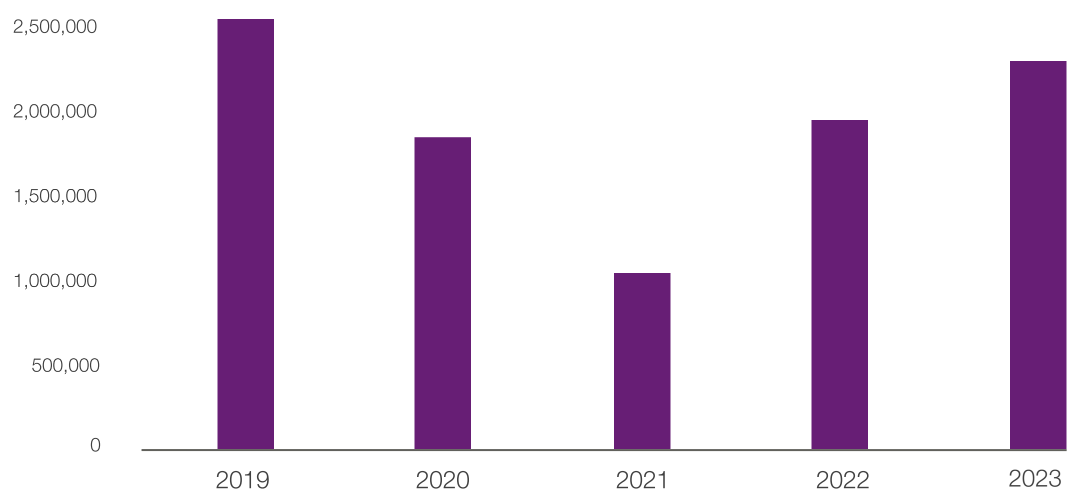
ENVIRONMENTAL RESPONSIBILITY

The key to the successful accomplishment of the environmental goal is to understand that it entails a long journey ahead with planning and awareness. We at Sukoon approach our environmental responsibility with immediate goals which focus on reducing our environmental footprints. We start at our home ground, invoking a culture of saving and economic use of resources. Our technological innovations have enabled us to move to paperless claims review for the motor insurance business.

Electricity Consumption (in kWh)



Water Consumption (Utility + Drinking in Litres)



Sukoon continues to be conscious of its water consumption and drives itself in achieving best practices to reduce the environmental impact. Since the Company shifted premises to an even larger office facility than before, water consumption proportionately increased. We have also engaged with ensuring there was a reduction and elimination of plastic water bottles in the office by replacing it with filtered water.

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02/2024