

Friends Provident International Limited
-Dubai Branch

Independent auditor's report and financial statements
For the year ended 31 December 2024

Friends Provident International Limited - Dubai Branch

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Independent auditors' report

To the Shareholders of Friends Provident International Limited (Dubai Branch)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Friends Provident International Limited (Dubai Branch) ("the Branch"), which comprise the statement of financial position as at 31 December 2024, the income statement, comprehensive income, changes in net residual attributable to the Head Office Account and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Branch in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter – Supplementary information

We draw attention to the fact that the supplementary information included in Note 29 does not form part of the financial statements.

Other matter – Relating to comparative information

The financial statements of the Branch as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 March 2024.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree-Law No. 48 of 2023, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Branch'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 Branch or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Branch's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate 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.

Report on Other Legal and Regulatory Requirements

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

KPMG Lower Gulf Limited

Adil Abid
Registration number.: 5541
Dubai, United Arab Emirates

Date: **28 MAR 2025**

Friends Provident International Limited - Dubai Branch

Income Statement for the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Insurance revenue	4 (a)	33,349	34,580
Insurance service expenses	4 (b)	(43,569)	(28,740)
Net (expense) / income from reinsurance contracts held	4 (c)	(2,430)	5,301
Insurance service result		(12,650)	11,141
Finance income from insurance contracts issued	6 (a)	6,302	3,174
Finance expenses from reinsurance contracts held	6 (b)	(1,879)	(1,038)
Net insurance finance income		4,423	2,136
Investment return on assets attributable to the Head Office	5	1,899	310
Investment return on policyholder investment contracts	5	598,271	415,811
Change in investment contract liabilities	18	(563,702)	(401,198)
Net investment income		36,468	14,923
Net insurance and investment result		28,241	28,200
Fee income from investment contracts	7	129,867	134,038
Commission and acquisition expenses on investment contracts	8	(53,422)	(53,790)
General and administrative expenses	9	(46,586)	(34,806)
Increase in net residual attributable to the Head Office Account for the year before tax		58,100	73,642
Income tax expense	25	(5,229)	-
Increase in net residual attributable to the Head Office Account for the year		52,871	73,642

Statement of comprehensive income for the year ended 31 December 2024

	2024 AED'000	2023 AED'000
Increase in net residual attributable to the Head Office Account for the year	52,871	73,642
Exchange differences on translation to presentational currency	(5,055)	16,624
Total comprehensive income for the year	47,816	90,266

All comprehensive income and expenditure arise from continuing operations.

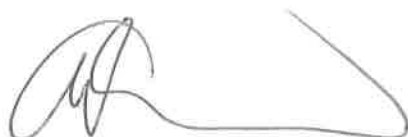
The accompanying notes on pages 9 to 59 form an integral part of these financial statements. The independent auditor's report is set out on pages 2 to 4.

Friends Provident International Limited - Dubai Branch

Statement of Financial Position as at 31 December 2024

	Notes	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Assets			
Statutory deposits	10	4,098	4,097
Restricted deposit	11	100,000	-
Right of use assets	12	3,993	903
Deferred acquisition costs on investment contracts	13	142,011	184,590
Insurance contract assets	17(a)	63,202	90,509
Reinsurance contract assets	17(b)	4,364	638
Other receivables	14	19,651	16,559
Financial assets held at fair value through profit or loss	15	4,759,500	4,721,816
Cash and cash equivalents	16	452,699	595,460
Total assets		5,549,518	5,614,572
Liabilities			
Investment contract liabilities	18	5,140,670	5,197,730
Deferred income on investment contracts	19	104,107	102,951
Current tax liability	25	5,229	-
Lease liabilities	20	4,191	1,012
Payables	21	38,653	11,381
Total liabilities		5,292,850	5,313,074
Net assets		256,668	301,498
Net residual attributable to the Head Office Account			
Accumulated profit		224,897	264,672
Foreign currency translation reserve		31,771	36,826
Total net residual attributable to the Head Office Account		256,668	301,498

The financial statements on pages 5 to 59 were approved for issue by the Board of Directors of the Head Office and signed on their behalf by:



Alistair Brogden
Director
27 March 2025



Adnan Lateef
General Manager – UAE
27 March 2025

The accompanying notes on pages 9 to 59 form an integral part of these financial statements. The independent auditor's report is set out on pages 2 to 4.

Friends Provident International Limited - Dubai Branch

**Statement of changes in net residual attributable to the Head Office Account
for the year ended 31 December 2024**

	Accumulated Profit AED'000	Foreign Currency Translation Reserve AED'000	Total AED'000
At 1 January 2024 (As previously reported)	264,672	36,826	301,498
Transfer of funds to the Head Office (Note 26 (c))	(92,646)	-	(92,646)
Increase in net residual attributable to the Head Office Account for the year	52,871	-	52,871
Other comprehensive income	-	(5,055)	(5,055)
Exchange differences	-	(5,055)	(5,055)
Total comprehensive income for the year	52,871	(5,055)	47,816
At 31 December 2024	224,897	31,771	256,668
At 1 January 2023 (As previously reported)	178,909	18,844	197,753
Adjustments on adoption of IFRS 17	58,835	1,358	60,193
Transfer of funds to the Head Office (Note 26 (c))	(46,714)	-	(46,714)
Increase in net residual attributable to the Head Office Account for the year	73,642	-	73,642
Other comprehensive income	-	16,624	16,624
Exchange differences	-	16,624	16,624
Total comprehensive income for the year	73,642	16,624	90,266
At 31 December 2023	264,672	36,826	301,498

The Statement of changes in net residual attributable to the Head Office Account is not a substitute for a statement of changes in equity. Since the Branch has not issued any equity instruments, a statement of changes in equity has not been presented for the years ended 31 December 2024 and 2023.

The accompanying notes on pages 9 to 59 form an integral part of these financial statements.

Friends Provident International Limited - Dubai Branch

Statement of Cash Flows for the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Increase in net residual attributable to the Head Office Account for the year before tax		58,100	73,642
Adjustments for:			
- Net investment return	5	(598,980)	(442,960)
- Foreign currency exchange fluctuation		(503,860)	91,914
- Deferred fee income from investment contracts released to the income statement	19	(28,251)	(27,020)
- Increase in deferred fee income on investment contracts	19	30,913	33,194
- Deferral of commissions and enhanced allocation and expenses on investment contracts	8,13	(9,471)	(8,487)
- Amortisation of deferred acquisition costs on investment contracts	8,13	49,780	49,465
- Impairment of deferred acquisition costs on investment contracts	8,13	377	431
- Net sales in financial assets held at fair value through profit or loss		981,339	286,490
- Depreciation of right-of-use assets	12	791	706
Changes in working capital			
- Decrease in insurance contract assets		26,497	8,240
- Decrease in reinsurance contract assets/liabilities		(3,802)	(22,089)
- Increase / (decrease) in investment contract liabilities		16,928	(13,995)
- Increase in other receivables		(3,668)	(839)
- Increase in payables		27,989	12,319
Net cash inflows from operating activities		44,682	41,011
- Transfer of funds to the Head Office	26(c)	(92,646)	(46,714)
- Restricted deposit		(100,000)	-
- Principal elements of lease payments	20	(805)	(803)
Net cash outflows from financing activities		(193,451)	(47,517)
Net decrease in cash and cash equivalents		(148,769)	(6,506)
Cash and cash equivalents at the beginning of the year		595,460	636,497
Effect of foreign exchange rate changes on cash and cash equivalents		6,008	(34,531)
Cash and cash equivalents at the end of the year	16	452,699	595,460

Non-cash transactions in the current year included an addition of AED 3,925,000 (2023: AED nil) to the right-of-use assets.

The accompanying notes on pages 9 to 59 form an integral part of these financial statements.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024

1. General information

Friends Provident International Limited – Dubai Branch (the “Branch”) is registered in the United Arab Emirates. The registered office of the Branch is located at 5th Floor, Building 6, Emaar Square, Dubai, United Arab Emirates. It is a branch of Friends Provident International Limited (the “Company” or “Head Office”), which is incorporated in the Isle of Man.

The Branch is licenced by the Central Bank of the UAE (“CBUAE”) to conduct life insurance business under CBUAE licence number 076. There has been no change in the nature of this activity during the financial period.

The immediate parent company of IFGL is Argo Bidco Limited. Argo Bidco Limited is wholly owned by Argo Midco Limited, which is wholly owned by Argo Topco Limited, which is in turn 81.7% owned by Argo Feederco Limited, 0.1% by Aldford Street Nominees Limited and 18.2% by IFGL management. Cinven Capital Management (SFF) General Partner Limited, which is authorised and regulated by the Guernsey Financial Services Commission, manages the investments in Argo Feederco Limited on behalf of the beneficial owners. IFGL is the highest level at which consolidated financial statements are prepared for the IFGL Group.

The financial statements have been prepared from the records of the Branch and reflect only transactions recorded locally.

2. Summary of material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and its interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of UAE Federal-Decree Law No. 48 of 2023 and the related Financial Regulations for Insurance Companies and the UAE Insurance Authority Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies. The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Branch meets the definition of a reporting entity under the Conceptual Framework for IFRS Accounting Standards ('the Conceptual Framework'). IFRS Accounting Standards defines a reporting entity as an entity that is required, or chooses, to prepare financial statements. A reporting entity can be a single entity or a portion of an entity or can comprise more than one entity. The Conceptual Framework requires that the boundary of reporting entity should be a complete set of economic activities and not contain arbitrary economic activities and should result in neutral information.

The Branch is in the business of conducting life insurance which represent its economic activities. All the operating activities of the Branch are clearly defined and separately managed from the other businesses of the Head Office and accounting records are maintained on this basis. The financial statements have been drawn up from the books of account of the Branch which contain evidence of transactions recorded therein. The assets of the Branch are used solely for use of the Branch. The liabilities relate to the Branch's activities.

The financial statements have been prepared on the historical cost basis except for financial assets held at fair value through profit or loss, which are carried at fair value. The financial statements are presented in United Arab Emirates Dirhams (AED), and all values are rounded to the nearest thousand (AED'000) as indicated. British Pounds (GBP) is the functional currency for the Branch. Assets, liabilities and equity, are translated from the functional currency into the presentational currency at the closing rate at the statement of financial position date, and income and expenses are translated at exchange rates approximating those ruling at the dates of the transactions.

The accounting policies set out below are reviewed for appropriateness each year. These policies have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

2. Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Branch's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 3.

These financial statements have been prepared on a going concern basis. The Branch's statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: Financial assets held at fair value through profit or loss, Other receivables, Cash and cash equivalents and Payables. The following balances would generally be classified as non-current: Statutory deposits and Right of use assets. The following balances would comprise of both a current and non-current portion: Deferred acquisition costs on investment contracts ("DAC"), Reinsurance contract assets/liabilities, Insurance contract assets, Investment contract liabilities, Lease liabilities and Deferred income on investment contracts.

Adoption of new and revised IFRS Accounting Standards

The Branch has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2024:

- Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:
 - the carrying amount of the liability,
 - information about the covenants, and
 - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The adoption of these amendments did not have a material impact on the financial statements.

2. Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

New IFRS Accounting Standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Branch. The Branch's assessment of the impact of these new standards and interpretations is set out below:

- On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
 - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted subject to any endorsement process.

- IFRS 18, 'Presentation and Disclosure in Financial Statements' is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.
 - The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss with defined subtotals;
 - requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
 - required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

The adoption of these standards is not anticipated to have a material impact on the financial statements. There are no other new or amended standards or interpretations that have been issued but are not yet effective that would be expected to have a material impact on the financial statements.

2. Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

UAE regulations

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 UAE Federal Law No. 6 of 2007. Companies had 6 months from 30 November 2023 ("the transitional period") to comply with the provisions of the UAE Federal Decree Law No. 48 of 2023. The Branch, through the Company, adopted these changes and met the transitional period deadline.

In December 2014, the CBUAE issued the Board of Directors' decision number (25) of 2014 pertinent to Financial Regulations for Insurance Companies (the "Financial Regulations"). The solvency margin and related disclosures are included in Note 29 of the financial statements.

2.2 Foreign currency translation

(a) Functional currency

Items included in the financial statements of the Branch are measured using the currency of the primary economic environment in which the Branch operates. British Pounds (GBP) is the functional currency for the Branch in accordance with the requirements of IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

(b) Transactions and balances

Transactions in currencies other than the functional currency are recorded on initial recognition in GBP at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in currencies other than GBP are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a currency other than GBP are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a currency other than GBP are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items into the functional currency at the end of the reporting period are recognised in the income statement.

All resulting exchange differences are recorded in the foreign currency translation reserve and recognised in other comprehensive income as exchange difference in translation of foreign operations.

2.3 Insurance, reinsurance, and investment contracts - Classification

Contracts under which the Branch accepts significant insurance risk are classified as insurance contracts. Contracts held by the Branch under which it transfers significant insurance risk related to insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Branch to financial risk. The Branch does not accept insurance risk from other insurers.

Some contracts entered into by the Branch have the legal form of insurance contracts but do not transfer significant insurance risk. These contracts are classified as financial liabilities and are referred to as 'investment contracts' (see note 2.5 below).

2. Summary of material accounting policies (continued)

2.3 Insurance, reinsurance, and investment contracts – Classification (continued)

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception:

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

All insurance contracts and all reinsurance contracts for the Branch are classified as contracts without direct participation features.

For groups of insurance contracts issued after 31 December 2016, the Branch applied the full retrospective approach on the date of transition on 1 January 2022.

For groups of insurance contracts issued before 31 December 2016, the Branch applied the fair value approach in IFRS 17 to identify, recognise and measure these groups of contracts at 1 January 2022 because it was impracticable to apply the full retrospective approach.

For those groups of contracts where the Branch applied the fair value approach, the Contractual Service Margin ("CSM") at 1 January 2022 was determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date. Further detail on how the fair value was measured is provided in note 2.5.

The Branch's key insurance products are conventional term assurance (protection) and conventional annuity insurance contracts. These products have been classified as contracts without direct participation features and have been measured under the general measurement model ("GMM").

2.4 Insurance and reinsurance contracts

(i) Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

The Branch has defined portfolios of insurance and reinsurance contracts issued based on its product lines, namely conventional term assurance, based on the fact that the products are subject to similar risks and are managed together. The expected probability of these portfolios at inception is determined based on the existing actuarial valuation models which take into consideration existing and new business.

2. Summary of material accounting policies (continued)

2.4 Insurance and reinsurance contracts (continued)

(i) Aggregation and recognition of insurance and reinsurance contracts (continued)

The Branch may issue some contracts before the coverage period starts and the first premium becomes due. Therefore, the Branch determines whether any contracts issued form a group of onerous contracts before the earlier of the beginning of the coverage period and the date when the first payment from a policyholder to the Branch is due. The Branch looks at facts and circumstances to identify if a group of contracts is onerous based on pricing information, results of similar contracts it has recognised, and environmental factors e.g. a change in market experience or regulations.

An insurance contract issued by the Branch is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Branch provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Reinsurance contracts

Groups of reinsurance contracts are established in a similar approach as for insurance contracts issued such that there is a reinsurance group for each group of underlying insurance contracts, creating a one-for-one correspondence between these groups.

Applying the grouping requirements to reinsurance contracts held, the Branch 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 initiated by the Branch that provide proportionate coverage are recognised at the later of the beginning of the coverage period of the group and the date on which any underlying insurance contract is initially recognised. This applies to the Branch's quota share reinsurance contracts. The Branch only has quota share reinsurance arrangements.

(ii) Insurance acquisition cash flows

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort. If insurance acquisition cash flows are directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract), then they are allocated to that group. At each reporting date, the Branch revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

The Branch does not have any insurance acquisition cash flows arising before the recognition of the related group of contracts that would be recognised as an asset.

2. Summary of material accounting policies (continued)

2.4 Insurance and reinsurance contracts (continued)

(iii) Contract boundaries

The Branch uses the concept of contract boundaries to determine what cash flows should be considered in the measurement of groups of insurance and reinsurance contracts.

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

Insurance contracts	<p>Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Branch can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).</p> <p>A substantive obligation to provide services ends when:</p> <ul style="list-style-type: none">- the Branch has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or- the Branch has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.- the reassessment of risks considers only risks transferred from policyholders to the Branch, which may include both insurance and financial risks, but exclude lapse and expense risks.
Reinsurance contracts	<p>Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Branch is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.</p> <p>A substantive right to receive services from the reinsurer ends when the reinsurer:</p> <ul style="list-style-type: none">- 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 Branch's quota share life reinsurance arrangements held have an unlimited duration matched to the underlying insurance contracts already issued for which the Branch has no right to terminate the reinsurance coverage. Therefore, estimates of future cash flows at all future durations arising from underlying contracts issued are included in the measurement of the reinsurance contracts.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary. The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Branch's substantive rights and obligations and, therefore, may change over time.

(iv) Measurement

Insurance contracts - Initial measurement

On initial recognition, the Branch measures a group of insurance contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the contractual service margin ("CSM"). The fulfilment cash flows of a group of insurance contracts do not reflect the Branch's non-performance risk.

2. Summary of material accounting policies (continued)

2.4 Insurance and reinsurance contracts (continued)

(iv) Measurement (continued)

Insurance contracts - Initial measurement (continued)

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Branch will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in the income statement with no CSM recognised in the statement of financial position on initial recognition. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in the income statement as reversals of losses on onerous contracts and are excluded from insurance revenue (see (vii) below).

Insurance contracts – Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims that have not yet been paid. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims comprises the fulfilment cash flows related to past service allocated to the group at the reporting date.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in the income statement if the group is onerous as a loss component)
Changes relating to current or past services	Recognised in the insurance service result in the income statement
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses

2. Summary of material accounting policies (continued)

2.4 Insurance and reinsurance contracts (continued)

(iv) Measurement (continued)

Insurance contracts – Subsequent measurement (continued)

The carrying amount for all groups of insurance contracts of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
 - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in the income statement and creates a loss component (see (vii) below); or
 - any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in the income statement (see (vii) below);
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the period (see (vii) below).

The Branch prepares condensed interim financial statements on a quarterly basis. The Branch has elected to treat every quarter as a discrete interim reporting period, and estimates made by the Branch in previous interim financial statements are not changed when applying IFRS 17 in subsequent interim periods or in the annual financial statements.

The Branch does not publish interim financial statements for the last quarter in the year. If an estimate reported in the previous quarter changes significantly in the fourth quarter, the nature and amount of such changes are disclosed in the annual statements. There were no such items that would require disclosures in these financial statements in 2024 and 2023.

Changes in fulfilment cash flows that relate to future services comprise:

- experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein; and
- changes in the risk adjustment for non-financial risk that relate to future services.

Reinsurance contracts

To measure a group of reinsurance contracts, the Branch applies the same accounting policies as are applied to insurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date. The asset for incurred claims comprises the fulfilment cash flows related to past service allocated to the group at that date.

The Branch measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer.

2. Summary of material accounting policies (continued)

2.4 Insurance and reinsurance contracts (continued)

(iv) Measurement (continued)

Reinsurance contracts (continued)

The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in the income statement. The risk adjustment for non-financial risk is the amount of risk being transferred by the Branch to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in the income statement because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Branch recognises the cost immediately in the income statement as an expense. The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- income recognised in the income statement in the year on initial recognition of onerous underlying contracts (where applicable) a loss recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised;
- reversals of a loss-recovery component (see 'Net (expenses)/income from reinsurance contracts' under (see (vii) below) to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in the income statement and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in the income statement because of the services received in the year, determined after all the adjustments above.

Reinsurance of onerous underlying insurance contracts

The Branch adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Branch expects to recover from the reinsurance contracts.

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Branch uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in the income statement as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid (see 'Net (expenses)/income from reinsurance contracts' under (vii) below).

2. Summary of material accounting policies (continued)

2.4 Insurance and reinsurance contracts (continued)

(v) Derecognition and contract modification

The Branch derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Branch also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Branch treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On the derecognition of a contract from within a group of contracts:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining coverage is adjusted to reflect the coverage units derecognised from the group (see (vii) below).

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Branch entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Branch received the premium that it would have charged less any additional premium charged for the modification.

(vi) Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts are included in the carrying amount of the related portfolios of contracts.

The Branch disaggregates amounts recognised in the income statement into (a) an insurance service result, comprising insurance revenue, insurance service expenses and net (expenses)/income from reinsurance contracts held; and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net (expenses)/income from reinsurance contracts' in the insurance service result.

The Branch does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result. Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

2. Summary of material accounting policies (continued)

2.4 Insurance and reinsurance contracts (continued)

(vi) Presentation (continued)

Insurance revenue

The Branch recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Branch expects to receive consideration, and comprises the following items.

- a release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below);
- changes in the risk adjustment for non-financial risk relating to current services;
- claims and other directly attributable insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year; and
- experience adjustments – arising from premiums received in the period other than those that relate to future service.

In addition, the Branch allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Branch recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

Release of the CSM

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in the income statement the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Services provided by insurance contracts include insurance coverage provided to the policyholders. The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period.

Loss components

The Branch establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts where these occur. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in the income statement as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non-financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Changes in fulfilment cash flows relating to future services are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

2. Summary of material accounting policies (continued)

2.4 Insurance and reinsurance contracts (continued)

(vi) Presentation (continued)

Loss recovery components

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Branch expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in the income statement generally as they are incurred. They exclude repayments of any investment components and comprise the following items.

- incurred claims and other incurred directly attributable insurance service expenses;
- amortisation of insurance acquisition cash flows - this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows;
- losses on onerous contracts and reversals of such losses, where these contracts are identified; and
- adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

Other expenses not meeting the above categories are included in general and administrative expenses in the income statement.

Net (expenses)/income from reinsurance contracts

Net (expenses)/income from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Branch recognises an allocation of reinsurance premiums paid in the income statement as it receives services under groups of reinsurance contracts. The allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Branch expects to pay consideration.

For a group of reinsurance contracts covering onerous underlying contracts, the Branch establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in the income statement as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Branch expects to recover from the reinsurance contracts.

2. Summary of material accounting policies (continued)

2.4 Insurance and reinsurance contracts (continued)

(vi) Presentation (continued)

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of life contracts are allocated to a loss component and included in insurance service expenses.

The Branch presents insurance finance income or expenses in the income statement.

2.5 Investment contracts

All of the investment contracts issued by the Branch are unit-linked contracts that do not transfer significant insurance risk (note 2.3). The financial liabilities for these contracts are designated as at fair value through profit or loss on initial recognition. This classification has been used because it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The fair value of a unit-linked financial liability is determined using the current unit values that reflect the fair values of the financial assets contained within the Branch's unitised investment funds linked to the financial liability, multiplied by the number of units attributed to the contract holder at the statement of financial position date plus deferred actuarial funding and investment claims outstanding.

Such contracts also contain a related investment management service component of the contract (note 2.5). Recurring fees are conditional on the provision of investment management services and are attributed to the investment management service contract component. If an amount received from a customer exceeds the fair value of the investment contract issued, then the excess is attributed to the investment services component as an up-front fee.

The Branch recognises the financial liability, representing its contractual obligation to pass on the return on the underlying investments after the deduction of investment management fees, when the Branch becomes a party to the contractual provisions.

2.6 Revenue recognition

Revenue comprises of;

- Insurance revenue (see note 2.4 (vi)); and
- Fee income from investment contracts for asset management and related services. This includes:
 - policy administration fees arising from investment contracts, which represent performance obligations satisfied over time, therefore revenue is recognised in the income statement over the contract period on a straight-line basis. Initial front-end fees, which relate to the future provision of services are deferred and recognised in the income statement over the anticipated period in which services will be provided. Such deferred fee income is included in the statement of financial position (see note 21).
- Dealing charges, surrender fees and other transaction-based charges are recognised at the point in time where performance obligations of the transaction take place.

Investment return is recognised in the income statement net of related expenses and includes dividends, interest and the movement in the financial assets at fair value through profit or loss.

2. Summary of material accounting policies (continued)

2.6 Revenue recognition (continued)

Dividend income from listed and unlisted securities is recognised as revenue when the right to receive payment is established. For listed securities this is the date the security is listed as ex-dividend. Interest bearing bonds and stocks have income accrued within their market value. Fund manager rebates are accounted for on an accruals basis, based on the total rebates earned during the period to the extent they are considered recoverable rather than based on cash received. This ensures that income is matched against expenses based on the period in which these are incurred.

Unrealised gains and losses on investments represent the difference between the valuation of investments designated as fair value through profit or loss, at the statement of financial position date and their original cost, or if they have been previously fair valued, the valuation at the last statement of financial position date. Unrealised gains and losses, arising on investments which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognised unrealised gains and losses in respect of disposals made during the year.

2.7 Expense recognition

(a) Commission and acquisition expenses on investment contracts

Direct and indirect acquisition costs incurred during a financial period arising from investment contracts are deferred to the extent that they are recoverable out of future margins and are amortised over the expected term of those contracts. All other acquisition costs arising from investment contracts are recognised as an expense when incurred.

(b) Other expenses

All other expenses are charged to the income statement on an accruals basis.

(c) Employee benefits – pension cost

The Branch operates a defined contribution pension scheme. The scheme is funded through contribution to a separately administered fund. The Branch has no further payment obligations once the contributions have been paid. The contributions are recognised as employee expenses when they are due.

2.8 Taxation

Corporate Tax

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

For the Branch, accounting for current and deferred taxes have become applicable from the period beginning 1 January 2024. Accordingly, management has applied following accounting policy to incorporate the applicable corporate tax.

2. Summary of material accounting policies (continued)

2.8 Taxation (continued)

(a) Current tax

The Cabinet of Ministers Decision No.116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000. Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates expected to apply to the profit for the period. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

(b) Deferred tax

Deferred tax is accounted for in respect of all temporary differences at the statement of financial position date between the tax base and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to statement of other comprehensive income or equity in which case it is included in statement of other comprehensive income or equity.

In accordance to the Article 127 – Unrealised gains and losses, taxable persons are required to include any realised or unrealised gains and losses reported in the financial statements in the calculation of their taxable income, if they would not subsequently be recognised in their income statement. This is unless they make the election to use the realisation basis. The Branch has not opted to elect the use of realisation basis and therefore include any realised and unrealised gains reported in the financial statement in its taxable income calculation. Hence there is no deferred no tax asset/liability is recognised in these financial statements.

2.9 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Right-of-use assets and lease liabilities

The Branch leases an office and its rental contract is for fixed periods of 5 years.

The contracts may contain both lease and non-lease components. However, for leases of offices for which the Branch is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

2. Summary of material accounting policies (continued)

2.10 Right-of-use assets and lease liabilities (continued)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Branch under residual value guarantees;
- the exercise price of a purchase option if the Branch is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Branch exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. The discount rate for the Branch has been determined to be 9.1% (2023: 5%).

The Branch is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Branch is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2.11 Financial assets and other receivables

(i) Classification

The Branch classifies its financial assets in the following categories: at fair value through profit or loss and at amortised cost. The classification depends on the Branch's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets of the Branch classified as at fair value through profit or loss ("FVTPL") are financial investments of the Branch backing unit-linked insurance and investment contract liabilities.

2. Summary of material accounting policies (continued)

2.11 Financial assets and other receivables (continued)

(i) Classification (continued)

The Branch has not taken the option to irrevocably designate any equity securities as at fair value through other comprehensive income. The contractual cash flows of the Branch's debt and fixed interest securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Branch's business model's objective. Consequently, all financial investments are measured at fair value through profit or loss.

Financial assets at amortised cost

The Branch classifies its financial assets as financial assets at amortised cost where the Branch's business model is to hold the assets for collection of contractual cash flows and those cash flows represent solely payments of principal and interest. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Branch's financial assets at amortised cost comprise 'receivables' (other than 'prepayments'), 'loan to holding company' and 'cash and cash equivalents' in the statement of financial position.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, being the date on which the Branch commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

Fair value for quoted investments in an active market is the bid price: for investments in unit trusts and other pooled funds it is the bid price quoted on the last day of the accounting period on which investments in such funds could be redeemed. If the market for a financial investment is not active, the fair value is determined by using valuation techniques. For these investments, the fair value is established by using quotations from independent third parties, such as brokers or pricing services or by using internally developed pricing models. Priority is given to publicly available prices from independent sources, when available, but overall, the source of pricing and /or valuation technique is chosen with the objective of arriving at a fair value measurement which reflects the price at which an orderly transaction would take place between market participants on the measurement date. Valuation techniques include the use of recent arm's length transactions, reference to the current fair value of other instruments that are substantially the same, discounted cash flow analysis and option pricing models making maximum use of market inputs from independent sources and relying as little as possible on entity specific inputs.

(iii) Impairment of financial assets

The Branch assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Branch applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Included in the financial assets held at fair value are assets held by the Head Office for the benefit of the Branch and are controlled by the management of the Branch (Note 15).

2. Summary of material accounting policies (continued)

2.12 De-recognition and offset of financial assets and financial liabilities

A financial asset is de-recognised when the contractual rights to receive the cash flows from the asset have expired or where they have been transferred, and the Branch has also transferred substantially all of the risks and rewards of ownership. A financial liability is de-recognised when the obligation specified in the contract is discharged or cancelled or expires.

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

2.13 Deferred acquisition costs (DAC) on investment contracts

For investment contracts without DPF, acquisition costs comprise all incremental costs that are directly related to the writing of the contract, which are incurred during a financial period, and are amortised on a straight line basis over the expected term of the contract if they are recoverable out of future margins.

Enhanced allocation costs are the cost of initial unit allocations to policyholders in excess of units warranted by unit prices paid. These are deferred in line with relevant DAC.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period and are treated as changes in accounting estimate.

2.14 Cash and cash equivalents

Cash and cash equivalents include demand deposits and other short-term highly liquid investments with original maturities of three months or less. The Branch does not have any bank overdrafts but if there were any they would be shown as part of cash and cash equivalents in the statement of financial position.

2.15 Financial liabilities

The Branch classifies its financial liabilities as either financial liabilities at fair value through profit or loss or financial liabilities carried at amortised cost. Financial liabilities measured at amortised cost are discounted for the time value of money, except in instances when this is not material.

Financial liabilities at fair value through profit or loss, such as investment contracts, are designated on initial recognition when one of the following criteria is satisfied:

- it eliminates or significantly reduces an accounting mismatch caused by financial assets and financial liabilities being measured on a different basis; and
- the financial liability contains or may contain an embedded derivative.

The Branch recognises a financial liability when, and only when, it becomes a party to the contractual provisions of a financial instrument. Derecognition of a financial liability is when, and only when, the obligation specified in the contract is discharged, cancelled or expires.

2.16 Provisions and contingent liabilities

A provision is recognised by the Branch when it has a present legal or constructive obligation, as a result of a past event, which is likely to result in an outflow of resources and where a reliable estimate of the amount of the obligation can be made. If the effect is material, the provision is determined by discounting the expected future cash flows at a pre-tax risk-free rate and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of material accounting policies (continued)

2.16 Provisions and contingent liabilities (continued)

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event or if there is a present obligation as a result of a past event but either a payment is not probable, or the amount cannot be reliably estimated.

2.17 Other payables

Other payables are recognised when due and measured on initial recognition at the fair value of the consideration payable. Subsequent to initial recognition, payables are measured at amortised cost using the effective interest rate method.

2.18 Net residual attributable to the Head Office

The Branch is not a separate legal entity and hence it did not issue its own equity instruments. Therefore, as a practical expedient, the Branch measures the 'Net residual attributable to the Head Office' at the carrying value of the Branch's net assets.

3. Significant accounting estimates and judgements

The preparation of these financial statements in conformity with IFRS Accounting Standards requires the Branch's management to use accounting estimates and make judgements in the application of material accounting policies that affect the reported amounts of assets and liabilities. All significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2023 except for the treatment of insurance and reinsurance contracts under IFRS17 as explained above.

(a) Fair value determination of financial instruments at fair value through profit or loss

Financial assets are designated at fair value as they are managed on a fair value basis. Financial liabilities i.e., investment contracts are designated at fair value to eliminate mismatch with corresponding assets which are managed on a fair value basis.

Fair values of financial instruments that are quoted in active markets are based on bid prices for the assets held. When independent prices are not available, fair values are determined by using valuation techniques which refer to market observable data and management's estimates. These include comparison with similar instruments when market observable prices are publicly available.

In determining fair value, market makers will take into account transactions they have observed in identical or similar assets as well as movements in market indices and other factors they regard as relevant. In some cases, consensus prices have been based on fewer and potentially more historic transactions.

Corporate bond valuations are generally obtained from brokers and pricing services. Bond prices provided by pricing services are based on the best estimate of market prices determined by market makers based on a variety of factors and are generally observable prices. In determining fair value, market makers will take into account transactions they have observed in identical or similar assets as well as movements in market indices and any other factors that they regard as relevant. In some cases, consensus prices have been based on fewer and potentially more historic transactions.

Private equity investment funds are valued based on information received from the fund manager of the fund. Fair values of private equity investments are based on lower of annual audited financial statements under accepted accounting practices or other valuation based on professional advice.

Structured investments are valued either using counterparty or broker quotes.

3. Significant accounting estimates and judgements (continued)

(a) Fair value determination of financial instruments at fair value through profit or loss (continued)

Methods considered when determining fair values of unlisted shares and other variable securities include net asset valuation and management's estimates based on market data.

For units in unit trusts and shares in open ended investment companies, fair value is by reference to published bid prices.

Investments are classified as Level 3 where they have been valued with reference to management estimates and information obtained from fund managers, counterparties or brokers. An analysis of financial assets by category is disclosed in Note 15.

(b) Insurance contracts

(i) Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The Branch's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value.

Estimates of future cash flows

In estimating future cash flows, the Branch incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Branch's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Branch takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Branch derives cost inflation assumptions from the difference between the yields on nominal and inflation-linked government bonds.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Branch has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Expenses are attributed to acquisition activities and maintenance activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and maintenance activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognised in the income statement as they are incurred.

3. Significant accounting estimates and judgements

(b) Insurance contracts (continued)

(i) Fulfilment cash flows (continued)

Insurance contract assets/liabilities allow for mortality and morbidity risk by making assumptions about the proportion of policyholders who die or become sick. Allowance for future mortality for protection business has been made using mortality tables derived by the reinsurers of the protection business. Investigations into actual recent experience are conducted to help derive a margin to apply to these tables.

The table below summarises the margin percentages assumed on a best estimate basis:

	31 December 2024	31 December 2023
Term – International Protector	33% of reinsurers rates	35% of reinsurers rates
Term – Simply Protect	37% of reinsurers rates	39% of reinsurers rates

Persistency is the extent to which policies remain in force and are not for any reason lapsed, made paid-up, surrendered or transferred prior to maturity or expiry. An allowance is made for persistency when calculating the liabilities. In order to keep the basis appropriate, persistency experience is monitored quarterly and the assumptions reviewed annually, in advance of the year-end valuation.

Discount rates

All cash flows are discounted using a bottom-up approach using the currency-specific risk-free yield curves published by European Insurance and Occupational Pensions Authority with no volatility adjustments.

The tables below set out the yield curves used to discount the cash flows of insurance contracts for major currencies.

	2024					2023				
	1 year	5 years	10 years	15 years	20 years	1 year	5 years	10 years	15 years	20 years
GBP	4.457%	3.861%	4.213%	4.595%	4.494%	4.735%	2.876%	3.491%	3.622%	3.489%
HKD	3.628%	3.227%	3.506%	3.577%	3.507%	4.285%	3.048%	3.340%	3.764%	3.677%
USD	4.180%	3.975%	3.896%	4.306%	3.920%	4.760%	3.212%	3.494%	3.576%	3.179%
EURO	2.657%	2.745%	2.928%	3.036%	3.113%	3.357%	2.215%	2.600%	2.512%	2.254%

Cash flows that vary based on the returns on any financial underlying items are adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates.

Risk adjustment for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the Branch would require for bearing non-financial risk and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the Branch, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion.

The risk adjustments for non-financial risk are determined using a confidence level technique.

To determine the risk adjustments for non-financial risk for reinsurance contracts, the Branch applies this technique both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results. Applying a confidence level technique, the Branch estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 85th percentile (the target confidence level) over the expected present value of the future cash flows.

3. Significant accounting estimates and judgements (continued)

(b) Insurance contracts (continued)

(ii) Contractual service margin ("CSM")

The CSM of a group of contracts is recognised in the income statement to reflect services provided in each period based on the number of coverage units provided in the period, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date. The Branch determines the quantity of the benefits provided under each contract as follows.

Product	Basis for determining quantity of benefits provided
Term assurance	Sum assured payable on death
Reinsurance contracts	The same basis as the underlying contracts

(iii) Fair value of insurance contracts

The Branch has measured the fair value of insurance contracts as the sum of (a) the present value of the net cash flows expected to be generated by the contracts, determined using a discounted cash flow technique; and (b) an additional margin, determined using a confidence level technique.

The cash flows considered in the fair value measurement are consistent with those that were within the contract boundary. Therefore, the cash flows related to expected future renewals of insurance contracts are not considered in determining the fair value of those contracts if they are outside the contract boundary.

The Branch's approach to measuring fair value differs from the IFRS 17 requirements for measuring fulfilment cash flows in certain respects. These differences gave rise to a CSM at the date of acquisition or transition. In particular, in measuring fair value the Branch:

- considers the cash flows included in the measurement of fulfilment cash flows but adjusts them to reflect the perspective of market participants. For example, expense cash flows are increased to cover a reasonable level of general overheads that are not directly attributable to fulfilling the insurance contracts but that a market participant acquiring the contracts would expect to bear;
- uses the discount rates applied in measuring fulfilment cash flows but increases the rates to reflect the effect of the Branch's non-performance risk; and
- includes a margin comprising a risk premium to reflect what market participants would demand as compensation for the uncertainty inherent in the cash flows and a profit margin to reflect what market participants would require to assume the obligations to service the insurance contracts.

In determining the risk premium, the Branch will allow for certain risks that were not reflected in the fulfilment cash flows but would be considered by market participants.

(c) Recoverability of Deferred Acquisition Costs ("DAC") and Deferred Enhanced Allocation ("DEA")

DAC and DEA assets are assessed for impairment each year by the Branch. This impairment testing provides comfort that future margins are sufficient to recover the carrying amount of the DAC asset. During the year, AED 377,000 (2023: AED 431,000) of DAC impairment was recorded in respect of investment contracts. This is reflected in Note 13.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

3. Significant accounting estimates and judgements (continued)

(d) Recognition of bank balances and financial assets held at fair value through profit or loss

The Branch recognises balances with banks and financial assets held at fair value on the statement of financial position although these are held in the name of the Company. In deciding the appropriateness of whether the Branch should recognise the assets, the Branch considers the following: the Branch has control over the assets; the Branch obtain direct economic benefit from the assets (i.e. income earned from these assets is recognised in the statement of comprehensive income of the Branch); the assets are used solely for the operations of the Branch and any use of these assets is authorised by the Branch's management; the assets are held for the beneficial interest of the Branch and these are part of the assets that are required to be maintained at the Branch's level to meet local regulatory requirements; and on liquidation or sale of the Branch, the assets would form part of the Branch's assets and not assets of the Company.

4. Insurance service result

(a) Insurance revenue

	2024 AED'000	2023 AED'000
Amounts relating to changes in liabilities for remaining coverage:		
CSM recognised for services provided	150	469
Change in risk adjustment for non-financial risk for the risk expired	2,694	2,600
Expected incurred claims and other directly attributable expenses	22,269	20,809
Recovery of insurance acquisition cash flows	13,920	13,128
Premium variance	(5,684)	(2,426)
Total insurance revenue	33,349	34,580

The change in risk adjustment for non-financial risk for the risk expired includes balances allocated towards the release of the risk adjustment allocated to the loss component of AED 313,000 (2023: AED 475,000).

(b) Insurance service expenses

	2024 AED'000	2023 AED'000
Incurred claims and other directly attributable expenses	(19,006)	(18,208)
Losses on onerous contracts and reversal of those losses	(10,643)	2,596
Insurance acquisition cash flows amortisation	(13,920)	(13,128)
Total insurance service expenses	(43,569)	(28,740)

(c) Net income from reinsurance contracts held

	2024 AED'000	2023 AED'000
Amounts relating to changes in remaining coverage:		
CSM recognised for services received	(5,576)	(5,966)
Change in risk adjustment for non- financial risk for the risk expired	(792)	(802)
Expected incurred claims and other directly attributable expenses recovery	(7,555)	(6,163)
Reinsurance premium variance	(1,716)	1,830
Total reinsurance expenses	(15,639)	(11,101)
Incurred claims and other directly attributable expenses recovery	5,277	12,547
Recovery of losses & reversals of recoveries on onerous underlying contracts	7,932	3,855
Total net (expense)/ income from reinsurance contracts held	(2,430)	5,301

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

5. Net investment return

	2024 AED'000	2023 AED'000
Investment income from financial investments held at fair value through profit or loss	73,299	69,862
Net fair value gains from financial investments held at fair value through profit or loss (Note 15 (a))	525,680	373,098
Net foreign exchange gains / (losses)	1,191	(26,839)
Total net investment return	600,170	416,121

The fair value gains/(losses) from financial assets at fair value through profit or loss include both the net fair value gain and loss on the revaluation of assets held at the statement of financial position date and the gains and losses realised on assets disposed of during the year. Investment income is made up of interest and dividend income received as well as fund manager rebates.

As explained in Note 23, the majority of the assets of the Branch are contractually linked to written unit-linked contract liabilities and consequently the majority of the investment return is borne by the holders of the underlying contracts.

Investment return is presented in the income statement by business cohort, as follows:

	2024 AED'000	2023 AED'000
Investment return on assets attributable to Head Office	1,899	310
Investment return on investment contracts	598,271	415,811
	600,170	416,121

6. Net insurance finance income

(a) Finance income from insurance contracts issued

	2024 AED'000	2023 AED'000
Interest accreted	5,021	(26)
Effect of changes in interest rates and other financial assumptions	393	2,149
Effects of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	(25)	5,958
Net foreign exchange gain/ (loss)	913	(4,907)
Total finance income from insurance contracts issued	6,302	3,174

(b) Finance expenses from reinsurance contracts held

	2024 AED'000	2023 AED'000
Interest accreted	(2,323)	1,064
Effect of changes in interest rates and other financial assumptions	1,135	667
Effects of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	(737)	(3,156)
Net foreign exchange gain	46	387
Total finance expenses from reinsurance contracts held	(1,879)	(1,038)

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

7. Fee income from investment contracts

	2024 AED'000	2023 AED'000
Annual management charges	21,083	21,121
Amortisation of deferred actuarial funding	62,690	71,883
Amortisation of deferred front-end fees (Note 19)	28,251	27,020
Policy administration fees	17,843	14,014
Total	129,867	134,038

8. Commission and acquisition expenses on investment contracts

	2024 AED'000	2023 AED'000
Commission paid	11,003	11,187
Commission deferral in the period (Note 13)	(7,738)	(7,293)
Amortisation of DAC (Note 13)	49,780	49,465
Impairment of DAC (Note 13)	377	431
Enhanced allocations (Note 18)	1,733	1,194
Enhanced allocations and expenses deferred (Note 13)	(1,733)	(1,194)
Total	53,422	53,790

9. General and administrative expenses

	2024 AED'000	2023 AED'000
Communication	4	4
Computer expenses	642	578
Administrative services provided from Head Office (Note 26 (c))	4,763	2,357
Marketing and publicity	14	24
Other administrative expenses	26,188	17,070
Professional fees	3,783	3,247
Rent and other accommodation expenses	1,676	1,294
Depreciation of right of use assets (Note 12)	791	706
Interest on lease liabilities	59	67
Salaries and other employee benefits	7,692	8,624
Travel expenses	30	17
Fees and levies	809	499
Investment expenses	135	319
Total	46,586	34,806

The Branch did not make any social contributions during the years ended 31 December 2024 and 2023.

During the year, the audit fees for the Branch were AED 672,000 (2023: AED 610,000). Fees payable to the auditors for non-audit services required by CBUAE regulations were AED 1,200,000 (2023: AED 984,000).

10. Statutory deposits

As at 31 December 2024, the amount of the regulatory assets maintained locally in accordance with the requirements of UAE Federal-Decree Law No. 48 of 2023 was AED 4,098,000 (31 December 2023: AED 4,097,000). The Branch is restricted from withdrawing these amounts without approval from the CBUAE. The average interest rates on these balances were 0.03% (31 December 2023: 0.03%).

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

11. Restricted deposit

On 27 May 2024 a bank guarantee for AED 100,000,000 (31 December 2023: AED Nil) was issued in favour of the CBUAE in accordance with the requirements of UAE Federal-Decree Law No. 48 of 2023. The bank guarantee is secured by a restricted deposit of AED 100,000,000 (31 December 2023: AED Nil). The Branch is restricted from withdrawing this amount without approval from the CBUAE. The annual interest rate on this balance is 4.95% (31 December 2023: nil).

12. Right of use assets

	2024 AED'000	2023 AED'000
Balance as at 1 January	903	1,538
Addition to right of use assets	3,925	-
Depreciation of right of use assets (Note 9)	(791)	(706)
Exchange difference	(44)	71
As at 31 December	3,993	903

For details of additions in the prior year refer to Note 20.

13. Deferred acquisition costs on investment contracts

	2024 AED'000	2023 AED'000
Balance as at 1 January	184,590	214,723
Commission deferred (Note 8)	7,738	7,293
Enhanced allocations and expenses deferred (Note 8)	1,733	1,194
Amortisation charged to the income statement (Note 8)	(49,780)	(49,465)
Impairment charged to the income statement (Note 8)	(377)	(431)
Foreign exchange differences	(1,893)	11,276
Balance as at 31 December	142,011	184,590

The expected realisation of the deferred acquisition costs on investment contracts balance as at 31 December 2024 is AED 45,847,000 (2023: AED 49,626,000) within twelve months from the statement of financial position date and AED 96,164,000 (2023: AED 134,964,000) after twelve months from the statement of financial position date.

14. Other receivables

	2024 AED'000	2023 AED'000
Sales settlements	3,510	3,603
Interest receivable	163	291
Amount due in respect of investment contracts	2,295	2,318
Amounts due from Head Office (Note 26(d))	-	593
Other receivables	13,683	9,754
Total	19,651	16,559

All receivables are expected to be realised within twelve months from the end of reporting period (2023: All).

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

15. Financial assets held at fair value through profit or loss

(a) Analysis of financial assets held at fair value through profit or loss

	2024 AED'000	2023 AED'000
Financial assets measured at fair value through profit or loss:		
Shares and other variable yield securities	4,219,407	4,084,528
Fixed income securities	540,093	637,288
Total financial assets held at fair value through profit or loss	4,759,500	4,721,816
	2024 AED'000	2023 AED'000
Balance as at 1 January	4,721,816	4,336,623
Purchase of equity securities	85,365	63,035
Sale of equity securities	(99,276)	(42,866)
Realised and unrealised gains on financial assets held at fair value through profit or loss (Note 5)	525,680	373,098
Foreign exchange differences and net movement of other non-equity financial assets	(474,085)	(8,074)
As at 31 December	4,759,500	4,721,816

All financial assets are held in the name of the Head Office for the beneficial interest of the Branch and controlled by the management of the Branch

(b) Determination of fair value hierarchy

Financial assets at fair value have been classified into three categories as set out below. Financial assets at fair value include shares and other variable yield securities, government securities, corporate bonds and deposits with credit institutions.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Examples include listed equities and bonds in active markets and quoted unit trusts / Open-ended investment companies ("OEIC").

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category generally includes assets that are priced based on models using market observable inputs. An example is certificates of deposit.

Level 3 – Inputs for the asset that are not based on observable market data. Assets with single price feeds and/or limited trading activity are included in this category. Examples include unlisted equities and private equity.

The majority of the Branch's assets held at fair value are valued based on quoted market information or market observable data. Approximately 0.02% (2023: 0.1%) of the total assets held at fair value are based on valuation techniques where significant observable market data is not available, or the price is not observable from current market transactions. However, the fair value measurement objective of these assets remains the same, that is, an exit price from the perspective of the Branch.

The Branch is also required to categorise its financial liabilities held at fair value into the above Level 1, 2 or 3 hierarchies. The Branch's financial liabilities at fair value are the unit-linked investment contracts and have been classified as Level 2. The underlying assets are predominantly categorised as level 1 or 2 and as such, the inputs into the valuation of the liabilities are observable. The position assigned to the liability in the fair value hierarchy must be determined by the lowest level of any input to its valuation that is considered to be significant.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

15. Financial assets held at fair value through profit or loss (continued)

(b) Determination of fair value hierarchy (continued)

Due to the unit-linked nature of the contracts there is no material exposure to changes in credit risk. There are no significant currency or geographical risk concentrations in the Branch.

The classifications consider the types of inputs used to determine the fair value measurements.

An analysis of financial assets held at fair value in accordance with the fair value hierarchy is set out below. The Company's shareholders have no direct exposure to profits or losses on unit-linked assets (other than through investment management fees).

As at 31 December 2024

Financial assets held at fair value through profit or loss	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Shares and other variable yield securities				
• Equities	233,801	-	-	233,801
• Unit trusts, OEICs and other investments	3,892,168	93,195	243	3,985,606
	4,125,969	93,195	243	4,219,407
Fixed income securities				
• Government bonds	3,640	236	-	3,876
• Corporate bonds	-	535,586	631	536,217
	3,640	535,822	631	540,093
Total financial assets held at fair value through profit or loss	4,129,609	629,017	874	4,759,500

As at 31 December 2023

Financial assets held at fair value through profit or loss	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Shares and other variable yield securities				
• Equities	218,653	-	9	218,662
• Unit trusts, OEICs and other investments	3,759,931	103,379	2,556	3,865,866
	3,978,584	103,379	2,565	4,084,528
Fixed income securities				
• Government bonds	-	2,699	-	2,699
• Corporate bonds	-	633,883	706	634,589
	-	636,582	706	637,288
Total financial assets held at fair value through profit or loss	3,978,584	739,961	3,271	4,721,816

(c) Level 3 reconciliation

The following table shows a reconciliation of Level 3 financial assets which are recorded at fair value through profit or loss as at 31 December:

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

15. Financial assets held at fair value through profit or loss (continued)

(c) Level 3 reconciliation (continued)

	2024 AED'000	2023 AED'000
As at 1 January	3,271	4,311
Net gains recognised in the income statement	11,517	23,993
Sales	(28,307)	(22,316)
Transfers from other levels	(12)	1,017
Foreign exchange differences	14,405	(3,734)
As at 31 December	874	3,271
Total unrealised gains included in profit for the year for assets held at 31 December	11,517	23,993

Amounts were transferred into Level 3 because of the lack of observable market data, resulting from a decrease in market activities for the securities. Transfers out of level 3 arise due to availability of prices in an active market.

16. Cash and cash equivalents

	2024 AED'000	2023 AED'000
Cash at bank and on hand	452,699	595,460
Total cash and cash equivalents	452,699	595,460

The Branch has no liens or guarantees. Included in the cash and cash equivalents are the assets amounting to AED 80,188,000 (2023: AED 146,954,000) which are held by the Head Office for the benefit of the Branch and are controlled by the management of the Branch.

17. Insurance and Reinsurance contracts

Insurance contract assets and reinsurance contract assets as calculated by the Branch's appointed actuary amounted to AED 63,202,000 and AED 4,364,000 as at 31 December 2024, respectively (31 December 2023: insurance contract assets AED 90,509,000 and reinsurance contract assets AED 638,000).

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)

(a) Movement in insurance contract assets

Insurance contract assets - analysis by remaining coverage and incurred claims.

	As at 31 December 2024 AED'000			
	Remaining coverage		Liability for	
	Excluding loss component	Loss component	incurred claims	Total
Insurance contract assets				
Net opening balance at 1 January 2024	120,349	(29,636)	(204)	90,509
Insurance revenue				
Contracts measured under the fair value approach at transition	10,463	-	-	10,463
New contracts and contracts measured under the full retrospective approach at transition	22,886	-	-	22,886
	33,349	-	-	33,349
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	3,145	(22,151)	(19,006)
Amortisation of insurance acquisition cash flows	(13,920)	-	-	(13,920)
Losses and reversals of those on onerous contracts	-	(10,643)	-	(10,643)
	(13,920)	(7,498)	(22,151)	(43,569)
Insurance service result before reinsurance contracts held	19,429	(7,498)	(22,151)	(10,220)
Finance income from insurance contracts issued	7,347	(1,045)	-	6,302
Total amounts recognised in the income statement	26,776	(8,543)	(22,151)	(3,918)
Cash flows				
Premiums received	(51,716)	-	-	(51,716)
Claims and other directly attributable expenses paid	-	-	22,114	22,114
Insurance acquisition cash flows	7,023	-	-	7,023
Total cash flows	(44,693)	-	22,114	(22,579)
Foreign exchange translation	(1,387)	573	4	(810)
Net closing balance at 31 December 2024	101,045	(37,606)	(237)	63,202

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)

(a) Movement in insurance contract assets (continued)

Insurance contract assets - analysis by remaining coverage and incurred claims.

	As at 31 December 2023 AED'000			
	Remaining coverage		Liability for	Total
	Excluding loss component	Loss component	incurred claims	
Insurance contract assets				
Net opening balance as at 1 January 2023	134,609	(35,524)	(5,480)	93,605
Insurance revenue				
Contracts measured under the fair value approach at transition	11,758	-	-	11,758
New contracts and contracts measured under the full retrospective approach at transition	22,822	-	-	22,822
	34,580	-	-	34,580
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	4,507	(22,715)	(18,208)
Amortisation of insurance acquisition cash flows	(13,128)	-	-	(13,128)
Losses and reversals of those on onerous contracts	-	2,596	-	2,596
	(13,128)	7,103	(22,715)	(28,740)
Insurance service result before reinsurance contracts held	21,452	7,103	(22,715)	5,840
Finance income from insurance contracts issued	2,543	631	-	3,174
Total amounts recognised in the income statement	23,995	7,734	(22,715)	9,014
Cash flows				
Premiums received	(53,490)	-	-	(53,490)
Claims and other directly attributable expenses paid	-	-	28,176	28,176
Insurance acquisition cash flows	8,060	-	-	8,060
Total cash flows	(45,430)	-	28,176	(17,254)
Foreign exchange translation	7,175	(1,846)	(185)	5,144
Net closing balance at 31 December 2023	120,349	(29,636)	(204)	90,509

Prior year figures have been updated for current year presentation but no changes to underlying figures.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)

(a) Movement in insurance contract assets (continued)

Insurance contract assets - analysis by measurement components

As at 31 December 2024 AED'000					
	Contractual Service Margin ("CSM")		New Contracts and contracts under full retro- spective transition approach		Total
	Estimates of present value of future cash flows	Risk adjustment	Contracts under fair value transition approach		
Net opening balance at 1 January 2024	121,597	(27,388)	-	(3,700)	90,509
Changes that relate to current services					
CSM recognised for services provided	-	-	-	150	150
Change in risk adjustment for non-financial risk for the risk expired	-	3,007	-	-	3,007
Experience adjustments relating to insurance service expenses	(2,734)	-	-	-	(2,734)
Changes that relate to future services					
Contracts initially recognised in the year	1,331	(1,543)	-	-	(212)
Changes in estimates that adjust the CSM	(3,537)	963	-	2,574	-
Changes in estimates that result in onerous contracts losses or reversals of those losses	(13,162)	2,731	-	-	(10,431)
Insurance service result	(18,102)	5,158	-	2,724	(10,220)
Finance income from insurance contracts issued	5,945	391	-	(34)	6,302
Total amounts recognised in the income statement	(12,157)	5,549	-	2,690	(3,918)
Cash flows					
Premiums received	(51,716)	-	-	-	(51,716)
Claims and other directly attributable expenses paid	22,114	-	-	-	22,114
Insurance acquisition cash flows	7,023	-	-	-	7,023
Total cash flows	(22,579)	-	-	-	(22,579)
Foreign exchange translation	(1,105)	290	-	5	(810)
Net closing balance at 31 December 2024	85,756	(21,549)	-	(1,005)	63,202

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)
(a) Movement in insurance contract assets (continued)

Insurance contract assets - analysis by measurement components

	As at 31 December 2023 AED'000				
	Contractual		Service Margin ("CSM")		Total
	Estimates of present value of future cash flows	Risk adjustment	Contracts under fair value transition approach	New Contracts and contracts under full retro- spective transition approach	
Net opening balance at 1 January 2023	122,706	(27,452)	-	(1,649)	93,605
Changes that relate to current services					
CSM recognised for services provided	-	-	-	469	469
Change in risk adjustment for non-financial risk for the risk expired	-	3,075	-	-	3,075
Experience adjustments relating to insurance service expenses	(300)	-	-	-	(300)
Changes that relate to future services					
Contracts initially recognised in the year	667	(1,470)	-	-	(803)
Changes in estimates that adjust the CSM	2,993	(433)	-	(2,560)	-
Changes in estimates that result in onerous contracts losses or reversals of those losses	4,225	(826)	-	-	3,399
Insurance service result	7,585	346	-	(2,091)	5,840
Finance income from insurance contracts issued	1,748	1,246	-	180	3,174
Total amounts recognised in the income statement	9,333	1,592	-	(1,911)	9,014
Cash flows					
Premiums received	(53,490)	-	-	-	(53,490)
Claims and other directly attributable expenses paid	28,176	-	-	-	28,176
Insurance acquisition cash flows	8,060	-	-	-	8,060
Total cash flows	(17,254)	-	-	-	(17,254)
Foreign exchange translation	6,812	(1,528)	-	(140)	5,144
Net closing balance at 31 December 2023	121,597	(27,388)	-	(3,700)	90,509

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)

(b) Movement in reinsurance contract (assets)/liabilities

Reinsurance contract (assets)/liabilities - analysis by remaining coverage and incurred claims

	As at 31 December 2024 AED'000			
	Remaining coverage			
	Excluding loss recovery component	Loss recovery component	Incurred claims	Total
Net reinsurance contract liabilities at 1 January 2024	32,998	(23,083)	(10,553)	(638)
Reinsurance expenses	15,639	-	-	15,639
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other directly attributable expenses	-	2,501	(7,778)	(5,279)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(7,932)	-	(7,932)
Net expense from reinsurance contracts held	15,639	(5,431)	(7,778)	2,430
Finance expenses from reinsurance contracts held	2,754	(875)	-	1,879
Total amounts recognised in the income statement	18,393	(6,306)	(7,778)	4,309
Cash flows				
Premiums paid	(23,989)	-	-	(23,989)
Claims recovered	-	-	14,698	14,698
Acquisition reinsurance commission received	1,180	-	-	1,180
Total cash flows	(22,809)	-	14,698	(8,111)
Foreign exchange translation	(390)	439	27	76
Net reinsurance contract assets at 31 December 2024	28,192	(28,950)	(3,606)	(4,364)

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)

(b) Movement in reinsurance contract (assets)/liabilities (continued)

Reinsurance contract (assets)/liabilities - analysis by remaining coverage and incurred claims

	As at 31 December 2023 AED'000			
	Remaining coverage			
	Excluding loss recovery component	Loss recovery component	Incurred claims	Total
Net reinsurance contract liabilities at 1 January 2023	38,128	(21,947)	4,600	20,781
Reinsurance expenses	11,101	-	-	11,101
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other directly attributable expenses	-	3,613	(16,160)	(12,547)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(3,855)	-	(3,855)
Net income from reinsurance contracts held	11,101	(242)	(16,160)	(5,301)
Finance income from reinsurance contracts held	684	354	-	1,038
Total amounts recognised in the income statement	11,785	112	(16,160)	(4,263)
Cash flows				
Premiums paid	(22,009)	-	-	(22,009)
Claims recovered	-	-	1,097	1,097
Acquisition reinsurance commission received	3,085	-	-	3,085
Total cash flows	(18,924)	-	1,097	(17,827)
Foreign exchange translation	2,009	(1,248)	(90)	671
Net reinsurance contract liabilities at 31 December 2023	32,998	(23,083)	(10,553)	(638)

Prior year figures have been updated for current year presentation but no changes to underlying figures.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)

(b) Movement in reinsurance contract (assets)/liabilities (continued)

Reinsurance contract (assets)/liabilities - analysis by measurement components

As at 31 December 2024 AED'000					
	Contractual Service Margin ("CSM")		New contracts / contracts under full retro- spective transition approach		Total
	Estimates of present value of future cash flows	Risk adjustment	Contracts under fair value transition approach		
Net reinsurance contract liabilities at 1 January 2024	51,907	(9,293)	(11,814)	(31,438)	(638)
Changes that relate to current services					
CSM recognised for services received	-	-	1,435	4,141	5,576
Change in risk adjustment for non-financial risk for the risk expired	-	792	-	-	792
Experience adjustments relating to incurred claims and other directly attributable expenses recovery	3,994	-	-	-	3,994
Changes that relate to future services					
Contracts initially recognised in the year	2,094	(470)	-	(1,818)	(194)
Changes in estimates that adjust the CSM	(9,750)	1,178	5,277	3,295	-
Recoveries / reversals on onerous contracts	-	-	(3,651)	(4,087)	(7,738)
Net expense from reinsurance contracts held	(3,662)	1,500	3,061	1,531	2,430
Finance (income)/expenses from reinsurance contracts held	2,641	53	(174)	(641)	1,879
Total amounts recognised in the income statement	(1,021)	1,553	2,887	890	4,309
Cash flows					
Premiums paid	(23,990)	-	-	-	(23,990)
Claims recovered	14,698	-	-	-	14,698
Acquisition reinsurance commission received	1,180	-	-	-	1,180
Total cash flows	(8,112)	-	-	-	(8,112)
Foreign exchange translation	(572)	105	116	428	77
Net reinsurance contract assets at 31 December 2024	42,202	(7,635)	(8,811)	(30,120)	(4,364)

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)

(b) Movement in reinsurance contract (assets)/liabilities (continued)

Reinsurance contract (assets)/liabilities - analysis by measurement components

	As at 31 December 2023 AED'000				
			Contractual Service Margin ("CSM")		Total
	Estimates of present value of future cash flows	Risk adjustment	Contracts under fair value transition approach	New contracts / contracts under full retro- spective transition approach	
Net reinsurance contract liabilities at 1 January 2023	72,868	(9,951)	(14,651)	(27,485)	20,781
Changes that relate to current services					
CSM recognised for services received	-	-	1,747	4,219	5,966
Change in risk adjustment for non-financial risk for the risk expired	-	802	-	-	802
Experience adjustments relating to incurred claims and other directly attributable expenses recovery	(8,214)	-	-	-	(8,214)
Changes that relate to future services					
Contracts initially recognised in the year	1,861	(420)	-	(2,250)	(809)
Changes in estimates that adjust the CSM	361	393	48	(802)	-
Recoveries / reversals on onerous contracts	-	-	1,371	(4,417)	(3,046)
Net income from reinsurance contracts held	(5,992)	775	3,166	(3,250)	(5,301)
Finance income from reinsurance contracts held	(728)	423	447	896	1,038
Total amounts recognised in the income statement	(6,720)	1,198	3,613	(2,354)	(4,263)
Cash flows					
Premiums paid	(22,009)	-	-	-	(22,009)
Claims recovered	1,097	-	-	-	1,097
Acquisition reinsurance commission received	3,085	-	-	-	3,085
Total cash flows	(17,827)	-	-	-	(17,827)
Foreign exchange translation	3,586	(540)	(776)	(1,599)	671
Net reinsurance contract liabilities at 31 December 2023	51,907	(9,293)	(11,814)	(31,438)	(638)

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)

(c) Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components of insurance and reinsurance contracts arising from the initial recognition of contracts that were initially recognised in the year.

2024 AED'000			
	Profitable Contracts	Onerous contracts	Total
Insurance contracts			
Insurance acquisition cash flows	-	(7,245)	(7,245)
Claims and other directly attributable expenses	-	(10,656)	(10,656)
Estimates of present value of future cash outflows	-	(17,901)	(17,901)
Estimates of present value of future cash inflows	-	19,232	19,232
Risk adjustment for non-financial risk	-	(1,543)	(1,543)
Contractual Service Margin	-	-	-
Change in insurance contract assets from contracts recognised in the year	-	(212)	(212)

2023 AED'000			
	Profitable Contracts	Onerous contracts	Total
Insurance contracts			
Insurance acquisition cash flows	-	(7,955)	(7,955)
Claims and other directly attributable expense	-	(9,244)	(9,244)
Estimates of present value of future cash outflows	-	(17,199)	(17,199)
Estimates of present value of future cash inflows	-	17,866	17,866
Risk adjustment for non-financial risk	-	(1,470)	(1,470)
Contractual Service Margin	-	-	-
Change in insurance contract assets from contracts recognised in the year	-	(803)	(803)

2024 AED'000			
	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Reinsurance contracts			
Estimates of present value of future cash inflows	(4,064)	-	(4,064)
Estimates of present value of future cash outflows	6,158	-	6,158
Risk adjustment for non-financial risk	(470)	-	(470)
Contractual Service Margin	(1,818)	-	(1,818)
Change in reinsurance contract assets from contracts recognised in the year	(194)	-	(194)

2023 AED'000			
	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Reinsurance contracts			
Estimates of present value of future cash inflows	(3,416)	-	(3,416)
Estimates of present value of future cash outflows	5,277	-	5,277
Risk adjustment for non-financial risk	(420)	-	(420)
Contractual Service Margin	(2,250)	-	(2,250)
Change in reinsurance contract liabilities from contracts recognised in the year	(809)	-	(809)

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

17. Insurance and Reinsurance contracts (continued)

(d) Contractual service margin

The following table illustrates when the Branch expects to recognise the remaining CSM on insurance and reinsurance contracts.

Amounts in AED'000s	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	> 10 years	Total
31 December 2024								
CSM for insurance contracts	101	87	76	67	61	248	365	1,005
CSM for reinsurance contracts	(3,998)	(3,551)	(3,226)	(2,952)	(2,699)	(10,676)	(11,829)	(38,931)
31 December 2023								
CSM for insurance contracts	369	320	282	251	226	914	1,338	3,700
CSM for reinsurance contracts	(4,412)	(3,976)	(3,592)	(3,269)	(2,993)	(11,821)	(13,189)	(43,252)

(e) Expected realisation

The following table illustrates when the Branch expects to realise the insurance and reinsurance contract assets/liabilities

Amounts in AED'000s	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	> 10 years	Total
31 December 2024								
Insurance contract assets	(17,068)	(13,905)	(11,576)	(9,482)	(7,537)	(17,116)	13,482	(63,202)
Reinsurance contract assets	887	2,091	1,950	1,696	1,253	894	(13,135)	(4,364)
31 December 2023								
Insurance contract assets	23,158	18,121	15,123	12,533	10,270	24,944	(13,640)	90,509
Reinsurance contract liabilities	4,955	(3,275)	(3,127)	(2,880)	(2,409)	(4,491)	11,865	638

Term insurance and reinsurance contracts held have no amounts payable on demand.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

18. Investment contract liabilities

	2024 AED'000	2023 AED'000
Balance as at 1 January	5,197,730	4,930,871
Premiums	222,945	269,772
Claims	(640,041)	(545,799)
Fees and income from service activities	(132,529)	(140,212)
Enhanced allocation (Note 8)	1,733	1,194
Change in investment contract liabilities	563,702	401,198
Other movements	1,118	(148)
Exchange difference	(73,988)	280,854
Balance as at 31 December	5,140,670	5,197,730
Analysed as:		
Unit-linked reserves	5,011,720	5,006,647
Other non-unit reserves	128,950	191,083
Total investment contract liabilities	5,140,670	5,197,730

For details of the expected realisation of the investment contract liabilities refer to note 22(d).

19. Deferred income on investment contracts

	2024 AED'000	2023 AED'000
Balance as at 1 January	102,951	91,420
Establishment charges deferred	30,913	33,194
Fees released to the income statement (Note 7)	(28,251)	(27,020)
Exchange difference	(1,506)	5,357
Balance as at 31 December	104,107	102,951

The expected realisation of the deferred income balance as at 31 December 2024 is AED 26,002,000 (2023: AED 26,546,000) within twelve months from the statement of financial position date and AED 78,105 (2023: AED 76,405,000) after twelve months from the statement of financial position date.

20. Lease liabilities

	2024 AED'000	2023 AED'000
Balance as at 1 January	1,012	1,747
Addition to lease liabilities	3,925	-
Repayment	(805)	(803)
Interest expense	59	68
Balance as at 31 December	4,191	1,012

The present value of lease liabilities is as follows:

	2024 AED'000	2023 AED'000
Due within one year	582	775
Due later than one year but not later than five years	3,609	237
Total lease liabilities	4,191	1,012

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

20. Lease liabilities (continued)

A new Dubai office lease was signed in December 2024 for 5 years. The lease will continue to be recognised as a finance lease under IFRS 16.

21. Payables

	2024 AED'000	2023 AED'000
Payables – Inside UAE:		
Amounts payable to policyholders on investment contracts	7,845	5,166
Payables – Outside UAE:		
Amounts due to Head Office	3,064	-
Accrued expenses and other payables	27,744	6,215
Total	38,653	11,381

All payables are expected to be settled within the next twelve months from the statement of financial position date (2023: All).

22. Capital management

The Branch's objectives when managing capital are:

- to comply with the insurance capital requirements required by the United Arab Emirates insurance regulator, the CBUAE;
- to safeguard the Branch's ability to continue as a going concern so that it can continue to protect policyholders; and
- to provide an adequate return to the Head Office by pricing insurance contracts commensurately with the level of risk.

The Branch is required to satisfy the Minimum Capital Requirement of AED 100,000,000 subscribed and paid-up share capital to be maintained at Friends Provident International level (the Company) under Cabinet resolution no. 42 of 2009 of the United Arab Emirates. The Branch monitors its capital level on a regular basis to assess whether such requirements have been met, and reports to the CBUAE annually.

Management believe that the Branch has complied with the above-mentioned paid-up share capital requirement of a minimum of AED 100,000,000 maintained at the Company level, including the solvency margin requirements as per the CBUAE's Financial Regulations.

	As at 31 December 2024 (Unaudited) AED'000	As at 31 December 2023 (Audited) AED'000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	69,150	76,101
Minimum Guarantee Fund (MGF)	23,050	25,367
Own Funds		
Basic Own Funds	218,677	240,542
MCR Solvency Surplus	118,677	140,542
SCR Solvency Surplus	149,527	164,441
MGF Solvency Surplus	195,627	215,175

The solvency margin and related disclosures included above are based on the figures prepared in accordance with the regulatory reporting requirements set out in the Insurance Authority's Board of Director's decision number (25) of 2014 pertinent to the financial regulations of insurance companies and not in accordance with IFRS Accounting Standards.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

22. Capital management (continued)

Localisation of assets within UAE

In December 2014, the UAE Insurance Authority issued the Board of Directors' decision number (25) of 2014 pertinent to Financial Regulations for Insurance Companies. Article 2 "Technical Provisions" of Section 3 "Regulations Pertinent to the Basis of Calculating the Technical Provisions" states that investments equivalent to the total technical provisions for all policies issued inside the UAE shall be maintained in the UAE. For the Branch this equates to investments equivalent to the Mathematical Reserves (excluding unit linked funds' related technical provisions), gross of reinsurance, shall be maintained in the UAE.

As at 31 December 2024 and 31 December 2023, management believes that the Branch complied with the localisation requirement for capital management based on regulatory reserves, which are calculated in line with the regulations and reported to the relevant authority accordingly.

23. Risk management objectives and policies for mitigating risks

As a financial services provider, the Branch's business is the managed acceptance of risk. The Company seeks to manage the Branch's exposures to risk through control techniques that ensure residual risk exposures are within acceptable tolerances. The systems and procedures of control established within the Company are designed to manage, rather than eliminate, the risk of failure to meet business objectives as well as to ensure that the Branch is well capitalised.

As the majority of the business in the Branch is unit-linked, the Branch matches all the assets on which the unit prices are based with corresponding linked liabilities. The Branch is therefore not exposed to price, currency, credit or interest risk for these assets and contracts other than fee income in future years in policy currencies.

The risk exposure retained by the Branch relates primarily to the investment of surplus assets. The table below shows the division of assets between surplus assets and linked assets. The risks discussed below are in relation to the surplus assets only if not otherwise mentioned.

	2024			2023		
	Surplus assets	Linked assets	Total carrying value	Surplus assets	Linked assets	Total carrying value
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Financial investments (Note 15)						
• Share and other variable yield securities	33,278	4,193,872	4,227,150	12,855	4,071,673	4,084,528
• Fixed income securities	-	532,350	532,350	-	637,288	637,288
Cash and cash equivalents	165,821	286,878	452,699	297,904	297,556	595,460
Other receivables	16,114	473	16,587	14,899	1,660	16,559
Total	215,213	5,013,573	5,228,786	325,658	5,008,177	5,333,835

The Branch issues insurance contracts and investment contracts managed by the Branch. The nature and extent of the underwriting and financial risks arising from these contracts are determined by the contract design. The risks are evaluated for risk management purposes in conjunction with the risks mitigated by related reinsurance contracts and the risks arising from financial assets held to fund the settlement of the liabilities.

The extent to which profit or loss and net residual to Head Office Account in any period are sensitive to financial risks depends on the extent to which they are borne by contract holders and the extent of any mismatches inherent in the accounting policies adopted by the Branch.

Further information on the types and management of specific risk types is given in the section below.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

23. Risk management objectives and policies for mitigating risks (continued)

a) Insurance risk

The Branch issues insurance contracts and investment contracts.

The risks arising from investment contracts are primarily financial risks where the Branch is exposed to risks arising from any guarantees and to the extent of its share of the underlying items.

The Branch's insurance contracts are exposed to insurance risk, which arise from the uncertainty over the occurrence, amount and timing of claims payments arising under insurance contracts. The exposure depends to a significant extent, on the value of claims to be paid in the future, relative to the assets accumulated to the date of claim. The amount of such future obligations is assessed by reference to assumptions with regard to future mortality, morbidity and persistency rates and expenses.

The main insurance risks can be summarised as follows:

- Mortality – the risk that the experience of life assurance policyholders is different from that expected. For term assurance contracts, the risk is that policyholders die earlier than expected.
- Morbidity – the risk that more of the health insurance policyholders fall ill or become incapacitated than expected.
- Persistency – the risk that policies do not remain in force and lapse for any reason. The risk is generally that less policies remain in force than expected.
- Expenses – the risk that actual expenses are higher than those expected.

Longevity risk is not material in the Branch.

Insurance risks are managed through the following mechanisms:

- the use of guidelines, limits and authority levels for concluding insurance contracts, assuming insurance risks and handling insurance claims;
- regular monitoring of actual exposure compared to the agreed limits to ensure that the insurance risk accepted remains within risk appetite;
- the use of reinsurance to mitigate exposures in excess of risk appetite, to limit the Branch's exposure to large single claims and catastrophes and to alleviate the impact of new business strain; and
- control over product development and pricing.

These techniques are supported by the use of actuarial models, to calculate premiums and monitor claims patterns. Past experience and statistical methods are also used to determine appropriate assumptions for those models.

The tables below represent the payments for insurance contracts, that would be made if all policyholders were to die or suffer a critical illness at the date shown.

	Sum at risk before reinsurance AED'000	2024	Sum at risk after reinsurance AED'000
		Amount reinsured AED'000	
Death benefits	10,257,616	6,952,040	3,305,576
Critical illness	1,626,909	960,173	666,736
	11,884,525	7,912,213	3,972,312

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

23. Risk management objectives and policies for mitigating risks (continued)

a) Insurance risk (continued)

	2023		
	Sum at risk before reinsurance AED'000	Amount reinsured AED'000	Sum at risk after reinsurance AED'000
Death benefits	10,405,126	7,052,015	3,353,111
Critical illness	1,650,304	973,981	676,323
	12,055,430	8,025,996	4,029,434

For the Branch's life business, actual claims including outstanding claims were not material, individually or in aggregate, at the reporting date. For the Branch's individual life business, there is no uncertainty about the amount and timing of claims payments once the claim is notified as the amounts are specified in the policy. Furthermore, claims notified are typically paid within a short period of time.

Concentration risk

The Branch writes a diverse mix of business across a large number of geographic locations. The concentration risk to any particular location or life assured remains within the risk appetite.

Sensitivity analysis

The table below analyses how the CSM, profit and net residual attributable to the Head Office Account would have increased/(decreased) if changes in insurance risk exposures that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

2024 AED'000	CSM		Profit or Loss		Net residual attributable to the Head Office Account	
	Gross	Net	Gross	Net	Gross	Net
Mortality rates (5% increase)	(619)	(1,587)	(5,982)	(946)	(5,875)	(929)
Expenses (5% increase)	(400)	(2,720)	(2,025)	299	(1,989)	294
Persistency rates (20% increase)	(595)	958	(2,152)	(1,519)	(2,113)	(1,492)
2023 AED'000	CSM		Profit or Loss		Net residual attributable to the Head Office Account	
	Gross	Net	Gross	Net	Gross	Net
Mortality rates (5% increase)	(1,613)	(1,447)	(6,024)	(1,497)	(6,155)	(1,532)
Expenses (5% increase)	(887)	2,798	(2,109)	(197)	(2,158)	(202)
Persistency rates (20% increase)	(2,334)	(682)	(4,433)	(2,237)	(4,536)	(2,289)

23. Risk management objectives and policies for mitigating risks (continued)

a) Insurance risk (continued)

Changes in insurance risk exposures mainly affect the CSM, profit or loss and Net residual attributable to the Head Office Account as follows:

(a) CSM	- Changes in fulfilment cash flows not relating to any loss components, other than those recognised as insurance finance income or expenses.
(b) Profit or loss	- Changes in fulfilment cash flows relating to loss components (where applicable).
	- Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in the income statement.
(c) Net residual attributable to the Head Office Account	- The effect on the income statement under (b).

(b) Market risk

Market risk arises from the possibility that the fair value or cash flows of the Branch's financial instruments change as a result of movements in interest and inflation rates, market values and foreign exchange currency rates.

(i) Price risk

Price risk is defined as the risk of fluctuations in fair value or future cash flows of a financial instrument arising from a change of or volatility in equity prices or income. For unit-linked policies, the policyholder bears the majority of the risk and any change in asset values are matched by a broadly equivalent change in the liability. Charges that are derived as a percentage of fund values are impacted by movements in equity prices. Falling values have an adverse effect on the Company's shareholders but this is mitigated through product charging structures.

In the event of a 10% fall in equity prices, it is estimated that the operating profit for the coming year will decrease by AED 2,699,000 (2023: AED 2,687,000).

(ii) Interest rate and inflation risk

Interest rate and inflation risk is defined as the risk of fluctuations in fair value or future cash flows of a financial instrument arising from a change of or volatility in interest rates and implied market inflation.

Inflation rates have an impact on expense. However, as interest rates and inflation tend to move in the same direction, a decrease in inflation will result in lower non-unit reserves.

(iii) Foreign exchange risk

Foreign exchange risk is defined as the risk of fluctuations in fair value or future cash flows of a financial instrument arising from a change of or volatility in exchange rates.

In the event of a 10% fall in foreign currencies, it is estimated that impact on the profit and the net residual amount to the Head Office Account for the coming year will be a decrease of AED 18,656,000 (2023: AED 18,959,000).

(c) Credit risk

Credit risk is the risk of loss through the failure of a counterparty in which the Branch has engaged to perform its obligations or failure to perform its obligations in a timely manner.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

23. Risk management objectives and policies for mitigating risks (continued)

(c) Credit risk (continued)

The primary risk is counterparty risk. This is mitigated by limiting the exposure of deposits held within individual financial institutions, all of which must hold a high investment grade credit rating. Accounts receivable are aimed to be settled in a timely manner by finance operations.

The Company, on behalf of the Branch, is exposed to reinsurance counterparty risk, reinsurance premiums are paid in advance and claims are settled on a monthly basis to mitigate the credit risk exposure for reinsurance contracts and gives consideration to the credit quality of a reinsurer before entering into a reinsurance treaty.

The credit risk arising from assets held within unit-linked funds is borne by the policyholders rather than the Company's shareholders, this limits the maximum exposure to credit risk to the Branch.

As at 31 December 2024, the Branch held non-linked assets amounting to AED 295,781,000 (2023: AED 310,759,000) in financial institutions rated A or above and AED 2,186,000 (2023: AED 14,899,000) with non-rated entities.

(d) Liquidity risk

Liquidity risk is the risk that the Branch, although solvent, either does not have sufficient financial resources available to it in order to meet its obligations when they fall due or can secure them only at excessive cost. This risk is mitigated by holding sufficient assets in investments that can be realised in a sufficiently short timeframe to be able to settle liabilities as they fall due.

Policyholder contracts may be surrendered or transferred on demand. For such contracts, the contractual value is a surrender amount approximately equal to the liability as at the current statement of financial position date.

The Branch holds sufficient liquid assets in the form of cash and cash equivalents and financial assets held at fair value through profit or loss, within one year or on demand, to be able to meet the financial liabilities of the Branch as and when due.

The table below shows the expected contractual cash flows of financial liabilities. The Company is not directly exposed to liquidity risk on its unit linked contracts. For details on the expected cash flows of the insurance contract assets and reinsurance contract assets/liabilities refer to note 17(e).

	Undiscounted contractual cash flows						
	Carrying value	Within 1 year or	1 - 2 years	2-3 years	3-4 years	4-5 years	More than 5 years
		payable on demand					
As at 31 December 2024	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Investment contract liabilities	5,140,670	420,373	441,828	426,312	421,097	405,011	3,026,049
Lease liabilities	4,191	582	3,609	-	-	-	-
Payables	38,653	38,653					

23. Risk management objectives and policies for mitigating risks (continued)

(d) Liquidity risk (continued)

		Undiscounted contractual cash flows						
		Carrying value	Within 1 year or payable on demand	1 - 2 years	2-3 years	3-4 years	4-5 years	More than 5 years
As at 31		AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
December 2023								
Investment contract liabilities	5,197,730	447,778	426,051	429,140	409,273	396,088	3,089,400	
Lease liabilities	1,012	775	237	-	-	-	-	
Payables	11,381	11,381	-	-	-	-	-	

(e) Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risks include, but are not limited to, information technology, information security, human resources, project management, tax, legal, fraud and compliance. Senior management has primary responsibility for the management of operational risks through developing policies, procedures and controls across the different products, activities, processes and systems under their control and for the allocation of responsibilities.

Each part of the business is responsible for identifying, assessing, managing and reporting on its operational risks on a regular basis and for implementing and maintaining controls within its remit in accordance with the IFGL Group's Risk Management Framework. In performing these assessments, account is taken of the IFGL Group's risk appetite with greater significance being placed on those risks that fall outside these parameters.

24. Contingent liabilities

The Head Office of the Branch is a member of Isle of Man Policyholders Compensation Scheme governed by the Life Assurance (Compensation of Policyholders) Regulations 1991. The objective of the scheme is to provide compensation for policyholders should an authorised insurer be unable to meet its liabilities to policyholders.

In the event of a levy being charged on the Scheme members, the Head Office of the Branch would be obliged to meet the liability arising at the time. The maximum levy payable in accordance with the requirements of the Scheme in respect of the insolvency of any insurer is two per cent of the long-term business liabilities.

On 27 May 2024 a bank guarantee for AED 100,000,000 (31 December 2023: AED Nil) was issued in favour of the CBUAE in accordance with the requirements of UAE Federal-Decree Law No. 48 of 2023. The bank guarantee is secured by a restricted deposit of AED 100,000,000 (31 December 2023: AED Nil). See Note 11.

25. Income tax

As of 1 January 2024, the Branch is subject to corporate tax in Dubai on profits/losses attributed to the Branch under Federal Decree-Law No. 47 of 2022, the Taxation of Corporations and Businesses (Corporate Tax Law or the Law). The Branch is above the threshold of taxable income of AED 375,000 and is therefore subject to the 9% corporate tax rate.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

25. Income tax (continued)

In anticipation of the tax charge to be incurred management is providing a preliminary provision based on 9% of declared IFRS profits less estimated deductibles, this has been included within these condensed interim financial statements.

Income tax provision movement is as follows:

	As at 31 December 2024 AED'000 (Unaudited)	As at 31 December 2023 AED'000 (Audited)
Balance as at 1 January	-	-
Provision accrued	5,229	-
Balance as at 31 December	5,229	-

26. Related party balances and transactions

(a) Parent company and entities

The Head Office of the Branch is Friends Provident International Limited ("FPIL"), which is incorporated in the Isle of Man. The Company is controlled by the following entities:

Name	Type	Place of Incorporation	Ownership Interest	
			31 December 2024	31 December 2023
IFG Holding Company Limited	Immediate parent entity, controlling party	Isle of Man	76.2%	76.2%
Aviva Group Holdings Limited	Non-controlling party (former immediate parent entity)	United Kingdom	23.8%	23.8%

The Head Office of the Branch's immediate parent company is IFG Holding Company Limited, a company incorporated in the Isle of Man and a subsidiary of IFGL.

The immediate parent company of IFGL is Argo Bidco Limited. Argo Bidco Limited is wholly owned by Argo Midco Limited, which is wholly owned by Argo Topco Limited, which is in turn 81.7% owned by Argo Feederco Limited, 0.1% by Aldford Street Nominees Limited and 18.2% by IFGL management.

Cinven Capital Management (SFF) General Partner Limited, which is authorised and regulated by the Guernsey Financial Services Commission, manages the investments in Argo Feederco Limited on behalf of the beneficial owners. IFGL is the highest level at which consolidated financial statements are prepared for the IFGL Group.

(b) Key management personnel compensation

During the year ended 31 December 2024, an amount of AED 2,040,000 (2023: AED 1,619,000) was allocated to the Branch and included in general and administrative expenses in respect of the FPIL Board expenses, as the FPIL Board acted as the Key Management Personnel, for the Branch.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

26. Related party balances and transactions (continued)

(c) Transactions with other related parties

The following transactions were carried out with related parties at terms agreed between the parties during the year:

	2024 AED'000	2023 AED'000
Other transactions		
Administrative services provided by the Head Office included within insurance contract assets (Note 17)	(15,045)	(9,651)
Administrative services provided by the Head Office (Note 9)	(4,763)	(2,357)
Transfer of funds to Head Office	(92,646)	(46,714)

The Branch is recharged for administrative expenses incurred by Head Office on its behalf. The terms of recharges are such that it equates to the original cost incurred. During the year, management has approved the transfer of funds of AED 92,646,000 from the Branch to the Head Office (2023: AED 46,714,000).

(d) Outstanding balances arising from related parties

	2024 AED'000	2023 AED'000
Amounts due to / (from) the Head Office (Note 21 /14)	(3,064)	593
Net residual attributable to the Head Office Account	256,668	301,498

27. Events occurring after the reporting period

There have been no subsequent events after the end of the reporting period.

28. Authorisation of financial statements

The financial statements of Friends Provident International Limited, Dubai Branch for the year ended 31 December 2024 were authorised for issue by the Board of Directors of the Head Office on 27 March 2025.

Friends Provident International Limited - Dubai Branch

Notes to the Financial statements – 31 December 2024 (continued)

29. Supplementary information

Based on the Appendix L of CBUAE notice CBUAE/BIS/2023/6163 dated 15 December 2023, the Branch has presented the solvency position of the quarter immediately preceding the year-end 31 December 2024 as follows:

	30 September 2024 (Unaudited) AED'000	30 September 2023 (Unaudited) AED'000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	75,022	72,904
Minimum Guarantee Fund (MGF)	25,007	24,301
Own Funds		
Basic Own Funds	202,366	223,268
MCR Solvency Surplus	102,366	123,268
SCR Solvency Surplus	127,344	150,364
MGF Solvency Surplus	177,359	198,967

The solvency margin and related disclosures included above are based on the figures prepared in accordance with the regulatory reporting requirements set out in the Insurance Authority's Board of Director's decision number (25 of 2014) pertinent to the financial regulations of insurance companies and not in accordance with IFRS Accounting Standards.

In reference to notice CBUAE/BIS/2023/6163 by CBUAE on reporting requirements, the insurance companies are required to include a disclosure on the details of gross written premium as per INFO-7 of the eForms.

	For the year ended 31 December			
	2024		2023	
	AED'000		AED'000	
	Life Insurance (Without Medical & Fund Accumulation)	Fund Accumulation	Life Insurance (Without Medical & Fund Accumulation)	Fund Accumulation
Direct Written Premiums	49,908	222,945	55,050	269,772
Reinsurance assumed	-	-	-	-
Foreign	-	-	-	-
Local	-	-	-	-
	49,908	222,945	55,050	269,772