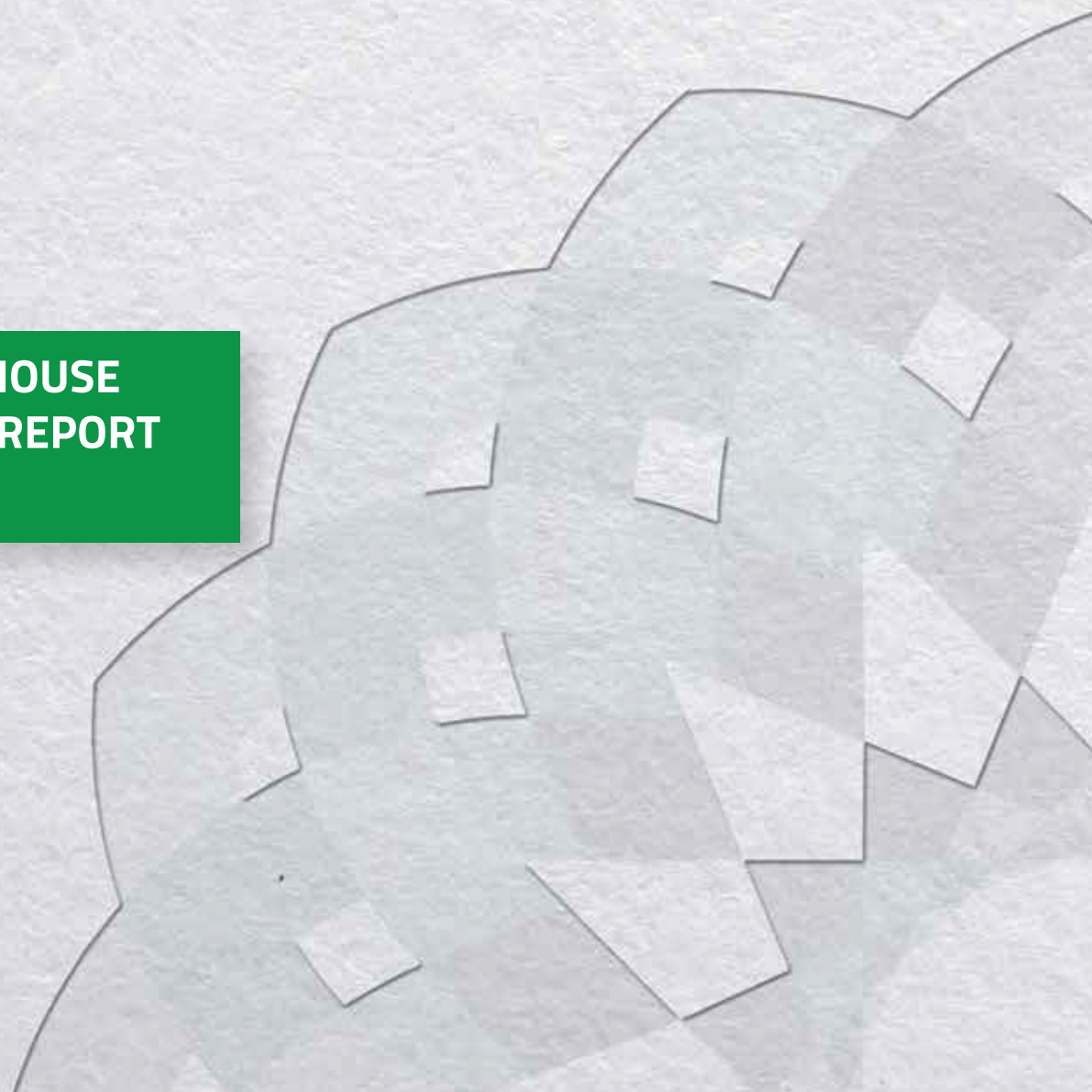




دار التأمين
INSURANCE HOUSE
ش.م.ع - P.J.S.C

**INSURANCE HOUSE
INTEGRATED REPORT
2022**





دار التأمـن
INSURANCE HOUSE
شركة - P.J.S.C

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ش.م.ج - P.J.S.C

BOARD OF DIRECTORS' REPORT



دار التأمين
INSURANCE HOUSE
P.S.C - ع.م.ش

Chairman's Report for the financial year ended 31 December 2022

On behalf of the Board of Directors, I am pleased to present the financial statements of Insurance House PJSC (IH) as at 31 December 2022 and the results of its operations for the twelve months ended 31 December 2022.

The curtains fell on yet another challenging year for the UAE Insurance Industry as a whole, forcing insurance companies to rejig their business strategies and sharpen their service delivery capabilities, in order to stay profitable, improve customer satisfaction and enhance shareholder value. At Insurance House, we are focused on (a) Achieving Cost Leadership (b) Growing business volumes in niche profitable segments (c) Leveraging Technology to achieve operational efficiencies and (d) Expanding distribution network to enhance customer reach. Our intent is to continue staying ahead of the challenges and creating digital solutions that meet our customers' evolving needs.

For the year ended 31 December 2022, IH has registered a Net Profit of AED 4.36 million compared to AED 9.52 million in the previous year. This is a direct result of the extremely competitive business environment we were operating in, that led to a squeeze on our Net Underwriting Income- especially in the Motor business.

Gross Premiums Written during 2022 were significantly higher at AED 281.25 million compared to AED 207.31 million written during the previous year. Net Premiums Earned in 2022 were also higher at AED 139.13 million compared to AED 134.43 million in the previous year. However, Net Claims Incurred during 2022 were significantly higher at AED 89.71 million compared to AED 66.64 million in the previous year. As a combined result of the above, Net Underwriting Income for 2022 was lower at AED 37.61 million compared to AED 46.48 million registered during the previous year.

Investment Income from a carefully managed and well-diversified investment portfolio was higher at AED 6.07 million in 2022 compared to AED 5.05 million in the previous year.

General & administrative expenses were lower at AED 39.32 million compared to AED 42.01 million in the previous year. We continued to maintain a tight leash on expenses throughout the year.

Cash & cash equivalents including fixed deposits with UAE banks as of 31 December 2022 stood at a robust 12.2% of Total Assets, highlighting our conservative approach to investments & liquidity management, as well as the sound liquidity position of the Company.

Total Shareholders' Equity as of 31 December 2022 stood at AED 146.06 million compared to AED 149.03 million as at the end of the previous year. This is after a deduction of AED 4.66 million from Shareholders' Equity on account of 5.3 million Treasury Shares bought back during the year, pursuant to a duly approved Share Buyback Program aimed at enhancing Shareholder value.

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Insurance House P.S.C: P.O. Box 129921, Abu Dhabi, U.A.E; Tel: +971 (2) 4934 444; Fax: +971 (2) 4934 400

شركة مساهمة عامة برأس مال وقدره 118,780,500 درهم إماراتي
Public Joint Stock Company and the share capital is AED 118,780,500



دار التأمين
INSURANCE HOUSE
P.S.C - ع.م.ش

In Feb 2023, the investment grade credit rating of the Company- Long-Term Issuer Credit Rating of "BBB-" and a Financial Strength Rating of "B+" (Good) have been reaffirmed by AM Best, the international credit rating agency. The outlook assigned to these Credit Ratings is "Stable". This independent re-affirmation of our investment grade credit rating by an internationally accredited credit rating agency such as AM Best will not only strengthen our existing business relationships, but will also open doors to many new relationships across the globe.

Our strategy is to compete on the basis of differentiated product offerings, improved digital capabilities and superior service quality. Going forward, profits from core insurance activities will be driven by continuous fine-tuning of our risk underwriting capabilities, increased use of digital channels to extend customer reach and enhanced controls in our claims management processes.

On behalf of the Board of Directors,

Mohammed Abdulla Jumaa Alqubaisi
Chairman

Abu Dhabi
13 February 2023

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شركة مساهمة عامة برأس مال وقدره 118,780,500 درهم إماراتي Public Joint Stock Company and the share capital is AED 118,780,500



دار التأمين
INSURANCE HOUSE
ش.م.ج - P.J.S.C

EXTERNAL AUDITOR'S REPORT

Independent Auditor’s Report To the Shareholders of Insurance House P.J.S.C.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Insurance House P.J.S.C. (the “Company”), which comprise the statement of financial position as at 31 December 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Valuation of technical reserves

The estimation of liabilities arising from insurance contracts such as unearned premiums reserve, claims under settlement reserve, incurred but not reported claims reserve and unallocated loss adjustment expenses reserve as disclosed in Note 13 to the financial statements, involves a significant degree of judgement. These liabilities are based on the pattern of risk distributions over coverage period, the best-estimated ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs and persistency (including consideration of policyholder behavior). Actuarial computations have been used to determine these reserves. Underlying these computations are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. Since the determination of such a reserve requires the expertise of an external valuation expert who incorporates significant assumptions, judgements and estimations, the valuation of these liabilities was significant to our audit.

Independent Auditor's Report To the Shareholders of Insurance House P.J.S.C. (continued)

Report on the Financial Statements (continued)

Key Audit Matters (continued)

i) Valuation of technical reserves (continued)

We assessed management's calculations of the technical reserves by performing the following procedures:

- Understood the governance process in place to determine the insurance contract liabilities;
- Tested the underlying Company data to source documentation on sample basis;
- Evaluated competence, capabilities and objectivity of management's actuarial specialist;
- Using our actuarial specialist team members, we applied our industry knowledge and experience, and compared the methodology, models and assumptions used against recognised actuarial practices; and
- Using our actuarial specialist team members, we checked the mathematical accuracy of the methodology applied on selected classes of business, particularly focusing on the largest and most uncertain reserves.

ii) Revenue recognition

Gross premiums comprise the total premium receivable for the whole period of cover by contracts entered into during the accounting period, and are recognised on the date on which the policy commences. At the end of each year, a proportion of net retained premiums is provided for as an unearned premium reserve to cover portions of risk that have not expired at the reporting date. The reserve is required to be calculated in accordance with the requirements of the UAE Insurance Law relating to insurance companies.

We assessed management's calculation of gross premiums amounting to AED 281,251,947 and net unearned premium reserve amounting to AED 53,752,818 (Note 13) by performing audit procedures, which included among others:

- We assessed whether the Company's revenue recognition policies complied with IFRS and tested the implementation of those policies. Specifically, we considered whether the premium on policies are accounted for on the date of inception of policies, by testing a sample of revenue items to policy contracts.
- We evaluated and tested the operating effectiveness of the internal controls over the recording of revenue in the correct period.
- We compared the unearned premium reserve balance as per the financial statements to the reserve balance computed by the Company's actuary.
- We recalculated the unearned premium reserve based on the earning period of policy contracts existing as of 31 December 2022.
- We tested written policies on a sample basis where revenue was recorded close to year end and subsequent to year end, and evaluated whether these were recorded in the appropriate accounting period.

Independent Auditor's Report To the Shareholders of Insurance House P.J.S.C. (continued)

Report on the Financial Statements (continued)

Other Information

Management is responsible for the other information contained in the financial statements which comprises the information included in the *Chairman's Report*, but which does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the *Chairman's Report* that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. 32 of 2021, and UAE Federal Law No. 6 of 2007(as amended) , and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 ISA, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's Report To the Shareholders of Insurance House P.J.S.C. (continued)

Report on the Financial Statements (continued)

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

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements


Further, as required by the UAE Federal Law No. 32 of 2021, we report that:

- (i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- (ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Federal Law No. 32 of 2021;
- (iii) the Company has maintained proper books of account;
- (iv) the financial information included in the *Chairman's Report*, in so far as it relates to these financial statements, is consistent with the books of account of the Company;

**Independent Auditor's Report
To the Shareholders of Insurance House P.J.S.C. (continued)****Report on the Financial Statements (continued)****Report on Other Legal and Regulatory Requirements (continued)**

- (v) as disclosed in note 5 to the financial statements, the Company has purchased and sold certain shares during the year ended 31 December 2022;
- (vi) note 18 to the financial statements discloses material related party transactions, and the terms under which they were conducted; and
- (vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2022 any of the applicable provisions of the Federal Law No. 6 of 2007 (as amended) on the Establishment of the Insurance Authority and Organization of the Insurance Operations and UAE Federal Law No. 32 of 2021, or of its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2022.

Further, as required by UAE Federal Law No. 6 of 2007 (as amended) we report that we have obtained all the information and explanation we considered necessary for the purpose of our audit.

**GRANT THORNTON****Osama El-Bakry****Registration No: 935****Abu Dhabi, United Arab Emirates****Date: 13 February 2023**



دار التأمين
INSURANCE HOUSE
شركة - P.J.S.C

FINANCIAL STATEMENTS

Insurance House P.J.S.C.

Financial Statements

For the year ended 31 December 2022

Insurance House P.J.S.C.
Financial Statements

For the year ended 31 December 2022

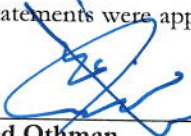
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Insurance House P.J.S.C.
Financial Statements

Statement of financial position
As at 31 December 2022

	Notes	2022 AED	2021 AED
ASSETS			
Property and equipment	4	43,010,347	43,261,817
Statutory deposit	6	6,000,000	6,000,000
Investments carried at fair value through other comprehensive income (FVTOCI)	5	40,502,582	51,296,714
Investments carried at fair value through profit or loss (FVTPL)	5	13,948,829	12,249,031
Premium and insurance balances receivable	7	149,636,812	101,172,076
Other receivables and prepayments	8	48,225,047	25,542,510
Reinsurance contract assets	13	102,577,633	77,279,041
Fixed deposits	9	14,000,000	14,000,000
Cash and cash equivalents	9	41,930,903	54,857,557
TOTAL ASSETS		459,832,153	385,658,746
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	118,780,500	118,780,500
Tier 1 capital	10	15,000,000	15,000,000
Treasury Shares	10	(4,660,318)	-
Retained earnings/(accumulated losses)		1,017,186	(7,548,693)
Board of directors' proposed remuneration		392,248	856,796
Reinsurance reserve	10	650,848	422,793
Investment revaluation reserve		7,198,968	14,271,093
Legal reserve	10	7,679,502	7,243,671
Total shareholders' equity		146,058,934	149,026,160
LIABILITIES			
Provision for employees' end-of-service benefits	11	3,208,318	2,883,016
Insurance liability			
Insurance and other payables	12	106,239,097	69,390,241
Technical reserves			
Unearned premiums reserve	13	112,656,717	81,376,611
Claims under settlement reserve	13	52,137,577	51,604,276
Incurred but not reported claims reserve	13	36,186,621	28,869,141
Unexpired risk reserve	13	568,447	252,338
Unallocated loss adjustment expenses reserve	13	2,776,442	2,256,963
Total technical reserves		204,325,804	164,359,329
TOTAL LIABILITIES		313,773,219	236,632,586
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		459,832,153	385,658,746

These financial statements were approved by the Board of Directors on 13 February 2022 and signed on their behalf by:


Mr. Mohammed Othman
Chief Executive Officer & Associate Director


Mr. Mohammed Alqubaisi
Chairman

The notes from 1 to 23 form an integral part of these financial statements

Insurance House P.J.S.C.
Financial Statements

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Notes	2022 AED	2021 AED
Gross premiums written	19	281,251,947	207,314,824
Reinsurance share of premiums		(124,576,829)	(78,751,861)
Reinsurance share of ceded business premiums		(5,592,676)	(5,806,642)
Net premiums		151,082,442	122,756,321
Net transfer to unearned premium reserve		(11,956,269)	11,674,447
Net premiums earned		139,126,173	134,430,768
Commission earned		28,971,888	16,546,396
Commission paid		(34,606,460)	(26,250,798)
Gross underwriting income		133,491,601	124,726,366
Gross claims paid		(205,560,670)	(147,136,773)
Reinsurance share of claims paid		118,560,487	84,914,782
Net claims paid		(87,000,183)	(62,221,991)
Increase in claims under settlement reserve		(533,301)	(9,405,647)
(Increase)/decrease in reinsurance share of claims under settlement reserve		(4,075,665)	8,769,840
Decrease/(increase) in incurred but not reported claims reserve – net		2,732,940	(2,818,369)
Increase in unexpired risk reserve		(316,109)	(252,338)
Increase in unallocated loss adjustment expenses reserve – net		(519,481)	(707,900)
Net claims incurred		(89,711,799)	(66,636,405)
Other underwriting income		6,591,125	1,997,184
Other underwriting and claim handling expenses		(12,763,845)	(13,605,630)
Net underwriting income		37,607,082	46,481,515
Income from investments - net	14	6,074,287	5,053,325
Gross income		43,681,369	51,534,840
General and administrative expenses	15	(39,323,058)	(42,014,884)
Profit for the year		4,358,311	9,519,956
Earnings per share:			
Basic and diluted earnings per share (AED)	16	0.04	0.08

The notes from 1 to 23 form an integral part of these financial statements.

Insurance House P.J.S.C.
Financial Statements

Statement of profit or loss and other comprehensive income (continued)
For the year ended 31 December 2022

	Notes	2022 AED	2021 AED
Profit for the year		4,358,311	9,519,956
Other comprehensive income/(loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Realised (loss)/gain on disposal of equity investments carried at FVTOCI		(202,710)	212,978
Changes in fair value of equity investments carried at fair value through other comprehensive income	5	(314,632)	9,139,786
<i>Items that will be reclassified subsequently to profit or loss</i>			
Changes in fair value of debt investments carried at fair value through other comprehensive income	5	(76,808)	885,174
Directors' remuneration		-	(883,409)
Total comprehensive income for the year		3,764,161	18,874,485

The notes from 1 to 23 form an integral part of these financial statements.

**Insurance House P.J.S.C.
Financial Statements**

**Statement of changes in equity
For the year ended 31 December 2022**

	Share capital AED	Tier 1 capital AED	Treasury shares AED	Retained earnings/(acc umulated losses) AED	Board of Directors' remuneration AED	Reinsurance reserve	Investment revaluation reserve AED	Legal reserve AED	Total shareholders' equity AED
Balance as at 1 January 2022	118,780,500	15,000,000	-	(7,548,693)	856,796	422,793	14,271,093	7,243,671	149,026,160
Profit for the year	-	-	-	4,358,311	-	-	-	-	4,358,311
Transfer to statutory reserve	-	-	-	(435,831)	-	-	-	435,831	-
Treasury shares	-	-	(4,660,318)	-	-	-	-	-	(4,660,318)
Transfer to reinsurance default reserve	-	-	-	(228,055)	-	228,055	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	(594,150)	-	(594,150)
Proposed Board of Director's remuneration	-	-	-	(392,248)	392,248	-	-	-	-
Payment of Board of Directors' remuneration	-	-	-	-	(856,796)	-	-	-	(856,796)
Transfer of realized gain on disposal of equity investments carried at FVTOCI	-	-	-	6,501,201	-	-	(6,501,201)	-	-
Transfer of realized loss on disposal of debt investments carried at FVTOCI	-	-	-	-	-	-	23,226	-	23,226
Tier 1 Capital	-	-	-	(1,237,499)	-	-	-	-	(1,237,499)
Balance as at 31 December 2022	118,780,500	15,000,000	(4,660,318)	1,017,186	392,248	650,848	7,198,968	7,679,502	146,058,934

The notes from 1 to 23 form an integral part of these financial statements.

**Insurance House P.J.S.C.
Financial Statements**

**Statement of changes in equity (continued)
For the year ended 31 December 2022**

	Share capital AED	Tier 1 capital AED	Retained earnings/(acc umulated losses) AED	Board of Directors' remuneration AED	Reinsurance reserve AED	Investment revaluation reserve AED	Legal reserve AED	Total shareholders' equity AED
Balance as at 1 January 2021	118,780,500	15,000,000	(5,446,912)	979,729	423,698	20,861	6,291,675	136,049,551
Dividends declared (Note 10)	-	-	(4,751,220)	-	-	-	-	(4,751,220)
Profit for the year	-	-	9,519,956	-	-	-	-	9,519,956
Transfer to statutory reserve	-	-	(951,996)	-	-	-	951,996	-
Transfer from reinsurance default reserve	-	-	905	-	(905)	-	-	-
Other comprehensive income for the year	-	-	-	-	-	10,237,938	-	10,237,938
Proposed Board of Director's remuneration	-	-	(856,796)	856,796	-	-	-	-
Payment of Board of Directors' remuneration	-	-	-	(937,360)	-	-	-	(937,360)
Adjustment to Board of Directors' remuneration	-	-	42,369	(42,369)	-	-	-	-
Loss on disposal of investment carried at FVTOCI	-	-	(3,867,499)	-	-	3,867,499	-	-
Transfer of unrealised loss on disposal of debt investments carried at FVTOCI	-	-	-	-	-	144,795	-	144,795
Tier 1 Capital	-	-	(1,237,500)	-	-	-	-	(1,237,500)
Balance as at 31 December 2021	118,780,500	15,000,000	(7,548,693)	856,796	422,793	14,271,093	7,243,671	149,026,160

The notes from 1 to 23 form an integral part of these financial statements.

Insurance House P.J.S.C.
Financial Statements

Statement of cash flows
For the year ended 31 December 2022

	Note	2022 AED	2021 AED
OPERATING ACTIVITIES			
Profit for the year		4,358,311	9,519,956
<i>Adjustments for non-cash items:</i>			
Depreciation of property and equipment	4	1,364,693	1,652,709
Changes in fair value of investment carried at FVTPL	14	(903,959)	(675,387)
Realised gain on sale of investments carried at FVTPL	14	(1,369,367)	(428,993)
Transfer of unrealized loss on disposal of debt investment carried at FVTOCI		23,225	-
Interest and dividend income	14	(3,800,961)	(3,948,945)
Provision for employees' end-of-service benefits	11	667,476	420,674
Expected credit losses	15	-	1,124,458
Operating profit before changes in working capital		339,418	7,664,472
Changes in working capital			
Premium and insurance balances receivables		(48,464,736)	(28,165,225)
Other receivables and prepayments		(22,682,538)	(85,214)
Reinsurance contract assets		(25,298,592)	(35,055,205)
Insurance and other payables		36,848,855	9,403,544
Technical reserves		39,966,475	27,795,174
Net cash flow used in operating activities		(19,291,118)	(18,442,454)
Employees' end-of-service benefits paid	11	(342,174)	(790,600)
Directors' remuneration		(856,796)	(937,360)
Net cash flow used in operating activities		(20,490,088)	(20,170,414)
INVESTING ACTIVITIES			
Purchase of property and equipment	4	(1,113,223)	(1,564,810)
Proceeds from sale of investments carried at FVTOCI	5	21,530,100	4,602,071
Purchase of investments carried at FVTOCI	5	(11,330,115)	-
Purchase of investments carried at FVTPL	5	(10,119,102)	(3,152,212)
Proceeds from sale of investments carried at FVTPL	5	10,692,630	2,562,016
Proceed from redemption of short-term investments		-	2,000,000
Interest and dividend received	14	3,800,961	3,942,802
Net cash generated from investing activities		13,461,251	8,389,867
FINANCING ACTIVITIES			
Tier 1 capital interest		(1,237,499)	(1,237,500)
Purchase of treasury shares		(4,660,318)	-
Dividends paid		-	(4,751,220)
Net cash used in financing activities		(5,897,817)	(5,988,720)
Net change in cash and cash equivalents		(12,926,654)	(17,769,267)
Cash and cash equivalents, beginning of the year		54,857,557	72,626,824
Cash and cash equivalents, end of the year	9	41,930,903	54,857,557

The notes from 1 to 23 form an integral part of these financial statements.

Insurance House P.J.S.C. Financial Statements

Notes to the financial statements For the year ended 31 December 2022

1 Legal status and activities

Insurance House P.J.S.C. (the “Company”) is a Public Joint – Stock company registered and incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is engaged in providing all classes of non-life insurance solutions in accordance with UAE Federal Law No.6 of 2007 (as amended). The Company was established on 8 December 2010 and commenced its operations on 10 April 2011. The Company performs its activities through its head office in Abu Dhabi and branches located in Al Samha, Dubai – Sheikh Zayed Road, Dubai – Business Bay, Sharjah, Al Mussafah, Mahawi and Motor World.

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

The registered office of the Company is P.O. Box 129921 Abu Dhabi, United Arab Emirates.

Federal Law by Decree No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on September 20, 2021 with an effective date of 2 January 2022, and will entirely replace Federal Law No. 2 of 2015, as amended, on Commercial Companies, as amended. The Company has twelve months from the effective date to comply with the provisions of the New Companies Law.

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a 9% Federal Corporate Tax rate effective for fiscal years commencing on or after 1 June 2023. There is no impact of this announcement on the financial statements of the Company for the year ended 31 December 2022.

The range of products and services offered by the company include but not limited to accidents and civil responsibility insurance, land, marine and air transportation, dangers insurance, health insurance, onshore and offshore oil and gas fields and facilities services.

2 General Information

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of U.A.E Federal Law No. 32 of 2021 relating to commercial companies, and of UAE Federal Law No. 6 of 2007 (as amended) on Establishment of the Insurance Authority and Organisation of the Insurance Operations, concerning insurance companies and agents. These consolidated financial statements are prepared in UAE Dirhams (“AED”).

2.2 Basis of preparation

These financial statements are for the year ended 31 December 2022 and are presented in Arab Emirate Dirham (AED), which is the functional and presentation currency of the Company.

The financial statements have been prepared under the historical cost convention except for investments carried at fair value through profit or loss and investments carried at fair value through other comprehensive income which are carried at fair value. They have been prepared under the assumption that the Company operates on a going concern basis.

As required by the Securities and Commodities Authority (“SCA”) notification dated 12 October 2008, accounting policies relating to investment securities have been disclosed in the financial statements.

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

2 General information (continued)

2.3 Standards, interpretations and amendments to existing standards

Standards, interpretations and amendments to existing standards that are effective in 2022

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

Standard number	Title	Effective date
IFRS 3	Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
IAS 16	Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
IAS 37	Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018–2020	1 January 2022

These standards have been adopted by the Company and did not have a material impact on these financial statements.

Standards and interpretations in issue but not yet effective and has not been adopted early by the Company

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied)

IFRS 17 Insurance Contracts (1 January 2023): Once effective IFRS 17 will replace IFRS 4 the current insurance contracts standard and it is expected to significantly change the way the Company measures and reports its insurance contracts. The overall objective of the new standard is to provide an accounting model for insurance contracts that is more useful and consistent for users. IFRS 17 applies to insurance contracts (including reinsurance contracts) an entity issues, reinsurance contracts an entity holds and investment contracts with discretionary participation features an entity issues provided it also issues insurance contracts.

The scope of IFRS 17 for the Company is materially consistent with that of IFRS 4. Investment contracts will be measured under IFRS 9. IFRS 17 requires that contracts are divided into groups for the purposes of recognition and measurement. Portfolios of contracts are identified by grouping together contracts which have similar risks and are managed together. These groups are then further divided into groups based on their expected profitability.

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

2 General information (continued)

2.3 Standards, interpretations and amendments to existing standards (continued)

Standards and interpretations in issue but not yet effective and has not been adopted early by the Company (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

Contracts which are onerous at inception cannot be grouped with contracts which are profitable at inception. Contracts which are issued more than one year apart are not permitted to be included within the same group, although there is some relief from this requirement for business in-force at the date of transition under the transitional arrangements.

The standard introduces three measurement approaches, of which two, the general model and the premium allocation approach, are applicable to the Company's business. The main features of these models are the measurement of an insurance contract as the present value of expected future cash flows including acquisition costs, plus an explicit risk adjustment, remeasured at each reporting period using current assumptions, and a contractual service margin ('CSM').

The risk adjustment represents the compensation the Company requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the obligations under the insurance contract are fulfilled.

The CSM represents the unearned profit of a group of insurance contracts and is recognised in profit or loss as the insurance service is provided to the customer using coverage units. Coverage units are a measurement of the quantum of service provided across the life of the contract and are used to measure the service provided in the reporting period and release a corresponding amount of profit to the income statement. If a group of contracts becomes loss-making after inception the loss is recognised immediately in the statement of profit or loss. This treatment of profits and losses in respect of services is broadly consistent with the principles of IFRS 15 and IAS 37 applicable to other industries.

Under the general model the CSM is adjusted for non-economic assumption changes relating to future periods. For certain contracts with participating features the variable fee approach is applied, this allows changes in economic assumptions and experience to adjust the CSM as well as non-economic assumptions, reflecting the variable nature of the entity's earnings driven by investment returns. IFRS 17 requires the standard to be applied retrospectively. Where this is assessed as impracticable the standard allows the application of a simplified retrospective approach or a fair value approach to determine the contractual service margin. The measurement principles set out in IFRS 17 will significantly change the way in which the company measures its insurance contracts and associated reinsurance contracts.

These changes will impact the pattern in which profit emerges when compared to IFRS 4 and add complexity to valuation processes, data requirements and assumption setting. The introduction of IFRS 17 will simplify the presentation of the statement of financial position. It requires the presentation of groups of insurance (or reinsurance) contracts that are in an asset position separately from those in a liability position. The presentation of the statement of comprehensive income will change more significantly with IFRS 17 setting out how components of the profitability of contracts are disaggregated into an insurance service result and insurance finance income/expenses. IFRS 17 also requires extensive disclosures on the amounts recognised from insurance contracts and the nature and extent of risks arising from them.

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

2 General information (continued)

2.3 Standards, interpretations and amendments to existing standards (continued)

Standards and interpretations in issue but not yet effective and has not been adopted early by the Company (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

Premium allocation approach (PAA): The Premium allocation approach is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria.

The Company expects that it will apply the PAA to all contracts because the following criteria are expected to be met at inception.

- Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the Group is one year or less.

Risk-attaching reinsurance contracts: The Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Company expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17.

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. Under IFRS 17 insurance acquisition cash flows are allocated to groups of contracts using systematic and rational methods based on the total premiums for each group.

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

2 General information (continued)

2.3 Standards, interpretations and amendments to existing standards (continued)

Standards and interpretations in issue but not yet effective and has not been adopted early by the Company (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

Impact assessment – Non-Life Insurance

Although the PAA is similar to the Company's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for Non-life contracts.

Changes from IFRS 4	Impact on equity on transition to IFRS 17
Under IFRS 17, the Company will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The Company does not currently discount such future cash flows.	Increase
IFRS 17 requires the fulfilment cash flows to include a risk adjustment for non-financial risk. This is not explicitly allowed for currently.	Decrease
The Company's accounting policy under IFRS 17 to expense eligible insurance acquisition cash flows when they are incurred differs from the current practice under which these amounts are recognised separately as deferred acquisition costs.	Decrease

The Company implementation project continued through 2022 with a focus on finalising methodologies and developing the operational capabilities required to implement the standard including data, systems and business processes. The current focus is on embedding the operational capabilities and determining the transition balance sheet and comparatives required for 2023 reporting.

Since the implementation project is currently ongoing, management believes that it is impractical to determine the amount of the effect of IFRS 17 in the current period.

Insurance House P.J.S.C.

Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

2 General information (continued)

2.3 Standards, interpretations and amendments to existing standards (continued)

Standards and interpretations in issue but not yet effective and has not been adopted early by the Company (continued)

The new standards and revised IFRSs not yet effective and have not been adopted early by the Company include:

- Amendments to IFRS 3 – References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities from a Single Transaction

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective.

3 Summary of significant accounting policies

3.1 Accounting convention

These financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, income and expense. The measurement bases are described in more detail in the accounting policies.

3.2 Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives of the property and equipment.

The rates of depreciation used are based on the following estimated useful lives of the assets:

	Years
Computers and software	3 – 4
Office equipment and decoration	4
Motor vehicles	4
Building	30

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the net carrying amount of the assets and are recognised in the statement of profit or loss.

3.3 Premiums

Gross premiums written reflect amounts recognised during the year to policyholders or other insurers for insurance contracts, and exclude any fees and other amounts calculated based on premiums. These are recognised when the underwriting process is complete.

**Insurance House P.J.S.C.
Financial Statements**

**Notes to the financial statements (continued)
For the year ended 31 December 2022**

3 Summary of significant accounting policies (continued)

3.3 Premiums (continued)

Gross premiums include any adjustments in respect to the business written in prior accounting periods. The earned portion is recognised as income. Gross premiums are earned from the date of attachment of risk over the indemnity period and unearned premium is calculated using the basis below.

3.4 Unearned Premiums Reserve (UPR)

Unearned Premiums Reserve (UPR) represents that portion of premiums earned, gross of reinsurance, which relates to the period of insurance subsequent to the statement of financial position date and is mainly computed using a linear method based on the outstanding period from the date of statement of financial position up to the date of the maturity of the policy based on actuarial estimates obtained from an independent actuary, to cover portions of risks which have not expired on time proportion basis except for marine which is calculated at 25%.

3.5 Claims

Claims incurred comprise actual claims and other related costs paid and incurred in the year, and movement in outstanding claims. Claim handling costs are recognised at the time of registering the claims.

On account of uncertainties involved in non-motor claim recoveries, salvage and subrogation rights are recognised only at the time of actual recovery. For motor claim recoveries, salvage is accounted for at the time of registering the claims.

Claims under settlement reserve represents the estimated settlement values of all claims notified, but not settled at the statement of financial position date on the basis of individual case estimates. The reinsurers' portion towards the above outstanding claims is classified as reinsurance contract assets and shown as current assets in the statement of financial position.

3.6 Incurred but not reported claims reserve (IBNR)

A provision is made for any claims Incurred but Not Reported (IBNR) at the reporting date based on an actuarial estimate obtained from an independent actuary. The method used to calculate claims incurred but not reported takes into account certain ratios based on historical data, past estimates and details of reinsurance programs to assess the quantum of reinsurance recoveries.

3.7 Unallocated Loss Adjustment Expenses Reserve (ULAE)

A provision for Unallocated Loss Adjustment Expenses (ULAE), which cannot be allocated to specific claims, is made at the reporting date based on actuarial estimates obtained from an independent actuary.

3.8 Unexpired Risk Reserve (URR)

Unexpired risk reserve represents the portion of the premium subsequent to the reporting date and where the premium is expected to be insufficient to cover anticipated claims and expenses.

3.9 Liability adequacy test

All recognised insurance liabilities including reserve for outstanding claims are subject to liability adequacy test at each reporting date. This involves comparison of current estimates of all contractual cash flows attached to these liabilities with their carrying amounts. Estimates of contractual cash flows include expected claim handling costs and recoveries from third parties. Any deficiency in carrying amounts is charged to the statement of profit or loss by establishing a provision for losses arising from the liability adequacy test.

Insurance House P.J.S.C.

Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.10 Reinsurance premium

Ceded reinsurance premiums are accounted for in the same accounting periods in which the premiums for the related direct insurance are recorded and the unearned portion is calculated using a linear basis in accordance with reinsurance arrangements in place.

3.11 Reinsurance assets

Amounts recoverable under reinsurance contracts are assessed for impairment at each statement of financial position date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

3.12 Financial instruments

a) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus, for an item not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issue. Regular way purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset i.e. the trade date.

b) Classification and initial measurement of financial assets

For the purposes of subsequent measurement, the Company classifies its financial assets into the following categories:

i) Financial assets at amortised cost

Financial assets at amortised cost are those financial assets for which:

- the Company's business model is to hold them in order to collect contractual cash flows; and
- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Financial assets at amortised cost comprise statutory deposits, cash and cash equivalents, due from related parties and most other receivables.

ii) Financial assets at fair value through other comprehensive income ('FVTOCI')

Investments in equity securities are classified as FVTOCI. At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity investments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.12 Financial instruments (continued)

b) Classification and subsequent measurement of financial assets (continued)

Fair value measurement

For investments traded in organized financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date. Investments in unquoted securities are measured at fair value, considering observable market inputs and unobservable financial data of investees.

Gains or losses on subsequent measurement

Gain or loss arising from change in fair value of investments at FVTOCI is recognised in other comprehensive income and reported within the fair value reserve for investments at FVTOCI within equity. When the asset is disposed of, the cumulative gain or loss recognised in other comprehensive income is not reclassified from the equity reserve to statement of profit or loss, but is reclassified to retained earnings.

iii) Financial assets at fair value through profit or loss ('FVTPL')

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Debt instruments that do not meet the amortised cost criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of profit or loss. Fair value is determined in the manner described in note 5.

c) Classification and subsequent measurement of financial liabilities

Financial liabilities comprise amounts due to related parties and most other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

d) Impairment

The Company recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued;
- loan commitments issued; and
- No impairment loss is recognised on equity investments.

The Company measures loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL are measured. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.12 Financial instruments (continued)

d) Impairment (continued)

Measurement of ECL

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company expects to recover.

e) Offsetting financial instruments

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

f) Derecognition

The requirements for derecognition of financial assets and liabilities are carried forward from IAS 39. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished.

3.13 Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from insurance brokers, re-insurers and insurance contract holders.

If there is objective evidence that the insurance receivables are impaired, the Company reduces the carrying amount of the insurance receivables accordingly and recognize the impairment loss in the statement of profit or loss.

Insurance House P.J.S.C.

Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and bonuses) is recognised in the period in which the service is rendered.

Provision for employees' end-of-service benefits

A provision for employees' end-of-service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the U.A.E. Labour Law and is reported as separate line item under non-current liabilities.

The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the U.A.E. Labour Law. The expected costs of these benefits are accrued over the period of employment.

3.15 Foreign currency transactions

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.16 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

Insurance House P.J.S.C.

Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.17 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

Other details for reserves are mentioned in note 10 to the financial statements.

Accumulated losses include all current and prior period retained profits or losses.

Dividend payable to equity shareholders is included in other liabilities only when the dividend has been approved in a general assembly meeting prior to the reporting date.

3.18 Leases

The Company as a Lessee

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

Insurance House P.J.S.C.

Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.18 Leases (continued)

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit or loss on a straight-line basis over the lease term.

3.19 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, current accounts and fixed deposits which have original maturities of less than 3 months and are free from lien.

3.20 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognised in the statement of profit or loss. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

3.21 Segment reporting

Under IFRS 8 "Operating Segments", reported segments' profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The measurement policies used by the Company for segment reporting under IFRS 8 are the same as those used in its financial statements.

3.22 Insurance Contracts

Insurance contract is an agreement whereby one party called the insurer undertakes, for a consideration paid by the other party called the insured, promises to pay money, or its equivalent or to do some act valuable to the latter, upon happening of a loss, liability or disability arising from an unknown or contingent event.

Insurance contracts are those contracts that transfer significant insurance risk. Such risk includes the possibility of having to pay benefits on the occurrence of an insured event. The Company may also transfer insurance risk in insurance contracts through its reinsurance agreements to hedge a greater possibility of claims occurring than expected.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or have expired.

3.23 General and administrative expenses

Costs and expenses are recognized when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.24 Critical accounting estimates and judgements in applying accounting policies

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Claims under settlement reserve, IBNR, ULAE, URR and UPR

The estimation of the ultimate liability (claims under settlement reserve, IBNR, ULAE and URR) arising from claims and UPR made under insurance contracts is the Company's most critical accounting estimate. These estimates are continually reviewed and updated, and adjustments resulting from this review are reflected in the statement of profit or loss. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends (including actuarial calculations), is an appropriate basis for predicting future events.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Inputs, assumptions and techniques used for ECL calculation – IFRS 9 Methodology

Key concepts in IFRS 9 that have the most significant impact and require a high level of judgment, as considered by the Company while determining the impact assessment, are:

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Company compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Company's existing risk management processes.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

The definition of default used in the measurement of expected credit losses and the assessment to determine movement between stages will be consistent with the definition of default used for internal credit risk management purposes. IFRS 9 does not define default, but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

When measuring ECL, the Company must consider the maximum contractual period over which the Company is exposed to credit risk. All contractual terms should be considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Company is exposed to credit risk and where the credit losses would not be mitigated by management action.

**Insurance House P.J.S.C.
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**Notes to the financial statements (continued)
For the year ended 31 December 2022**

4 Property and equipment

	Land AED	Building AED	Office equipment and decoration AED	Computers and software AED	Motor vehicles AED	Construction work in progress AED	Total AED
Cost							
At 1 January 2021	10,390,000	28,571,039	6,091,929	3,305,820	302,143	4,986,130	53,647,061
Additions during the year	-	-	19,446	64,841	-	1,480,523	1,564,810
At 31 December 2021	10,390,000	28,571,039	6,111,375	3,370,661	302,143	6,466,653	55,211,871
Additions during the year	-	-	41,077	215,185	403,495	453,466	1,113,223
At 31 December 2022	10,390,000	28,571,039	6,152,452	3,585,846	705,638	6,920,119	56,325,094
Accumulated Depreciation							
At 1 January 2021	-	1,746,008	5,320,079	2,942,804	288,454	-	10,297,345
Charge for the year	-	952,368	494,769	192,276	13,296	-	1,652,709
At 31 December 2021	-	2,698,376	5,814,848	3,135,080	301,750	-	11,950,054
Charge for the year	-	952,368	203,051	166,341	42,933	-	1,364,693
At 31 December 2022	-	3,650,744	6,017,899	3,301,421	344,683	-	13,314,747
Carrying amount							
As at 31 December 2022	10,390,000	24,920,295	134,553	284,425	360,955	6,920,119	43,010,347
As at 31 December 2021	10,390,000	25,872,663	296,527	235,581	393	6,466,653	43,261,817

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Notes to the financial statements (continued)
For the year ended 31 December 2022

5 Investments in financial assets

	2022 AED	2021 AED
Investments carried at FVTOCI		
Quoted equity securities	30,997,354	41,335,714
Quoted Tier 1 perpetual securities	2,555,228	3,011,000
Unquoted Tier 1 perpetual securities	6,950,000	6,950,000
	<u>40,502,582</u>	<u>51,296,714</u>
Investments carried at FVTPL		
Quoted equity securities	6,948,829	7,249,031
Unquoted debt securities	7,000,000	5,000,000
	<u>13,948,829</u>	<u>12,249,031</u>

The movement in the investments in financial assets is as follows:

	2022 AED	2021 AED
Investments carried at FVTOCI		
Fair value at 1 January	51,296,714	49,164,336
Disposals	(21,732,807)	(7,892,582)
Change in fair value	(391,440)	10,024,960
Additions	11,330,115	-
Fair value at 31 December	<u>40,502,582</u>	<u>51,296,714</u>
Investments carried at FVTPL		
Fair value at 1 January	12,249,031	10,554,455
Purchases	10,119,102	3,152,212
Disposals	(9,323,263)	(2,133,023)
Change in fair value taken to profit or loss	903,959	675,387
Fair value at 31 December	<u>13,948,829</u>	<u>12,249,031</u>

The geographical distribution of investments is as follows:

	2022 AED	2021 AED
Quoted UAE equity securities	36,674,355	46,841,483
Quoted outside UAE Tier 1 Perpetual securities	2,555,227	3,011,000
Unquoted UAE debt securities	7,000,000	5,000,000
Unquoted UAE Tier 1 Securities	6,950,000	6,950,000
Quoted outside UAE equity securities	1,271,829	1,743,262
	<u>54,451,411</u>	<u>63,545,745</u>

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Notes to the financial statements (continued)
For the year ended 31 December 2022

5 Investments in financial assets (continued)

Management considers that the fair values of financial assets and financial liabilities that are not measured at fair value approximates to their carrying amounts as stated in the financial statements and are classified as level 3 in accordance with the IFRS 13 hierarchy.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value into Levels 1 to 3 based on the degree to which the fair value is observable.

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

	Note	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
31 December 2022					
Investments at FVTOCI					
Investment in quoted securities	(a)	30,997,354	-	-	30,997,354
Quoted Tier 1 perpetual securities		2,555,228	-	-	2,555,228
Unquoted Tier 1 perpetual securities		-	-	6,950,000	6,950,000
		<u>33,552,582</u>	<u>-</u>	<u>6,950,000</u>	<u>40,502,582</u>
Investments at FVTPL					
Investment in quoted equity securities	(a)	6,948,829	-	-	6,948,829
Unquoted Tier 1 perpetual securities		-	-	7,000,000	7,000,000
		<u>6,948,829</u>	<u>-</u>	<u>7,000,000</u>	<u>13,948,829</u>
31 December 2021					
Investments at FVTOCI					
Investment in quoted securities	(a)	41,335,714	-	-	41,335,714
Quoted Tier 1 perpetual securities		3,011,000	-	-	3,011,000
Unquoted Tier 1 perpetual securities		-	-	6,950,000	6,950,000
		<u>44,346,714</u>	<u>-</u>	<u>6,950,000</u>	<u>51,296,714</u>
Investments at FVTPL					
Investment in quoted equity securities	(a)	7,249,031	-	-	7,249,031
Unquoted Tier 1 perpetual securities		-	-	5,000,000	5,000,000
		<u>7,249,031</u>	<u>-</u>	<u>5,000,000</u>	<u>12,249,031</u>

(a) Fair values have been determined by reference to the quoted prices at the reporting date.

During the year, there were no transfers between Level 1 and Level 2 fair value measurement and no transfers into or out of Level 3 fair value measurements.

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For the year ended 31 December 2022

6 Statutory deposit

In accordance with the requirement of Federal Law No. 6 of 2007 (as amended), concerning Insurance Companies and Agents, the Company maintains a bank deposit amounting to AED 6,000,000 as of 31 December 2022 (31 December 2021: AED 6,000,000) and it cannot be utilized without the consent of the Central Bank of UAE.

7 Premium and insurance balances receivable

	2022 AED	2021 AED
Due from policyholders	49,374,608	41,841,082
Due from insurance and reinsurance companies	91,984,353	52,914,469
Due from brokers and agencies	12,931,714	12,686,644
Due from related parties (Note 18)	4,271,318	2,492,527
	<u>158,561,993</u>	<u>109,934,722</u>
Expected credit loss	(9,110,170)	(9,110,170)
	<u>149,451,823</u>	<u>100,824,552</u>
Refundable deposits and other advances	184,989	347,524
Premium and insurance balances receivables – net	<u>149,636,812</u>	<u>101,172,076</u>

Inside UAE:

In accordance with the Board of Directors' Decision Number 25 of 2014 pertinent to the Financial Regulations for Insurance Companies, the company has categorized the insurance receivables as follows:

	2022 AED	2021 AED
Due from policyholders	49,374,608	41,841,082
Due from brokers and agencies	12,931,714	12,686,644
Due from insurance and reinsurance companies	3,219,928	2,965,005
Total	<u>65,526,250</u>	<u>57,492,731</u>

The ageing for the insurance receivables inside UAE is as follows:

	2022 AED	2021 AED
0 – 30 Days	4,514,747	19,378,861
31 - 90 days	39,055,760	19,804,174
91 - 180 days	6,764,273	4,125,682
181 - 270 days	1,887,228	3,760,822
271 - 360 days	2,547,093	1,844,593
More than 360 days	10,757,149	8,578,599
Total	<u>65,526,250</u>	<u>57,492,731</u>

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

7 Premium and insurance balances receivables (continued)

Outside UAE:

	2022 AED	2021 AED
Due from insurance and reinsurance companies	<u>88,764,425</u>	<u>49,949,464</u>

The ageing for the insurance receivables outside UAE is as follows:

	2022 AED	2021 AED
31-90 days	<u>88,764,425</u>	<u>53,998,199</u>

Expected credit losses

	2022 AED	2021 AED
Beginning balance	(9,110,170)	(8,025,259)
Charge during the year	-	(1,084,911)
Ending balance	<u>(9,110,170)</u>	<u>(9,110,170)</u>

8 Other receivables and prepayments

	2022 AED	2021 AED
Deferred acquisition costs	35,888,339	15,990,149
Prepayments	8,487,851	5,222,571
Rent receivable	1,613,778	2,353,778
Accrued interest income	954,103	957,400
Guarantee deposits	931,292	724,371
Other advances	349,684	294,241
	<u>48,225,047</u>	<u>25,542,510</u>

9 Cash and cash equivalents

	2022 AED	2021 AED
Cash on hand	5,000	5,000
Cash at banks - current accounts (i)	16,102,533	19,018,735
Cash at bank - call account (i)	15,318,930	25,588,862
Fixed deposits (ii)	24,504,440	24,244,960
Cash and bank balances	<u>55,930,903</u>	<u>68,857,557</u>
Less: fixed deposits with an original maturity of more than three months	<u>(14,000,000)</u>	<u>(14,000,000)</u>
Cash and cash equivalents	<u>41,930,903</u>	<u>54,857,557</u>

Insurance House P.J.S.C.

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 December 2022

9 Cash and cash equivalents (continued)

- i. Cash at banks includes current accounts and call account balances amounting to AED 9,113,164 as of 31 December 2022 held with two financial institutions which are related parties (call account balances are interest bearing) (31 December 2021: AED 17,844,461).
- ii. Bank fixed deposits as at 31 December 2022 amounting to AED 24,504,440 (31 December 2021: AED 24,244,960) carry interest rate of 4.75% p.a. to 5.25% p.a. (31 December 2021: 2.15% p.a. to 2.25% p.a.).

10 Capital and reserves

Share capital

	2022	2021
	AED	AED
<i>Authorised, issue and fully paid:</i>		
118,780,500 shares of AED 1 each	118,780,500	118,780,500

Tier 1 capital

On 14 January 2019, the Company's Board of Directors approved the issuance of Tier 1 perpetual bonds non-convertible into shares amounting to AED 15,000,000 for the purpose of strengthening the Company's capital adequacy and assets and to support its financial position to achieve the Company's growth strategy and to be compatible with the instructions of the Insurance Authority.

Legal reserve

In accordance with the UAE Federal Law No. 32 of 2021, concerning Commercial Companies and the Company's Articles of Association, 10% of profit is to be transferred to non-distributable legal reserve until the balance of the legal reserve equals 50% of the Company's paid up share capital. This reserve is not available for dividend distribution.

Reinsurance reserve

In accordance with Article (34) to Insurance Authority's Board of Directors Decision No (23) of 2019, insurance companies incorporated in the State and licensed by the Central Bank of the United Arab Emirates ("CBUAE") (formerly, UAE Insurance Authority ("IA")) shall bind in the preparation of its annual financial statements and its final accounts to allocate an amount equal to 0.5% (Five per thousand) of the total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Company deals to pay what is due to the Company or default in its financial position. The provision shall be accounted year after year based on the reinsurance premiums ceded and many not be disposed of without the written approval of the Assistant Governor of the Banking and Insurance Supervision Department of CBUAE. The decision was effective from 1 December 2020. Accordingly, an amount of AED 650,848 (31 December 2021: 422,793) has been recorded in equity as a reinsurance default risk reserve.

11 Capital and reserves (continued)

Dividend declaration

On April 12, 2021, the Board of Directors declared dividends to shareholders at a rate of 4% of the share capital.

Treasury Shares

During the year, the Company has reacquired back a total number of 5.3 million outstanding shares with AED 4,660,318.

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Notes to the financial statements (continued)
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11 Provision for employees' end-of-service benefits

	2022 AED	2021 AED
Balance as at 1 January	2,883,016	3,252,942
Charges during the year	667,476	420,674
Benefits paid	(342,174)	(790,600)
Balance as at 31 December	<u>3,208,318</u>	<u>2,883,016</u>

12 Insurance and other payables

	2022 AED	2021 AED
Payables-inside UAE	85,108,040	59,787,553
Payables-outside UAE	21,131,057	9,602,688
	<u>106,239,097</u>	<u>69,390,241</u>

In accordance with the Board of Directors' Decision Number 25 of 2014 pertinent to the Financial Regulations for Insurance Companies, the Company has categorized the insurance payables as follows:

Inside UAE:

	2022 AED	2021 AED
Due to insurance and reinsurance companies	31,675,000	24,803,420
Due to brokers and agents	15,628,083	7,292,919
Related party payables (Note 18)	14,047,973	8,900,000
Claims payable	13,166,912	5,806,174
Due to policyholders	5,981,492	6,273,082
Unearned commission on premium ceded	258,887	3,021,801
Due to reinsurance companies – inside UAE	242,673	541,774
VAT output tax payable (Net)	-	18,208
Other accrued expenses	4,107,020	3,130,175
	<u>85,108,040</u>	<u>59,787,553</u>

Outside UAE:

	2022 AED	2021 AED
Due to insurance and reinsurance companies	15,517,180	3,692,079
Funds held for reinsurers	5,613,877	5,910,609
	<u>21,131,057</u>	<u>9,602,688</u>

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Notes to the financial statements (continued)
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13 Technical reserves

	2022 AED	2021 AED
Insurance liabilities – gross		
Unearned premiums reserve	112,656,717	81,376,611
Claims under settlement reserves	52,137,577	51,604,276
Incurred but not reported claims reserve	36,186,621	28,869,141
Unexpired risk reserve	568,447	252,338
Unallocated loss adjustment expenses reserve	2,776,442	2,256,963
	<u>204,325,804</u>	<u>164,359,329</u>
Reinsurance share of outstanding claims		
Unearned premiums reserve	58,903,899	39,580,062
Claims under settlement reserves	26,579,396	30,655,061
Incurred but not reported claims reserve	17,094,338	7,043,918
	<u>102,577,633</u>	<u>77,279,041</u>
Insurance liabilities – net		
Unearned premiums reserve	53,752,818	41,796,549
Claims under settlement reserves	25,558,181	20,949,215
Incurred but not reported claims reserve	19,092,283	21,825,223
Unexpired risk reserve	568,447	252,338
Unallocated loss adjustment expenses reserve	2,776,442	2,256,963
	<u>101,748,171</u>	<u>87,080,288</u>

14 Income from investments

	2022 AED	2021 AED
Dividend income on investment in financial assets	2,000,465	1,580,592
Interest income on fixed deposits and call account (net)	996,369	1,430,018
Interest from fixed income securities	804,127	938,335
Net realised gain from sale of investments carried at FVTPL	1,369,367	428,993
Change in fair value of investments carried at FVTPL (Note 5)	903,959	675,387
	<u>6,074,287</u>	<u>5,053,325</u>

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Notes to the financial statements (continued)
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15 General and administrative expenses

	2022 AED	2021 AED
Salaries and related benefits	23,306,667	22,707,021
Management and consultancy fees	6,647,973	7,400,000
Government fees	2,528,675	1,816,549
Depreciation of property and equipment (Note 4)	1,364,693	1,652,709
Telephone and postage	820,361	741,804
Bank charges	72,648	81,507
Expected credit loss	-	1,124,458
Other expenses	4,582,041	6,490,836
	<u>39,323,058</u>	<u>42,014,884</u>

16 Earnings per share – Basic and diluted

Earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year as follows:

	2022	2021
Earnings (AED):		
Net profit for the year	<u>4,358,311</u>	<u>9,519,956</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of earnings per share	<u>118,780,500</u>	<u>118,780,500</u>
Earnings per share (AED):		
Basic and diluted earnings per share (AED)	<u>0.04</u>	<u>0.08</u>

The Company does not have potentially diluted shares and accordingly, diluted earnings per share equals basic earnings per share.

17 Risk management

The Company monitors and manages the financial risks relating to its business and operations. These risks include insurance risk, capital risk, credit risk, interest rate risk, market risk, foreign currency risk and liquidity risk.

The Company seeks to minimize the effects of these risks by diversifying the sources of its capital. It maintains timely reports about its risk management function and monitors risks and policies implemented to mitigate risk exposures.

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Notes to the financial statements (continued)

For the year ended 31 December 2022

17 Risk management (continued)

Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is random and therefore unpredictable.

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

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

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

Capital risk

The Company's objectives when managing capital are:

- To comply with the insurance capital requirements required by UAE Federal Law No. 6 of 2007 (as amended) concerning the formation of Insurance Authority of UAE.
- To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In UAE, the local insurance regulator specifies the minimum amount and type of capital that must be held by the company in relation to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the year. The Company is subject to local insurance solvency regulations with which it has complied with during the year.

The table below summarizes the minimum regulatory capital of the Company and the total capital held.

	2022 AED	2021 AED
Total capital and reserves	<u>146,058,934</u>	149,026,160
Minimum regulatory capital	<u>100,000,000</u>	100,000,000

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Notes to the financial statements (continued)
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17 Risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

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

- Amounts due from reinsurers in respect of claims already paid.
- Amounts due from insurance contract holders.
- Amounts due from insurance intermediaries.
- Amounts due from banks for its balances and fixed deposits.

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

Re-insurance is used to manage insurance risk. This does not, however, discharge the company's liability as primary insurer. If a re-insurer fails to pay a claim for any reason, the company remains liable for the payment to the policy holder. The creditworthiness of re-insurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.

The Company maintains record of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the company includes details of provisions for impairment on insurance receivables and subsequent write offs. Exposures to individual policy holders and groups of policy holders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policy holders, or homogenous groups of policy holders, a financial analysis equivalent to that conducted for re-insurers is carried out by the Company.

The carrying amount of financial assets recorded in the financial statements, which is net of expected credit loss, represents the Company's maximum exposure to credit risk for such receivables and liquid funds.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position:

	Notes	2022 AED	2021 AED
Statutory deposits	6	6,000,000	6,000,000
Investments carried at fair value through other comprehensive income (FVTOCI)	5	40,502,582	51,296,714
Investments carried at fair value through profit or loss (FVTPL)	5	13,948,829	12,249,031
Premium and insurance balances receivable	7	149,636,812	101,172,076
Reinsurance contract assets	13	102,577,633	77,279,041
Other receivables		3,848,857	4,329,790
Fixed deposits	9	14,000,000	14,000,000
Cash and cash equivalents	9	41,930,903	54,857,557
Total credit risk exposure		372,445,616	321,184,209

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Notes to the financial statements (continued)
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17 Risk management (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. The Company is exposed to interest rate risk on call account, fixed deposits with bank and financial assets such as bonds. The interest rates are subject to periodic revisions.

Market risk

Market prices risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issue or factors affecting all instruments traded in the market.

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year. The UAE Dirham is effectively pegged to the US Dollar, thus foreign currency risk occurs only in respect of other currencies. The Company maintains policies and procedures to manage the exchange rate risk exposure.

**Insurance House P.J.S.C.
Financial Statements**

**Notes to the financial statements (continued)
For the year ended 31 December 2022**

17 Risk management (continued)

Liquidity risk

The Company's Board of Directors adopted an appropriate liquidity risk management framework as the responsibility of liquidity risk management rests with the Board of Directors.

The table below summarises the maturity of the assets and liabilities of the Company based on remaining contractual settlement dates.

	31 December 2022			31 December 2021			Total AED	No maturity date AED	Total AED
	Less than one year AED	More than one year AED	No maturity date AED	Less than one year AED	More than one year AED	No maturity date AED			
ASSETS									
Property and equipment	-	-	43,010,347	-	-	43,261,817	43,010,347	43,261,817	43,261,817
Statutory deposit	-	6,000,000	-	-	-	-	6,000,000	-	6,000,000
Investments carried at fair value through other	37,947,355	2,555,227	-	48,285,714	3,011,000	-	40,502,582	-	51,296,714
comprehensive income (FVTOCI)	6,948,829	7,000,000	-	7,249,031	5,000,000	-	13,948,829	-	12,249,031
Investments carried at fair value through	149,636,812	-	-	101,172,076	-	-	149,636,812	-	101,172,076
profit or loss (FVTPL)	48,225,047	-	48,225,047	25,542,510	-	-	48,225,047	-	25,542,510
Premium and insurance balances	102,577,633	-	-	77,279,041	-	-	102,577,633	-	77,279,041
receivable	14,000,000	-	-	14,000,000	-	-	14,000,000	-	14,000,000
Other receivables and prepayments	41,930,903	-	-	54,857,557	-	-	41,930,903	-	54,857,557
Reinsurance share of outstanding claims	401,266,579	15,555,227	91,235,394	328,385,929	14,011,000	43,261,817	459,832,153	43,261,817	385,658,746
Fixed deposits									
Cash and cash equivalents									
TOTAL ASSETS									

**Insurance House P.J.S.C.
Financial Statements**

Notes to the financial statements (continued)
For the year ended 31 December 2022

17 Risk management (continued)

Liquidity risk (continuity)

	31 December 2022			31 December 2021			
	Less than one year AED	More than one year AED	No maturity date AED	Less than one year AED	More than one year AED	No maturity date AED	Total AED
LIABILITIES							
End of service benefits obligation	-	3,208,318	-	-	2,883,016	-	2,883,016
Insurance and other payables	106,239,097	-	-	69,390,241	-	-	69,390,241
Unearned premium reserve	112,656,717	-	-	81,376,611	-	-	81,376,611
Claims under settlement reserve Incurred but not reported claims reserve	52,137,577	-	-	51,604,276	-	-	51,604,276
Unexpired risk reserve	36,186,621	-	-	28,869,141	-	-	28,869,141
Unallocated loss adjustment expenses reserve	568,447	-	-	252,338	-	-	252,338
	2,776,442	-	-	2,256,963	-	-	2,256,963
Total liabilities	310,564,901	3,208,318	-	233,749,570	2,883,016	-	236,632,586

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

18 Related parties

Related parties comprise the major Shareholders, the Board of Directors and key management personnel of the Company and those entities in which they have the ability to control or exercise significant influence in financial and operation decisions. The transactions with these related parties are primarily financing in nature as follows:

	2022 AED	2021 AED
Premium and insurance balances receivables		
<i>Shareholder</i>		
Finance House PJSC	4,245,137	2,077,408
<i>Others</i>		
Finance House LLC	15,933	253,390
Securities LLC	10,248	161,729
	<u>4,271,318</u>	<u>2,492,527</u>
Insurance and other payables		
<i>Shareholder</i>		
Finance House PJSC	12,000,000	7,500,000
<i>Others</i>		
FH Capital P.S.C	2,047,973	1,400,000
	<u>14,047,973</u>	<u>8,900,000</u>
Investments		
<i>Shareholder</i>		
Finance House PJSC – Sukuks	6,950,000	6,950,000
<i>Others</i>		
Finance House Securities LLC – Commercial papers	7,000,000	5,000,000
	<u>13,950,000</u>	<u>11,950,000</u>
Cash and cash equivalents		
<i>Shareholder</i>		
Cash at bank - call account	9,113,164	17,723,273
Cash at banks - current accounts	173,177	1,730
Cash at banks – fixed deposit	14,000,000	14,000,000
<i>Others</i>		
Cash at banks - current accounts	119,353	119,458
	<u>23,405,694</u>	<u>31,844,461</u>
Tier 1 capital		
<i>Others</i>		
Abdul Hamid Umer Taylor	2,000,000	2,000,000
Abdulmajeed Al Fahim	500,000	500,000
	<u>2,500,000</u>	<u>2,500,000</u>

Finance House P.J.S.C is one of the major shareholders of the company as of 31 December 2022. FH Capital P.S.C, Finance House Securities L.L.C and Finance House LLC are subsidiaries of Finance House P.J.S.C.

Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

18 Related parties (continued)

The Company, in the normal course of business, collects premiums from and settles claims of other businesses that fall within the definition of related parties as contained in IFRS.

The following are the details of significant transactions with related parties:

	2022	2021
	AED	AED
Finance House PJSC		
Management fee	6,000,000	6,000,000
Gross premiums written	4,460,256	4,213,045
Interest on fixed deposits	461,676	651,044
<hr/>		
Finance House Securities		
Disposal of shares	31,019,074	6,420,016
Purchase of shares	17,131,776	3,152,212
Interest on investment in commercial paper	237,339	204,308
Gross premiums written	405,230	337,049
<hr/>		
Finance House LLC		
Interest on investment in sukuk	423,926	388,475
Interest on Wakala fixed deposit	-	189,514
<hr/>		
FH Capital		
Consultancy fees	703,797	500,000
<hr/>		
Board of directors		
Remuneration	856,796	937,360
<hr/>		
Gross premiums written		
Finance House LLC	177,305	378,209
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Insurance House P.J.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2022

19 Segment information

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

The following summary describes the two main business segments:

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

Primary segment information - business segment

	31 December 2022			31 December 2021		
	AED			AED		
	Underwriting	Investments	Total	Underwriting	Investments	Total
Segment revenue	<u>281,251,947</u>	<u>6,074,287</u>	<u>287,326,234</u>	207,314,824	5,053,325	212,368,149
Segment result	<u>37,607,082</u>	<u>6,074,287</u>	<u>43,681,369</u>	46,481,515	5,053,325	51,534,840
Unallocated expense, net			<u>(39,323,058)</u>			<u>(42,014,884)</u>
Net profit for the year			<u>4,358,311</u>			<u>9,519,956</u>

a) The following is an analysis of the Company's assets, liabilities and equity by business segment:

	31 December 2022			31 December 2021		
	AED			AED		
	Underwriting	Investments	Total	Underwriting	Investments	Total
Segment assets	<u>339,600,982</u>	<u>88,804,708</u>	<u>428,405,690</u>	242,925,654	98,120,495	341,046,149
Unallocated assets			<u>31,426,463</u>			<u>44,612,597</u>
Total assets			<u>459,832,153</u>			<u>385,658,746</u>
Segment liabilities and equity	<u>449,424,866</u>	<u>7,198,969</u>	<u>456,623,835</u>	365,504,637	14,271,093	382,775,730
Unallocated liabilities and equity			<u>3,208,318</u>			<u>2,883,016</u>
Total liabilities and equity			<u>459,832,153</u>			<u>385,658,746</u>

Insurance House P.J.S.C.

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 December 2022

19 Segment information (continued)

b) Secondary segment information – revenue from underwriting departments

The following is an analysis of the Company's gross written premiums classified by major underwriting department.

	2022 AED	2021 AED
Motor	143,631,445	103,568,774
Medical	101,430,622	101,236,908
Commercial	36,189,880	2,509,142
	<u>281,251,947</u>	<u>207,314,824</u>

There were no transactions between the business segments during the year.

20 Commitments and contingencies

The Company's bankers have issued in the normal course of business letters of guarantee in favor of third parties amounting to AED 6.9 million (31 December 2021: AED 6.6 million).

21 Post-reporting date events

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

22 General

The figures in the financial statements are rounded to the nearest Dirham of United Arab Emirates.

23 Approval of financial statements

The financial statements were approved and authorized for issue by the Board of Directors on 13 February 2023.



دار التأمین
INSURANCE HOUSE
ش.م.ج - P.J.S.C

CORPORATE GOVERNANCE REPORT



دار التأمين
INSURANCE HOUSE
P.J.S.C. - ٢٠٢٢

CORPORATE GOVERNANCE REPORT
INSURANCE HOUSE PJSC
2022

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Introduction

Incorporation was announced after holding the Constitutive Assembly meeting on 03/04/2011. Afterwards, Ministerial Resolution No. 172 dated 10/04/2011 was issued and the same recorded in the Insurance Authority's registry under number 89 on 02/05/2011 accordingly the company was licensed to practice all types of insurance excluding life insurance and to become a national company incorporated in the Emirate of Abu Dhabi with a paid up capital of AED 120 million. The Company's amended Articles of Association in Article No. 75 states the requirement to comply with the Resolutions concerning the Standards of Institutional Discipline and Governance of Joint Stock Companies for the benefit of all stakeholders including shareholders and clients to invoke the principle of transparency and justice between the company's shareholders and customers, which will reflect positively on the whole social and economic aspects.

General Assembly resolved and approved on 14JAN19 the nullification of the bought back shares of the company and to reduce the capital accordingly to AED 118,780,500.

1. Implementation of Corporate Governance

The Company in order to abide by and implement the Articles of Association as well as Chairman of Authority's Board of Directors' Decision No. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and amendments thereof and the CBUAE regulations, took several steps to form the applicable basis and updated and approved the following documents:

#	Document Name	Document Type
1	Online Portal Upgrade for Motor Product	Control Document
2	Motor Insurance	Change Request over Policy
3	Casualty Insurance	Change Request over Underwriting Guidelines
4	Commercial Lines	Change Request over Policy
5	Policy and Claims Data Submission	Control Document
6	Interactive Voice Response	Control Document
7	Change in Interactive Voice Response	SOP
8	Compliance Manual	Change Request over Manual

2. Statement of ownership and transactions of the members of the Board of Directors and their spouses and children in the Company's securities during 2022:

Board members abide by the provisions of the Decision No. (2/R) of 2001 Concerning the Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities issued by the Securities and Commodities Authority (SCA) and in accordance with the provisions of Article No. 14 of the Board of Directors Decision No. 2/2001, where:

The chairman and the members of the board of directors of a company whose Securities are listed on the Market, and its general manager, and any of its employees who have knowledge of fundamental information of the company, shall not deal by themselves or through others in Securities issued by such company, or Securities issued by a parent, subsidiary, allied or affiliate company of such company, during the following periods:

- Ten (10) business days prior to the announcement of any significant information which would result in the share price increasing or decreasing, unless the information was a result of sudden unforeseen circumstances.
- Fifteen (15) days prior to the end of each financial quarter, semi-annual or annual financial period until the publication of the Company's financial statements comprising the statement of financial position, the statement of income, the statement of cash flows, the statement of changes in the shareholders equity and the clarifications on the financial statements in accordance with the International Accounting Standards, which are issued after the External Auditor's report is drafted and are signed by the company's Board of Directors or the authorized signatory in case of being quarterly, or are approved by the General Assembly along with the Auditor's report and Board of Directors' report in case of being annual financials.

The provisions of the Decision No. (2/R) of 2001 Concerning the Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities shall be taken into consideration if any of the above-mentioned persons traded, personally or through a third party, in the stocks of the company itself, mother company, subsidiary, affiliate or sister company. Any stock trading transaction contradicting the same shall be null and void.

Board of Directors acknowledged to disclose any stock trading transaction as described above.

Accordingly, Insurance House declares that the transactions of the Board members and their spouses and children in the Company's securities during the year 2022 are as follows.

S/N	Name	Position/Kinship	Owned shares as on 31/12/2022	Total Sale Transactions	Total Purchase Transactions
1	Mr. Mohamed Abdulla Jumaa Alqubaisi	Chairman	1,577,400	0	0
2	Mrs. Alia Abdulla Mohamed AlMazrouei	Vice Chairman	0	0	0
3	Mr. Khaled Abdulla Jumaa Alqubaisi	Board member	0	0	0
4	Mr. Abdulmajeed Ismail Ali Abdulrahim Al Fahim	Board Member	5,000	995,000	0
5	Mr. Murtadha Mohamed Sharif Alhashmi	Board member	0	0	0
6	Mr. Raman Tirunelveli Kuppuswamy	Board member	0	0	0
7	Mr. Jassem Mubarak Masoud Aldhaheri	Board member	0	0	0
8	Fatima Mohamed Abdulla AlQubaisi	Daughter of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
9	Jude Mohamed Abdulla AlQubaisi	Daughter of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
10	Hamad Mohamed Abdulla AlQubaisi	Son of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
11	Eisa Mohamed Abdulla AlQubaisi	Son of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
12	Mr. Mohamed Abdulmajeed Ismail Al Fahim	Son of Mr. Abdulmajeed Ismail Ali Abdulrahim Al Fahim	995,000	0	995,000

3. Board of Directors:

Company's Board of Directors consists of seven members, as stated in the Memorandum of Association and the Articles of Association of the Company, who are highly qualified and experienced in the financial, investment and managerial fields. They are able to follow up the company's business and implement its policies in order to ensure the company's continuous progress and development.

a. Statement of the current Board of Directors composition and membership characteristics and experience:

S/N	Name	Position & Category (executive, non-executive, independent)	Experience and Qualifications	Membership and positions in any other joint-stock companies and any other important supervisory, governmental or commercial entities	Membership Duration
1	Mr. Mohamed Abdulla Jumaa Alqubaisi	Chairman Non-executive Non-independent	Over 35 years in banking and corporate management. Bachelor of Science from the University of Austin / Texas	Finance House PJSC - Vice Chairman The National Investor Pvt.JSC - Board Member FH Capital P.J.S - Board Member	11 years
2	Mrs. Alia Abdulla Mohamed AlMazrouei	Vice Chairman Non-executive Non-independent	More than 20 years in several establishments Bachelor of Information Systems Management & Master of Business Administration	Khalifa Fund for Enterprise Development – Chief Executive Officer Finance House PJSC - Board Member	11 years
3	Mr. Khaled Abdulla Jumaa Alqubaisi	Board member Non-executive Independent	Over 25 years in various sectors, including investment policy development, aviation industry, defense industries, information and communications technology, and clean energy. Master in Project Management from George Washington University and a Bachelor in Finance and Operations Management from Boston University, USA.	National Central Cooling Company PJSC (Tabreed) - Chairman Finance House PJSC - Chairman Emirates Integrated Telecommunications Company PJSC (DU) - Board Member Abu Dhabi Investment Council - Board Member Mubadala Investment Company - CEO, Real Estate & Infrastructure Investments Abu Dhabi Motorsports Management LLC - Vice Chairman Abu Dhabi Global Market - Board Member Connect Infrastructure Topco Limited - Board Member	5 years

4	Mr. Abdulmajeed Ismail Ali Abdulrahim Al Fahim	Board Member Non-executive Independent	Over 35 years' experience in senior management of large-scale and world-class investment and development projects Master of Business Administration in Finance from the University of Toledo / Ohio - United States of America	Finance House PJSC - Board Member FH Capital P.J.S - Chairman Emirates National Petroleum Company Pvt.JSC - Vice Chairman Al Marjan Investments & Development LLC - Chairman SANBAN Business Commercial Investments LLC - Chairman UNii Engineering Consultancy LLC - Chairman	6 years
5	Mr. Murtadha Mohamed Sharif Alhashmi	Board member Non-executive Independent	Bachelor's degree in Accounting and Information Systems from the United Arab Emirates University He served as Chief Financial Officer of the Abu Dhabi National Oil Company (ADNOC) and the International Petroleum Investment Company (IPIC) and held several positions on the Board of Directors of Several International Oil companies, Banks, Investment Companies, EPC companies, Retail and Automotive sectors	Finance House PJSC - Board Member	3.5 years
6	Mr. Raman Tirunelveli Kuppuswamy	Board member Non-executive Non-independent	Over 35 years of experience in banking, finance and auditing. He is currently the Chief Executive Officer of Finance House.	FH Capital PJS - Vice Chairman Finance House PJSC - CEO Finance House Securities Co LLC - Director Mainland Management LLC - Director	11 years

			Chartered Accountant from the Institute of Chartered Accountants of India - Cost Accountant from the Institute of Cost & Works Accountants of India - Company Secretary from the Institute of Company Secretaries of India - Professional Qualification in Bank Card Management, CIB London Institute of Banking	The Emirates Payment Services LLC - Director	
7	Mr. Jassem Mubarak Masoud Aldhaheeri	Board member Non-executive Independent	Investment Advisor at Municipality of Abu Dhabi since 2009. He served as Deputy CEO of Oman & Emirates Investment Holding Company during the period from 2002 until 2009 and held various positions in Abu Dhabi Investment Company between 1992 and 2002 including Assistant General Manager of Investment Division. Master of Science in Economics from California State Polytechnic University (Pomona), USA.	Etihad Capital Pvt.JSC - Chairman ARAM Group PJSC - Board Member	2 years

b. Statement of women's representation in the Board of Directors in 2022.

The company abides by women representation in the Board of Directors with a ratio of 1 member from a total of 7 board members.

c. Statement of reasons for not nominating any woman as a board member:

The company abides by women representation in the Board of Directors with a ratio of 1 member from a total of 7 board members.

d. Fundamentals of board members' remunerations:

Articles No. 41 and 65 of the Company's Articles of Association stipulate that the remuneration for the board members shall be distributed after deducting the necessary and optional reserves and distributing the dividends to the shareholders at a rate to be determined by the General Assembly of the Company. The remuneration shall be determined at the General Assembly Meeting and shall not exceed 10% of the remaining net profits after deducting the abovementioned. Such remuneration shall be subject to the deduction of the fines which had been levied on the Company by the Securities and Commodities Authority, the Insurance Authority or the Competent Authority due to the violations committed by the Board of Directors, in accordance with the Commercial Companies Law or the Company's Articles of Association during the fiscal year. The General Assembly may not deduct (wholly or partially) such fines if they were not committed due to negligence or error by the Board of Directors. Article No. 41 of the Company's Articles of Association has been amended as approved by the Annual General Assembly Meeting held on 12th April 2022 in line with the requirements under Article 171 of Federal Law Decree no. 32 of 2021 regarding Commercial Companies.

1. Total remuneration paid to the members of the board of directors for the year 2021:

Board of Directors remuneration for the year 2021 was AED 856,796.

2. Total remuneration proposed to be paid to the members of the Board of Directors for the year 2022, which shall be presented at the annual General Assembly for approval:

The remuneration of the Board of Directors for the year 2022 amounting to AED 392,248 shall be discussed at the next General Assembly meeting, a resolution/decision will be taken, and the securities market will be updated accordingly.

3. Details of the allowances for attending the sessions of committees derived from the Board which were paid to the Board members for the fiscal year 2022:

No allowances have been paid to the members of the Board of Directors for the fiscal year 2022 for attending the sessions of committees derived from the BOD.

4. Details of the additional allowances, salaries, or fees received by a Board member other than the allowances for attending the committees:

No additional allowances, salaries, or fees have been received by the Board members.

e. Board of Directors Meetings:

The Board of Directors held the following meetings as of 01/01/2022:

Meeting number and date	Meeting 1 10/02/2022	Meeting 2 10/05/2022	Meeting 3 09/08/2022	Meeting 4 08/11/2022
Board Members				
Mr. Mohamed Abdulla Jumaa Alqubaisi	✓	✓	✓	✓
Mrs. Alia Abdulla AlMazrouei	✓	✓	✓	✓
Mr. Khaled Abdulla Jumaa Alqubaisi	✓	✓ (Via Proxy)	✓	✓
Mr. Abdulmajeed Ismail Ali Al Fahim	✓	✓	✓	✓
Mr. Raman Tirunelveli Kuppuswamy	✓	✓	✓	✓
Mr. Murtadha Mohamed Sharif Alhashmi	✓	✓	✓	✓
Mr. Jassem Mubarak Masoud Aldhaheri	✓	✓	✓	✓

Absent ✗

Attended ✓

f. Number of Board resolutions issued by passing during the 2022 fiscal year, along with its meeting convention dates:

- Board Resolution No. 01/2022 dated 10FEB2022: Resolution regarding the purchase of up to 10% of IH's own shares under "Share Buyback Program" post obtaining shareholders' approval in the General Assembly Meeting.
- Board Resolution No. 02/2022 - Annexure (1) dated 09AUG2022:
 - Appointment of Mr. Mohammed Yassin Othman as Chief Executive Officer & Associate Director for Insurance House PJSC effective 25 August 2022.
 - Approve the recommendation of Nomination & Remuneration Committee for Mr. Mohammed Yassin Othman compensation.

Meeting number	Meeting No. 1/2022	Meeting No. 3/2022
Date	10/02/2022	09/08/2022
Resolution	Resolution no. (01/2022)	Resolution no. (02/2022)

g. Statement of the BOD's duties and powers exercised by the Board Members or the Executive Management during 2022 pursuant to an authorization by the BOD, stating the period and validity of the delegation according to the following schedule:

Members of Insurance House Board of Directors decided to grant a power of attorney to Mr. Mohamed Abdulla Jumaa Alqubaisi in his capacity as Chairman of the Board of Directors valid until 30/04/2024, for:

- Representing the company, signing and acting on its behalf in front of all ministries, agencies and federal and local governmental departments in all matters related to its business and affairs.
- Opening and managing any bank account in the name of the company and acting on behalf of the company to sign, accept, assign and settle checks and bank guarantees.
- Negotiating and signing all contracts, agreements, offers, orders and purchase orders on behalf of the company.
- Representing the company, signing and acting on its behalf in all its subsidiary companies or companies fully owned or partly owned by IH.
- Depositing on behalf of the Company at any bank, institution or company any amount, capital, bonds or documents.

The Chief Executive Officer was granted the following powers of attorney:

- A power of attorney for handling the administrative affairs with governmental departments and establishments and for the management of the company's business. Valid until 30/04/2024, which was cancelled on 11/05/2022.
- A special power of attorney for the purchase, sale and transfer of cars which were damaged by accidents covered through the company's business. Valid until 30/04/2024, which was cancelled on 11/05/2022.
- A special power of attorney for the management of the company's business and management of its affairs related to taxes including the value-added taxes (VAT) before all ministries, and local and federal governmental bodies. Valid until 30/04/2024, which was cancelled on 11/05/2022.

The Associate Director & Head of Senior Management Committee was granted the following powers of attorney:

- A power of attorney for handling the administrative affairs with governmental departments and establishments and for the management of the company's business. Valid until 30/04/2024.
- A special power of attorney for the purchase, sale and transfer of cars which were damaged by accidents covered through the company's business. Valid until 30/04/2024.
- A special power of attorney for the management of the company's business and management of its affairs related to taxes including the value-added taxes (VAT) before all ministries, and local and federal governmental bodies. Valid until 30/04/2024.

The Group Head - Human Capital & General Services was granted the following power of attorney:

- A special power of attorney for the purchase, sale and transfer of cars which were damaged by accidents covered through the company's business. Valid until 30/04/2024.

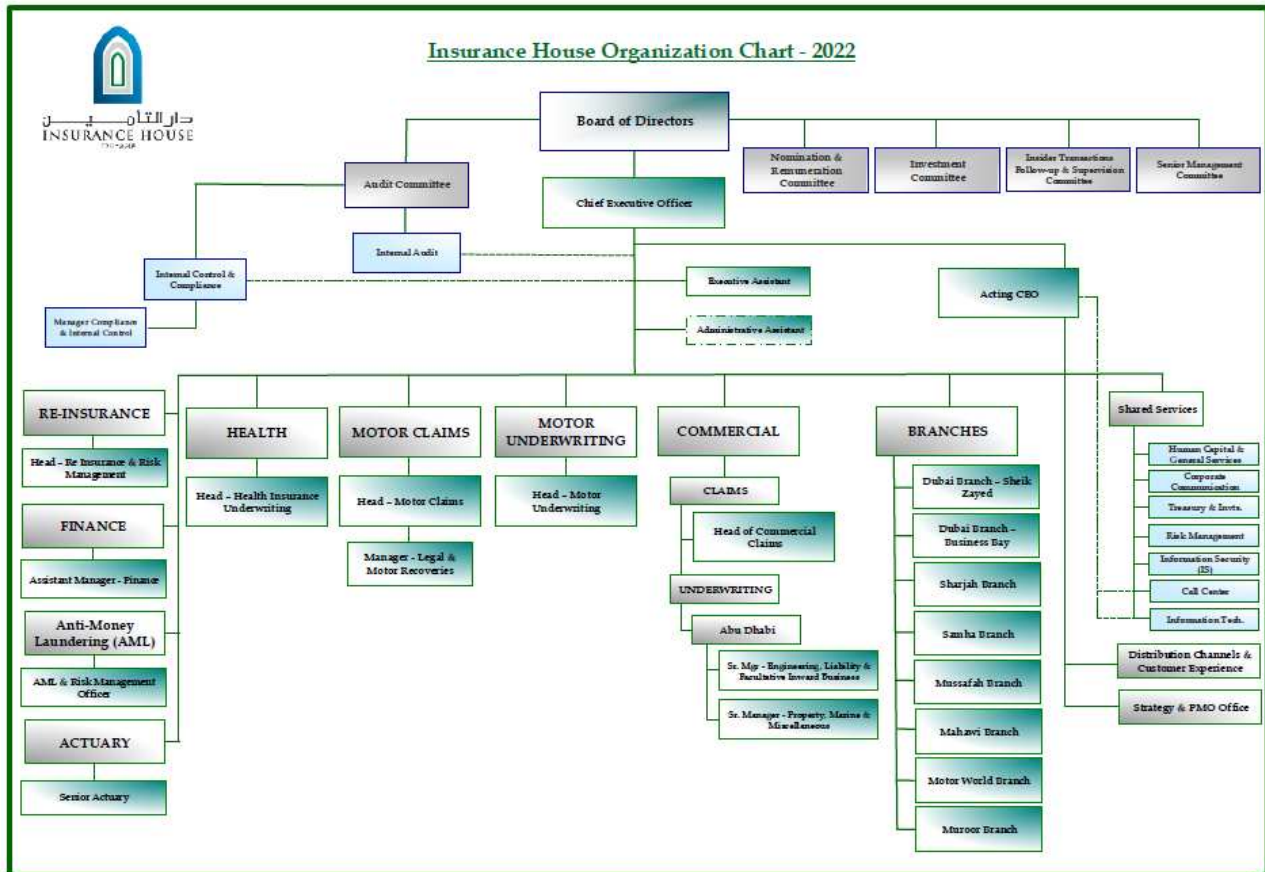
The Executive Vice President – Business Support was granted the following power of attorney:

- A special power of attorney for the purchase, sale, and transfer of cars, and to sign on documents before the relevant authorities. Valid until 29/04/2024.
- A special Power of Attorney to sign on documents, correspondence, and applications before MOHRE and the Federal Authority for Identity and Citizenship valid until 29 April 2024.

h. Statement of the details of transactions conducted with the related parties (stakeholders) during the year 2022:

#	<u>Statement of the related parties</u>	<u>Clarifying the nature of the relationship</u>	<u>Type of transaction</u>	<u>Value of transaction in AED</u>
1	Finance House PJSC	Affiliate Company	Management fee	6,000,000
2	Finance House PJSC	Affiliate Company	Gross premiums written	4,460,256
3	Finance House PJSC	Affiliate Company	Interest on fixed deposits	461,676
4	Finance House PJSC	Affiliate Company	Fixed deposits placed	112,000,000
5	Finance House PJSC	Affiliate Company	Fixed deposits redeemed	112,000,000
6	Finance House Securities LLC	Affiliate Company	Disposal of shares	31,019,074
7	Finance House Securities LLC	Affiliate Company	Purchase of shares	17,131,776
8	Finance House Securities LLC	Affiliate Company	Interest on investment in commercial paper	237,339
9	Finance House Securities LLC	Affiliate Company	Gross premiums written	405,230
10	Finance House LLC	Affiliate Company	Interests on investment in sukuks	423,926
11	Finance House LLC	Affiliate Company	Gross premiums written	177,305
12	FH Capital P.J.S	Affiliate Company	Consultancy fees	703,797

- i. The complete organizational structure of the Company, which shall clarify managing director, the general manager and / or CEO, the deputy general manager and the managers working in the company such as the financial manager.



- j. A detailed statement of senior executive staff in the first and second levels according to the Company's Organizational Chart:

S/N	Position	Date of appointment	Total salaries and allowances paid in 2022 (AED)	Total bonuses paid in 2022 (AED)	Any other cash/in-kind benefits for 2022 or payable in the future
1	Head of SMC (until 24/08/2022)	1-Oct-21	586,643.83	-	-
2	CEO	25-Aug-22	784,144.87	-	-
3	CEO (until 07/02/2022)	12-Sep-21	144,029.35	-	-

4	Deputy CEO (until 15/09/2022)	28-Feb-21	666,432.88	-	-
5	CFO	7-Nov-22	163,187.87	-	-
6	Head - Motor Claims	28-Dec-14	491,249.92	-	-
7	Head - Health Insurance	1-Jun-16	511,049.92	-	-
8	Head – Commercial Lines (until 16/08/2022)	23-Oct-12	247,584.58	-	-
9	Head – Reinsurance & Risk Management	7-Feb-22	395,491.20	-	-
10	Head – Commercial Claims	22-Dec-19	381,383.00	-	-
11	Head – Motor Underwriting	22-Feb-16	317,472.08	-	-

4. External Auditor

a. External Auditor:

Grant Thornton reviews and audits the company's accounts and is deemed among the leading auditing firms worldwide.

b. External Auditor Fees:

Grant Thornton was approved to be the external auditor for auditing and reviewing the financial statements of the Company at the Annual General Assembly meeting held on Tuesday 12 April 2022 at a total fees of AED 139,742 per annum until the end of the financial year 31/12/2022.

Name of the audit office and the name of the partner auditor	Grant Thornton – Osama El-Bakry
Number of years served as an external auditor for the Company	6 Years
The number of years that the partner auditor spent auditing the company's accounts	2 Year
Total fees for auditing the financial statements of 2022 (AED)	AED 139,742
Fees and costs of the special services other than auditing the financial statements for 2022 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	No any other fees and costs and special services were provided during 2022
Details and nature of other services provided by the external auditor of the company (if any). If	No other services were provided during 2022

there are no other services, this matter shall be stated expressly.	
Statement of the other services performed by an external auditor other than the Company's auditor in 2022 (if any). In the absence of another external auditor, this matter is explicitly stated.	No any other services were provided by any other external auditor during 2022

No any other services were provided by any other external auditor during 2022 other than Grant Thornton.

- c. **No qualified opinions were made by the Company's External Auditor in the interim and annual financial statements for 2022.**

5. Audit Committee

- a. "Mr. Khaled Abdulla Jumaa Alqubaisi, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness."
- b. The names of the Audit Committee members, and a statement of its functions and the duties assigned thereto:

Audit Committee members	Membership status in the BOD	Position in the Committee
1. Mr. Khaled Abdulla Jumaa Alqubaisi	Independent	Chairperson
2. Mr. Abdulmajeed Ismail Ali Al Fahim	Independent	Member
3. Mr. Jassem Mubarak Masoud Aldhaheri	Independent	Member
4. Mrs. Shagufta Farid	From outside the board and outside the company	Specialist Member

The Audit Committee Charter was updated and approved by the Board in the BOD meeting No. 03/2018 dated 31/07/2018.

As per the approved charter, the below stated duties were assigned to the Audit Committee:

1. Values and ethics

- Review and assess the policies, procedures, and practices established by the governing body to monitor conformance with its code of conduct and ethical policies by all managers and staff of the organization.

- Provide oversight of the mechanisms established by management to establish and maintain high ethical standards for all of the managers and staff of the organization.
- Review and provide advice on the systems and practices established by management to monitor compliance with laws, regulations, policies, and standards of ethical conduct and identify and deal with any legal or ethical violations.
- Set the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.
- Monitor the extent to which the Company complies with the code of conduct;
- Ensure implementation of code of conduct related to the committee's duties and powers assigned to it by the Board of Directors.

2. Organizational governance

- To obtain reasonable assurance with respect to the organization's governance process, the Audit Committee will review and provide advice on the governance process established and maintained within the organization and the procedures in place to ensure that they are operating as intended.
- Review of Related Party transactions with the Company, managing conflict of interests, and submitting recommendations concerning such transactions to the Board of Directors before concluding the contracts.

3. Risk management

- Annually review the organization's risk profile.
- Obtain from the CAE an annual report on management's implementation and maintenance of an appropriate enterprise wide risk management process.
- Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board.
- Provide oversight of the adequacy of the combined assurance being provided.
- Review and provide advice on the risk management process established and maintained by management and the procedures in place to ensure that they are operating as intended.

4. Fraud

- Oversee management's arrangements for the prevention and deterrence of fraud.
- Ensure that appropriate action is taken against known perpetrators of fraud.
- Challenge management and internal and external auditors to ensure that the entity has appropriate anti-fraud programmes and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.

5. Internal Control

- Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control;
- Considering the results of primary investigations in internal control issues as assigned to the committee by the Board of Directors or based on an initiative on the part of the committee and the Board of director's approval of such initiative.
- Review of the auditor's assessment of internal control procedures and ensuring coordination between the internal and external auditors.
- Ensuring availability of the resources required for the internal control department, and reviewing and monitoring the effectiveness of such department.
- Studying internal control reports and following up the implementation of corrective measures for the comments arising from such reports.

6. Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the observations and conclusions of internal and external auditors and the findings of any regulatory agencies.
- Review the process for communicating the code of conduct to the organization's personnel and for monitoring compliance.
- Obtain regular updates from management and the organization's legal counsel regarding compliance matters.

Oversight of the internal audit activity and other assurance providers

7. Internal audit activity

- Review and approve the internal audit charter at least annually. The charter should be reviewed to ensure that it accurately reflects the internal audit activity's purpose, authority, and responsibility, consistent with the mandatory guidance of the IIA's International Professional Practices Framework and the scope and nature of assurance and consulting services, as well as changes in the financial, risk management, and governance processes of the organization and reflects developments in the professional practice of internal auditing.
- Advise the Board about increases and decreases to the requested resources to achieve the internal audit plan. Evaluate whether any additional resources are needed permanently or should be provided through outsourcing.
- Advise the Board regarding the qualifications and recruitment, appointment, and removal of the CAE.
- Provide input to management related to evaluating the performance of the CAE.

- Recommend to management or the governing body the appropriate compensation of the CAE.
- Review and provide input on the internal audit activity's strategic plan, objectives, performance measures and outcomes.
- Review and approve proposed risk based internal audit plan and make recommendations concerning internal audit projects.
- Review the internal audit activity's performance relative to its audit plan.
- Review internal audit reports and other communications to management.
- Review and track management's action plans to address the results of internal audit engagements.
- Review and advise management on the results of any special investigations.

8. External auditors

The steps required to be taken:

- Ensuring the auditor's fulfillment of the terms stipulated in the applicable laws, regulations, and resolutions and the Company's Articles of Association, and following up and monitoring his/her independence.
- Meeting with the Company's auditor without attendance of any of the personnel of the Submitting a recommendation to the Board of Directors respecting selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendation of the Audit Committee in this regard, the Board of Directors shall include in the Governance Report a statement clarifying the Audit Committee recommendations and the reasons for the Board of Directors' rejection thereof.
- Setting and implementing the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the committee deems necessary to take procedures in relation to, and submitting the committee's recommendations concerning Senior Executive Management or representative thereof, at least once annually, and discussing with the auditor the nature and scope of the auditing process and its effectiveness according to the approved standards.
- Studying all that is related to the auditor's job, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries posed by the auditor to the Senior Executive Management concerning accounting books, financial accounts, or control systems, and following up the Company's Board of Directors response thereto and provision of the facilities required for performing the auditor's job.
- Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter.
- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with the internal audit activity.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of auditors.

- Obtain statements from the external auditors about their relationships with the organization, including non-audit services performed in the past, and discuss the information with the external auditors to review and confirm their independence.
- Review with management and the external auditors the results of audit engagements, including any difficulties encountered.
- Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement in the process.

9. Financial Reporting

- Review the Company's financial and accounting policies and procedures.
- Monitoring the integrity of the Company's financial statements and reports (annual, semi-annual, and quarterly) and review thereof as part of its normal work during the year, and the committee shall particularly focus on the following:
 - a. Any changes in accounting policies and practices;
 - b. Highlighting the aspects that are subject to the management's discretion;
 - c. Substantial amendments resulting from auditing;
 - d. Supposing continuity of the Company's business;
 - e. Commitment to the accounting standards approved by the Authority;
 - f. Commitment to the listing and disclosure rules and any other legal requirements related to preparation of financial reports.
- Coordinating with the Company's Board of Directors, Senior Executive Management, and the financial manager or the manager doing such role in the Company, for the purpose of performing its duties.
- Considering important and unusual clauses that are or shall be mentioned in such reports and accounts, the committee shall also pay the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor.

c. During the year 2022, four Audit Committee meetings were held as illustrated below:

Meeting number and date	Meeting 1 02/02/2022	Meeting 2 20/04/2022	Meeting 3 27/07/2022	Meeting 4 27/10/2022
Members				
Mr. Khaled Abdulla Jumaa Alqubaisi	✓	✗	√ (Via proxy)	√ (Via proxy)
Mr. Abdulmajeed Ismail Ali Al Fahim	✓	✓	✓	✓
Mr. Jassem Mubarak Masoud Aldhaheri	✓	✓	✓	✓
Mrs. Shagufta Farid	✓	✓	✓	✓

Absent ✗

Attended ✓

- No financial rewards or allowances are paid for attending the Audit Committee meetings.

6. Nomination and Remuneration Committee

- a. "Mr. Abdulmajeed Ismail Ali Al Fahim, Nomination and Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness."
- b. The names of the Nomination and Remuneration Committee members, and a statement of its functions and duties assigned thereto:

The Board of Directors, during its meeting dated 22/12/2011, decided to form the Nomination and Remuneration Committee.

The below stated duties were assigned to the Nomination and Remuneration Committee:

1. To continuously ensure the independence of the independent board members.
2. To prepare the policy for granting the bonuses, benefits, incentives and salaries to the Company's Board of Directors and employees and to review such policy on an annual basis. The Committee shall ensure that the remuneration and benefits granted to the Company's senior executive management are reasonable and match the company's performance.
3. To identify the company's needs of competencies at senior executive management and employee levels, and to determine the bases of their selection.
4. To draft Human Resources and training policy in the company, to monitor its application, and to review it on an annual basis.
5. To organize and follow up the procedures for nomination to the Board of Directors in accordance with the applicable laws and regulations and the provisions of this resolution.

The following are the members of the Nomination and Remuneration Committee:

Committee members	Membership status in the BOD	Position in the Committee
1. Mr. Abdulmajeed Ismail Ali Al Fahim	Independent	Chairperson
2. Mrs. Alia Abdulla Mohamed AlMazrouei	Non-independent	Member
3. Mr. Murtadha Mohamed Sharif Alhashmi	Independent	Member

c. Meetings of Nominations and Remuneration Committee:

Meeting number and date	Meeting 1 10/05/2022
Members	
Mr. Abdulmajeed Ismail Ali Al Fahim	✓
Mrs. Alia Abdulla Mohamed AlMazrouei	✓
Mr. Murtadha Mohamed Sharif Alhashmi	✓

Absent ✕

Attended ✓

- No financial rewards or allowances are paid for attending the Nomination and Remuneration Committee meetings.

7. Management and Supervision of Insiders' Trading Committee

- a. "Mr. Murtadha Mohamed Sharif Alhashmi, Management and Supervision of Insiders' Trading Committee Chairman, acknowledges his responsibility for the follow-up and supervision system on transactions of the insiders in the Company, review of its work mechanism and ensuring its effectiveness."
- b. Names of members of the Management and Supervision of Insiders' Trading Committee, and a statement of its functions and duties assigned thereto:

The Board of Directors, during its meeting No. 4/2017 dated 04/10/2017, decided to form the Management and Supervision of Insiders' Trading Committee.

The below stated duties and responsibilities were assigned to the Management and Supervision of Insiders' Trading Committee:

1. Perform such duties and exercise such powers as may be directed or delegated to it by the Board from time to time.
2. May delegate, as deemed advisable, certain of its responsibilities to an appropriate member of the Company's management or executive officers.
3. Establish the relevant policies and procedures, for approval by the Board, and oversee their implementation.
4. Periodically review and revise relevant policies and procedures to comply with the requirements of corporate governance, Insider trading, SCA and ADX regulations/laws, and other relevant regulations.
5. Monitoring, management, follow up, and supervision of Insiders' trading /dealings /transactions for their compliance with the rules of disclosure and transparency, the Market /ADX /relevant regulations/laws, and the Company's Insiders related policies and procedures.
6. Management, follow up, and supervision over Insiders' ownerships.
7. Disclose/submit periodic statements and reports, material information, and ownerships of Insiders and their Relatives of securities issued by the Company to the Market.
8. Assist the Board in its evaluation of the adequacy and efficiency of the Insiders related policies, procedures, practices and controls applied through an audit report (either independent internal or external) that is to be submitted to the Audit Committee.

9. The Committee, in conjunction with the Audit Committee, has the responsibility to determine the scope of the rigorous audit procedures that include full coverage of the Insiders related activities to ensure timely identification of internal control weaknesses and operating system deficiencies.
10. Ensure that every Insider signs formal declarations to familiarize him/her with the rules and regulations and that confirms his/her knowledge of his/her possession of internal data and information regarding the Company and its customers, and that s/he shall bear all the legal consequences in case of leaking such information or data or giving advice on the basis of the information in his/her possession, and his/her commitment to notify the Company of any trade carried out on the securities of the Mother Company or the Subsidiary Company before and after those trades.
11. Inform all Insiders with the Insider trading prohibition periods as informed by ADX or regulators.
12. Develop effective contractual arrangements that require, the other parties who have access to internal data and information related to the Company and its customers, to maintain the confidentiality of such data and information, and not misuse or transfer it, or cause it to be transferred directly or indirectly to other parties.
13. Take all measures to accurately maintain strict confidentiality of the Company's data and information in a way that ensures it is not exploited.
14. Preparing and maintaining, under guidance from the Board, a comprehensive register/record for all Insiders, including persons who could be considered as Insiders on a temporary basis and who are entitled to or have access to Inside information of the Company prior to publication. The record shall also include prior and subsequent disclosures of the Insiders.
15. In the event of a change in the list of Insiders, the Committee shall update the Insiders register/record and ADX register and shall immediately inform the concerned parties.
16. Provide the Compliance Officer, in advance, with any Insider transactions that they are informed of or come to know through their presence in the executive management.
17. Take appropriate actions to manage risks to the Company from uncontrolled or unauthorized transactions by individuals who have access to the Company's confidential information.
18. Responsible for setting procedures and appropriate actions to prevent the Insiders in the Company from using confidential Inside Information to make tangible or intangible gains.
19. Fulfill any other activities or have any other authorities as delegated to it by the Board and to the extent permitted by law towards Insiders Supervision.

The following are the members of the Management and Supervision of Insiders' Trading Committee:

Committee members	Membership status in the BOD	Position in the Committee
1. Mr. Murtadha Mohamed Sharif Alhashmi	Independent	Chairperson
2. Mr. Jassem Mubarak Masoud Aldhaheri	Independent	Member

3. Mr. Raman Tirunelveli Kuppuswamy	Non-independent	Member
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Meetings of Management and Supervision of Insiders' Trading Committee:

Meeting number and date	Meeting 1 26/12/2022
Members	
Mr. Murtadha Mohamed Sharif Alhashmi	✓
Mr. Jassem Mubarak Masoud Aldhaheri	✓
Mr. Raman Tirunelveli Kuppuswamy	✓

Absent ✕ Attended ✓

- No financial rewards or allowances are paid for attending the Management and Supervision of Insiders' Trading Committee meetings.

c. Summary of the Committee's activities during 2022

- The committee meeting was held on 26th December 2022 with the attendance of its members. They successfully maintained the updated insiders' register. The Committee went through the rules and guidelines of the insiders' transactions which were reviewed along with the insiders' declarations.

8. Investment Committee

- a. "Mrs. Alia Abdulla Mohamed AlMazrouei, Investment Committee Chairman, acknowledges her responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness."
- b. **The names of the Investment Committee members, and a statement of its functions and duties assigned thereto:**

The Board of Directors, during its meeting dated 02/11/2015, decided to form the Investment Committee.

The below stated duties and responsibilities were assigned to the Investment Committee:

- Perform such duties and exercise such powers as may be directed or delegated to it by the Board from time to time.
- May delegate, as deemed advisable, certain of its responsibilities to the appropriate member of the Company's management or executive officers.

3. Establish the investment strategy, policies and procedures, for approval by the Board, and oversee their implementation. The Committee has the responsibility to ensure that the investment strategy is in alignment with IH's mission.
4. Setting investment guidelines and adopting them.
5. Periodically review and revise investment policies and procedures.
6. Review and monitor investments for their compliance with company's investment policies and procedures.
7. Monitoring the performance of investment funds and investment managers in accordance with the investment policy.
8. Assist the Board in its evaluation of the adequacy and efficiency of the investment policies, procedures, practices and controls applied in the day-today management of its business through an audit report (either independent internal or external) that is to be submitted to the Audit Committee.
9. Ensure adequate segregation of duties between execution, recording, authorization, reconciliation and related assurance.
10. The Committee, in conjunction with the Audit Committee, has the responsibility to determine the scope of rigorous audit procedures that include full coverage of the investment activities to ensure timely identification of internal control weaknesses and operating system deficiencies.
11. Fulfill any other activities or have any other authorities as delegated to it by the Board and to the extent permitted by law.

The following are the members of the Investment Committee:

Committee members	Position in the Committee
Mrs. Alia Abdulla Mohamed AlMazrouei	Chairperson
Mr. Mohamed Abdulla Jumaa Alqubaisi	Member
Mr. Abdulmajeed Ismail Ali Al Fahim	Member
Mr. Jassem Mubarak Masoud Aldhaheri	Member
Mr. Raman Tirunelveli Kuppuswamy	Member

c. Meetings of Investment Committee:

Meeting number and date	Meeting 1 10/02/2022	Meeting 2 10/05/2022	Meeting 3 23/11/2022
Members			
Mrs. Alia Abdulla Mohamed AlMazrouei	✓	✓	✓
Mr. Mohamed Abdulla Jumaa Alqubaisi	✓	✓	✓

Mr. Abdulmajeed Ismail Ali Al Fahim	✓	✓	✓
Mr. Jassem Mubarak Masoud Aldhaheri	✓	✓	✓
Mr. Raman Tirunelveli Kuppuswamy	✓	✓	✓

Absent ✖

Attended ✓

- No financial rewards or allowances are paid for attending the Investment Committee meetings.

9. Internal Control System

The Board of Directors, during its meeting No. 01/2012 dated 30/01/2012, decided to set up the Internal Control Department which is granted sufficient independence to perform its duties and shall report to the Board of Directors through the Audit Committee.

1. Internal control

a. Definition

Internal control is the process effected by the Board of Directors of Insurance House, management and staff, designed to provide reasonable assurance of effectively and efficiently meeting various operational and financial objectives.

All levels of management at IH (BOD, senior management, line managers, officers, and departments) are responsible for establishing internal control processes to maintain and keep the Company on course toward its financial goals, to help the company to achieve its mission, to minimize risk, and to more effectively deal with change.

In addition, to properly apply therein the corporate governance rules, to ensure that the Company and its employees are complying with the provisions of the applicable laws, regulations and decisions (that regulates its duties) and internal policies and procedures, and to review the financial data that is submitted to the BOD and is used in drafting the financial statements.

The internal control system was issued by the Board of Directors. A department specialized in internal control shall apply such system.

Internal Control Department which is granted sufficient independence to perform its duties and shall report to the Board of Directors through the Audit Committee

b. Purpose

Describes a unified approach for evaluation of the internal control systems that management has designed to:

- provide reasonable assurance of achieving corporate mission, objectives, goals and desired outcome;
- while adhering to laws and regulations;
- allow the Company to accurately report successes and outcomes to the public and interested third parties;
- and serves as a common basis for management, directors, regulators, employees and others to better Understand internal controls, enterprise risk management.

The following is included in its tasks and annual review:

- Key control elements, including controlling the financial affairs, operations and risk management
- Changes triggered since the last annual review relating to the nature and extent of the key risks and the Company's ability to respond to changes in its business and external environment
- The scope and quality of the Board's ongoing surveillance of risks, the internal control system and the duties of the internal auditors
- Number of times the Board or its committees have been informed about the outcomes of the control duties to enable them to assess the internal control status of the Company and the effectiveness of risk management
- Detected failures or weaknesses in the control system or unexpected emergencies that have impacted or may have an intrinsic impact on the performance or financial position of the company.
- The effectiveness of the company's financial reporting and compliance with listing and disclosure rules
- To ensure the segregation of duties
- To verify the fixed assets
- To follow up the powers and authorizations of the Management

2. Components of Internal Control:

a. Control Environment:

- The control environment sets the tone for an organization. It provides discipline, structure and strongly influences the control consciousness of the people within the organization.

- The control at Insurance House (IH) begins with the philosophy and operating style as well as the priorities and direction provided by the Company.
- Within IH departments, key factors in the control environment include integrity, ethical values and competence of personnel.

b. Risk Assessment:

- Risk assessment is the identification and analysis of relevant risks which may prevent a department from meeting its operational, financial and compliance objectives.
- Business managers at IH assess risks based on types of processes/activities performed, organizational structure, staffing levels and attitudes within the department.

c. Control Activities:

Control activities established through various committees such as Audit & Risk Committee, Nomination and Remuneration Committee, and the establishment of an Internal Control function. Policies and procedures are established to ensure that management's directives are implemented.

Managers and staff of all levels are aware of IH policies & procedures, system controls and supplement these procedures & controls with department level guidance when necessary.

d. Information and Communication:

Pertinent information must be identified, captured and communicated in a form and timeframe that enables management and staff to carry out their responsibilities.

IH managers have solid lines of communication between the departments and central functions as well between management and staff. Appropriate systems have been effectively implemented and required MIS reports are being reviewed for necessary management decisions and process improvements when required.

e. Monitoring:

Monitoring is a process that assesses the quality of the internal control system and processes. IH management, line managers and staff are responsible for monitoring the activities performed, processes and business targets.

Internal Audit provided assurance over these controls.

3. Internal control objectives:

Management has established internal control objectives in order to effectively assess areas of potential risk.

The following key internal control objectives apply to IH:

- Accuracy of financial statements
- Validity of transactions
- Timeliness and completeness in processing transactions
- Compliance with applicable regulations, laws and policies & procedures

4. Internal control activities:

The following internal control activities are the tools used in accomplishing these objectives:

a. Establishing a Control Conscious Environment:

IH has implemented Code of conduct to set a tone within the departments which is essential in developing sound internal controls. IH management ensures that employees are properly trained, are knowledgeable of rules, regulations, applicable laws, policies and procedures. They receive feedback on a regular basis; all these factors are key attributes of a good control conscious environment at IH.

b. Segregation of duties:

The separation of certain functions such as initiating, authorizing, recording and reconciling transactions is an important control activity. The amount of segregation possible within a department depends on the size and structure of the department. However, every effort is made by business managers to ensure that one person does not have control over all parts of a transaction.

c. Authorization / Approval Processes:

Approving and authorizing responsibilities within IH are limited to a few people. Any delegated authority is clearly documented and approved by the BOD, system passwords and access privileges are controlled and monitored. All supportive documentation is reviewed for validity, completeness and accuracy.

d. Physical Control of Assets:

Managers are responsible for the physical control of assets within the departments. Safeguards are implemented to ensure proper accountability of assets. Security gadgets have been installed and inspected.

e. Monitoring:

Monitoring activities include review of financial statements, department feedback sessions, internal evaluations, MIS reports and Internal/External Audits. This framework is subject to annual review or as situation warrants for necessary modification(s).

5. How the Internal Control Department handle any significant issues in the company, or issues disclosed in the annual reports and accounts:

The Internal Control Department deals with any significant issue in the company with independence and objectivity through informing the Audit Committee and the senior management of the company about the issue and potential risks and recommending the necessary steps to address the issue and prevent it from repeating. The Audit Committee takes the necessary decisions to address the issue and avoid its repetition in the future. The Internal Control Department shall follow up with the senior management and the departments to ensure that the procedures and decisions taken are implemented.

It is worth noting that the company did not encounter any significant issues during 2022.

Mr. Charles Jacques Hajetian is the Manager of the Internal Control Department and Compliance Officer since 27/10/2013. He holds a Master's degree in Business Administration from the Lebanese American University (LAU). He has more than fifteen years of experience in internal auditing and compliance in banks and insurance companies in Lebanon, Yemen and the United Arab Emirates.

The Board of Directors of the Insurance House acknowledges its responsibility for the Internal Control system in the Company and its review of the functioning mechanism of internal control and ensuring its effectiveness through the Audit Committee in accordance with the Chairman of Authority's Board of Directors' Decision No. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide.

6. Number of reports issued by the Internal Control Department to the Company's Board of Directors.

11 reports were issued by the Internal Control Department during the year 2022.

10. Violations committed during financial year 2022.

No violations were committed during 2022.

11. Company's contributions during 2022 toward the local community development and environmental conservation

Driven by a firm conviction that growth can only be sustained if shared, Insurance House, in 2022 as every year, contributed to the development of the community and to protecting our precious environment. As part of its social responsibility commitments, the company participated in a number of social activities dedicated to building a better quality of life.

To support our nation's heroes in the private and government sector, as well as the most vulnerable populations facing difficulties in these challenging times, Insurance House extended its "Fund of the UAE, Homeland of Humanity" initiative, offering discounts on vehicle insurance for Police and Army Officers, Civil Defense workers, Health Sector workers, Red Crescent volunteers, People of Determination, and the elderly.

As every year, Insurance House supported paper recycling and energy saving initiatives such as the global Earth Hour initiative, during which all IH branches shut off their lights and other power consuming activities, in a shared effort to protect our planet and our climate.

The company partnered with the UAE Health authority (SEHA), to organize an internal breast cancer awareness campaign across all IH branches, for the benefit of employees and by extension, their families, honoring another of its CSR commitments.

On the Youth empowerment front, Insurance House developed an Internship Program, open to all UAE national and expatriate students in their third or fourth university year. During the entire duration of their internship, students were exposed to day-to-day operations, interacted with employees, benefited from mentoring opportunities, and experienced the company's work culture.

Insurance House renewed its partnership with Fazaa, a social initiative deployed across the emirate of Abu Dhabi, to develop social interdependence and effective solidarity bonds within the UAE community. "Fazaa" members could benefit from IH motor insurance policy offers, by showing their "Fazaa" membership card at any IH branch across the UAE. To complete this initiative, Insurance House in 2022 launched a similar partnership with Esaad, to benefit the Dubai business community, and offered Esaad Members discounts on its Motor Insurance policies.

The company pursued its partnership with Abu Dhabi Commercial Bank (ADCB) to promote earning and redeeming of ADCB 'Touchpoints', and added in 2022 a 0% Installment payment plan offering,

whereby any ADCB credit card holder in the UAE could access affordable IH insurance policies and pay those in installments with 0% interest rates.

In 2022, Insurance House also offered Golden visa holders exclusive discounts on a large variety of insurance policies, including Personal Accident, Home, Jet Ski, Medical, Motor, and Travel Insurance.

On the occasion of UAE's 51st National Day, Insurance House also offered free Home Insurance to the first 51 Emirati applicants.

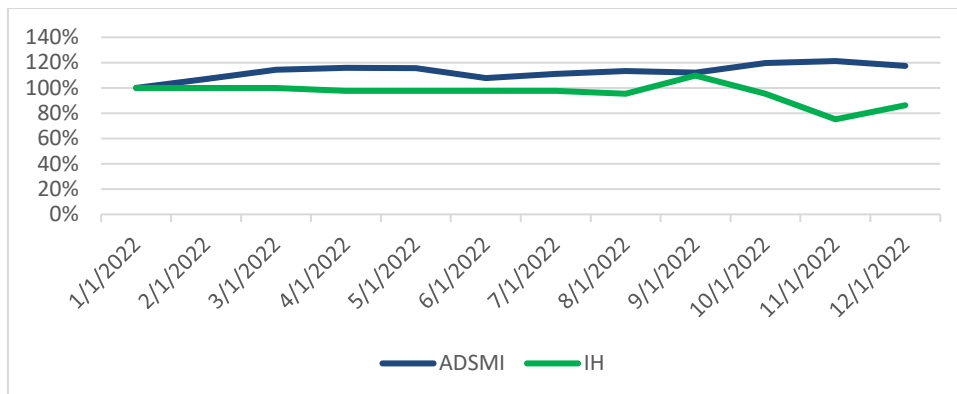
A large 'winter bazaar' was also organized in December to support small entrepreneurs and local handicraft.

12. General Information

a. **A statement of the Company share price movements in AED in the end of each month during 2022.**

Month	Highest	Lowest	Closing
January	0.908	0.89	0.89
February	0.890	0.89	0.89
March	0.890	0.89	0.89
April	0.910	0.87	0.87
May	0.870	0.87	0.87
June	0.900	0.87	0.87
July	0.870	0.87	0.87
August	0.850	0.8	0.85
September	0.977	0.85	0.977
October	1.010	0.81	0.85
November	0.976	0.669	0.669
December	0.908	0.769	0.769

b. **A statement of the comparative performance of the Company's shares with the market index during year 2022.**



c. A statement of Company's shareholding distribution in ADX as of 31/12/2022

S/N	Shareholder Category	Percentage of Shares Held			
		Individual	Companies	Government	Total
1	Local	5.85%	92.93%	0.84%	99.62%
2	Arab	0.07%	0.08%	0.00%	0.16%
3	Foreign	0.04%	0.18%	0.00%	0.22%
	Total	5.97%	93.19%	0.84%	100.00%

d. A statement of the shareholders who hold 5% or more of the Company's capital as of 31/12/2022 according to the following schedule:

S/N	Name	Number of Shares Held	% of the Shares Held of the Company's Capital		
			Individual	Companies	Government
1	Finance House PJSC	54,175,000	0.00%	45.61%	0.00%
2	Al Mazroui Investment LLC	35,000,000	0.00%	29.47%	0.00%
	Total	89,175,000	0.00%	75.08%	0.00%

e. A statement of shareholders' distribution by the size of equity as of 31/12/2022:

S/N	Share(s) Owned	Number of Shareholders	Number of Share Held	% of the Shares Held of the Capital
1	Less than 50,000	45	764,816	0.64%
2	From 50,000 to less than 500,000	16	1,716,815	1.45%
3	From 500,000 to less than 5,000,000	13	16,091,762	13.55%
4	More than 5,000,000	4	100,207,107	84.36%
	Total	78	118,780,500	100%

f. Statement of procedures taken with respect to the controls of investors' relations:

- The Company has complied with regulatory requirements on controls of investors' relations.
- Appointment of an Investor Relations Manager.

Name and contact details of Investor Relations Manager:

- Mr. Amr Hindawi
- Insurance House PJSC, Orjowan Building, Zayed 1st Street, Al Khalidiya PO Box: 129921 Abu Dhabi, United Arab Emirates.
- Telephone : +97124934800
- Mobile : +971506745487
- E-mail : amr.h@insurancehouse.ae
- Fax No : +97124934400

- Creating a section specialized for investor relations on the Company's website. Investor Relations webpage link:

<http://www.insurancehouse.ae/TopMenu/English/Investorelat.html>

g. A statement of the special resolutions presented in the General Assembly held in 2022 and the procedures taken with respect thereto.

Special Resolutions presented and approved in the Annual General Assembly Meeting held on 12th April 2022:

- Ratify the recommendation of the Board of Directors regarding the buyback of the Company of its own shares up to 10% for the purpose of disposing of such shares in accordance with the decision of the Securities and Commodities Authority in that regard and to authorize the Board of Directors to do the following:
 - Execute the General Assembly decision during the period approved by the Securities and Commodities Authority; and
 - Decrease Company's Capital in case of expiry of the period set by the Securities and Commodities Authority to dispose of the purchased shares by cancelling such shares and amending the Capital of the Company in the Articles of Association of the Company accordingly.
 - Authorize Mr. Mohamed Abdulla Jumaa Alqubaisi with all the necessary powers to obtain all the approvals of the competent authorities and the regulatory authorities to implement these resolutions and authorize him to sign and authenticate all documents before all competent authorities whether local or federal and the notary public in implementation of

the above-mentioned resolutions and to amend the Memorandum and Articles of Association of the Company in accordance therewith.

- Approve the amendment of the Articles of Association of the Company in line with the requirements of Federal Law Decree no. 32 of 2021 regarding Commercial Companies noting that such amendments are subject to approval of the competent authorities and that the articles to be amended are articles (1- 21- 41- 47- 54), and to authorize Mr. Mohamed Abdulla Jumaa Alqubaisi with all the necessary powers to effect the stipulated amendments and any other amendments proposed by the competent authorities to amend the articles of association of the Company, obtain all the approvals of the competent authorities and the regulatory authorities to implement these decisions and authorize him to sign and authenticate all documents before all competent authorities and the notary public in implementation of the above mentioned decisions.

The board secretary.

Miss Lina Elaraj

Date of appointment: 09/11/2020 till 09/08/2022

Miss Fatima Jamaluddin

Date of appointment: 09/08/2022 to date

h. Detailed statement of the major events and important disclosures that the company encountered during the year 2022.

- Insurance House P.J.S.C. maintained its Financial Strength Rating of “B+” (Good) and Long-Term Issuer Credit Rating of “BBB-” with a stable outlook for both, by the international credit rating agency AM Best.
- Insurance House bought back part of its shares with a total value of AED 4,660,318

i. Statement of the details of transactions conducted with the related parties during the year 2022 which equal to 5% or more of the share capital:

<u>#</u>	<u>Statement of the related parties</u>	<u>Clarifying the nature of the relationship</u>	<u>Type of transaction</u>	<u>Value of transaction in AED</u>
1	Finance House PJSC	Affiliate Company	Management fee	6,000,000
2	Finance House PJSC	Affiliate Company	Fixed deposits placed	112,000,000
3	Finance House PJSC	Affiliate Company	Fixed deposits redeemed	112,000,000

4	Finance House Securities LLC	Affiliate Company	Disposal of shares	31,019,074
5	Finance House Securities LLC	Affiliate Company	Purchase of shares	17,131,776

j. Statement of Emiratisation percentage in the Company at the end of 2020, 2021, 2022:

In support of the Emiratisation initiatives of the government, Insurance House announced launching new job opportunities to attract national cadres to represent its commitment to support the development initiatives and complementing its support of the Emiratisation policies. Accordingly, Insurance House have recruited and trained national talents to enable them to assume managerial positions in the Company.

- The Emiratisation rate has reached 16% for the year 2020,
- The Emiratisation rate has reached 15% for the year 2021,
- The Emiratisation rate has reached 17% for the year 2022, and the Company is in the process of increasing this percentage.

k. Statement of the innovative projects and initiatives carried out by the Company or which were under development during 2022.

The Company did not carry out innovative initiatives or projects during 2022; however, the Company carried out cultural awareness for insurance, health, and safety on the roads through its various social media means.

The Corporate Governance Report will be available to shareholders, stakeholders and stock market customers through the Company's website, the Securities and Commodities Authority (SCA) and Abu Dhabi Securities Exchange (ADX) websites, in compliance with disclosure and transparency and in accordance with the requirements of corporate governance. The management is ready to answer any queries.

Signature of the Chairman of the Board of Directors	Signature of the Audit Committee Chairman	Signature of the Nomination and Remuneration Committee Chairman	Signature of Internal Control Department Director
Date: / /2023	Date: / /2023	Date: / /2023	Date: / /2023

Company Official Seal



دار التأمين
INSURANCE HOUSE
ش.م.ع - P.J.S.C

ESG SUSTAINABILITY REPORT



دار التأمين
INSURANCE HOUSE
ش.م.ع. - P.J.S.C.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE **REPORT 2022**

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STATEMENT OF IH CEO HEADLINES

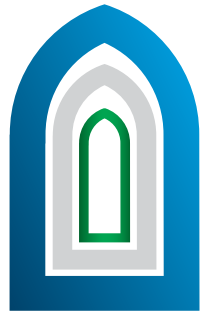
Insurance House has reset our sustainability goals in 2022 to become the most responsible company in the insurance sector. Considering the upheavals endured during the course of the year, this is a resilient performance that provides a solid foundation for sustained profitable growth in the near future.

Another key highlight of the year 2022 is that the investment grade credit rating of the Company Long-Term Issuer Credit Rating of “BBB-” and a Financial Strength Rating of “B+” (Good) have been reaffirmed in Q4 2022 by AM Best, the international credit rating agency. The outlook assigned to these Credit Ratings is “Stable”. This independent re-affirmation of our investment grade credit rating by an international credit rating agency such as AM Best will not only strengthen our existing business relationships, but will also open doors to many new relationships across the globe.

Our strategy is to compete on the basis of differentiated product offerings, improved digital capabilities and superior service quality. Going forward, profits from core insurance activities will be driven by continuous fine-tuning of our risk underwriting capabilities, increased use of digital channels to extend customer reach and enhanced controls in our claims management processes

MOHAMMED OTHMAN
Chief Executive Officer & Associate Director





دارالتأمين
INSURANCE HOUSE

ش.م.ع. - P.J.S.C

IH - OVERVIEW

Insurance House PJSC engages in the insurance businesses, which provides non- life insurance solutions. It operates through two business segments: underwriting of general insurance business and investments. The company was founded in 2010 and is headquartered in Abu Dhabi, the United Arab Emirates.

Offering a diverse portfolio of consumer and corporate insurance products and services that are in compliance with local requirements and up to par with international standards, our utmost goal is catering to a growing pool of insurance policy demanders. We take pride in offering a range of customized covers that encompass both conventional and specialized insurance classes.

MISSION: To be alert to our clients' needs by providing out-of-the-box insurance solutions through experienced and dedicated staff members.

VISION: Insurance House aspires to be a leader in its domain by providing superior insurance solutions to its clients within the UAE market

STAKEHOLDER ENGAGEMENT:

The achievement of our IH ESG strategy is dependent on our ability to effectively engage with these stakeholders to better understand and more successfully address the ESG challenges and accelerate progress on our social and environmental initiatives. However, we listen to our stakeholders' views through two-way conversation and believe this positive transparency and accountability.

CLIENTS & PARTNERS

Frequent communication with our clients & partners as they provide innovative solutions in our products and service offerings.

- **Welcome calls.**
- **Customer surveys.**
- **Feedback from customer buy, service, claim transactions.**
- **Innovative and solutions.**



COLLEAGUES

colleague communications & feedback networks are fundamental to IH performance fair place to work development goals and sustainable growth.

- **Feedback generated from internal systems and social media.Customer surveys.**
- **Conferences, training, and other talent development programs.**
- **Employee Resource events and programming, and**
- **employee surveys**



COMMUNITY

Engagement and knowledge sharing, IH is a partnership and corporate volunteering and employee donations in CSR for positive change.

- **Social media interactions.**
- **Corporate website and other correspondence.**
- **Knowledge sharing, corporate volunteering.**



INVESTORS

Focusing on improving investor trust and creating long-term value through a disciplined approach to growing our business will engage with them to communicate our progress in the ESG Strategy.

- **Annual general meeting.**
- **Quarterly financial results.**
- **Benchmarking, ratings, and rankings.**
- **Investor conferences, meetings, and calls.**



GOVERNMENTS AND REGULATORS

IH communicate with government agencies and regulators in the business to elevate sustainable business operations and to align with new regulatory requirements and other dialogue.

- **Regulatory and other reporting.**
- **New regulatory requirements and other dialogue.**
- **Panel discussions and roundtables in workshop.**





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INSURANCE HOUSE
ش.م.ع - P.J.S.C

Insurance House P.J.S.C (IH) has maintained its Financial Strength of “B+” (Good) and Long-Term Issuer Credit Rating of “BBB-” with a stable outlook for both; by AM Best, the international credit rating agency. According to IH’s Financial Strength Rating (FSR) and Issuer Credit Rating (ICR), this credit rating reveals financial strength in terms of strong liquidity level, a strong balance sheet, adequate operating performance, and marginal enterprise risk management (ERM).

2021

Insurance House Maintains Credit Rating with Stable Outlook

2021 - 2020 - 2019



B+
Financial Strength Rating

BBB-
Long-Term Issuer Credit Rating

Strong Liquidity Level

Adequate Operating Performance



Marginal Enterprise Risk Management (ERM)



Strong Balance Sheet



IH APPROACH TO ESG

IH ESG efforts are being made towards our internal and external stakeholders so that our operations are made better; leading to a successful insurance business portfolio in the UAE and fulfilling the brand promise we made to our customers. By addressing sustainability challenges in our business, we are able to manage four key areas that impact our operations:

- **Sustainable Business Operations**
- **Employee and Culture**
- **Community and Responsibility**
- **Governance and Business Ethics**

AREAS OF FOCUS WITH OUR ESG ASSESSMENT

High Topics



SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABLE BUSINESS OPERATIONS

Resting on a solid foundation of stability, trust and enduring values, our aim is to bring vital features such as speed, care and added value into the insurance arena. Committing to always ensuring our clients' most intricate of needs are addressed through offering abundant policies which are not limited to: Motor Insurance, Engineering Insurance, Fire Insurance, Liability Insurance, Marine Insurance, Medical Insurance, Personal Insurance, Aviation Insurance, Energy Insurance, and more.



YEAR 2022 - FINANCIAL & OPERATIONAL HIGHLIGHTS

REGULAR DIVIDEND PAYOUT TO SHAREHOLDERS	
YEAR	'IN '000 AED
2018	1,188
2019	4,751
2020	4,751
2021	4,751

SOUND OPERATIONAL PERFORMANCE	
'IN '000 AED	
GROSS WRITTEN PREMIUM	281,252
GROSS CLAIM SETTLED	205,561
OPERATING PROFIT	37,607

STRONG FINANCIAL PERFORMANCE	
'IN '000 AED	
NET PROFIT	4,358
INVESTMENT INCOME	6,074
TOTAL ASSETS	459,832

WEALTH CREATION FOR SHAREHOLDERS	
EARNING PER SHARE	0.04
DIVIDEND PER SHARE	N/A
RETURN ON EQUITY	3%

'IN '000 AED	
RETAINED EARNINGS	1,017
SHAREHOLDER EQUITY	146,059

BUSSINES ETHICS

One of the key objectives of management and BOD is to maximize shareholders' value. This objective has been addressed through various strategic initiatives that have kept IH profitable, healthy from capital adequacy and funding perspectives. Consequently, the shareholders have been awarded adequate dividends in cash since inception of Insurance House. However, the market movement in stock has not been favourable and is clearly not reflective of the future prospects of Insurance House. Hence, it was proposed that IH address this shortcoming through direct intervention into the market through "Share Buyback Program" for a maximum of 10% of share capital with the key objectives of:

- a. Generating liquidity for the stock,
- b. Enhancing value for shareholders,
- c. Appropriately utilize funds,
- d. Positive signal of value,
- e. Impacting staff morale.

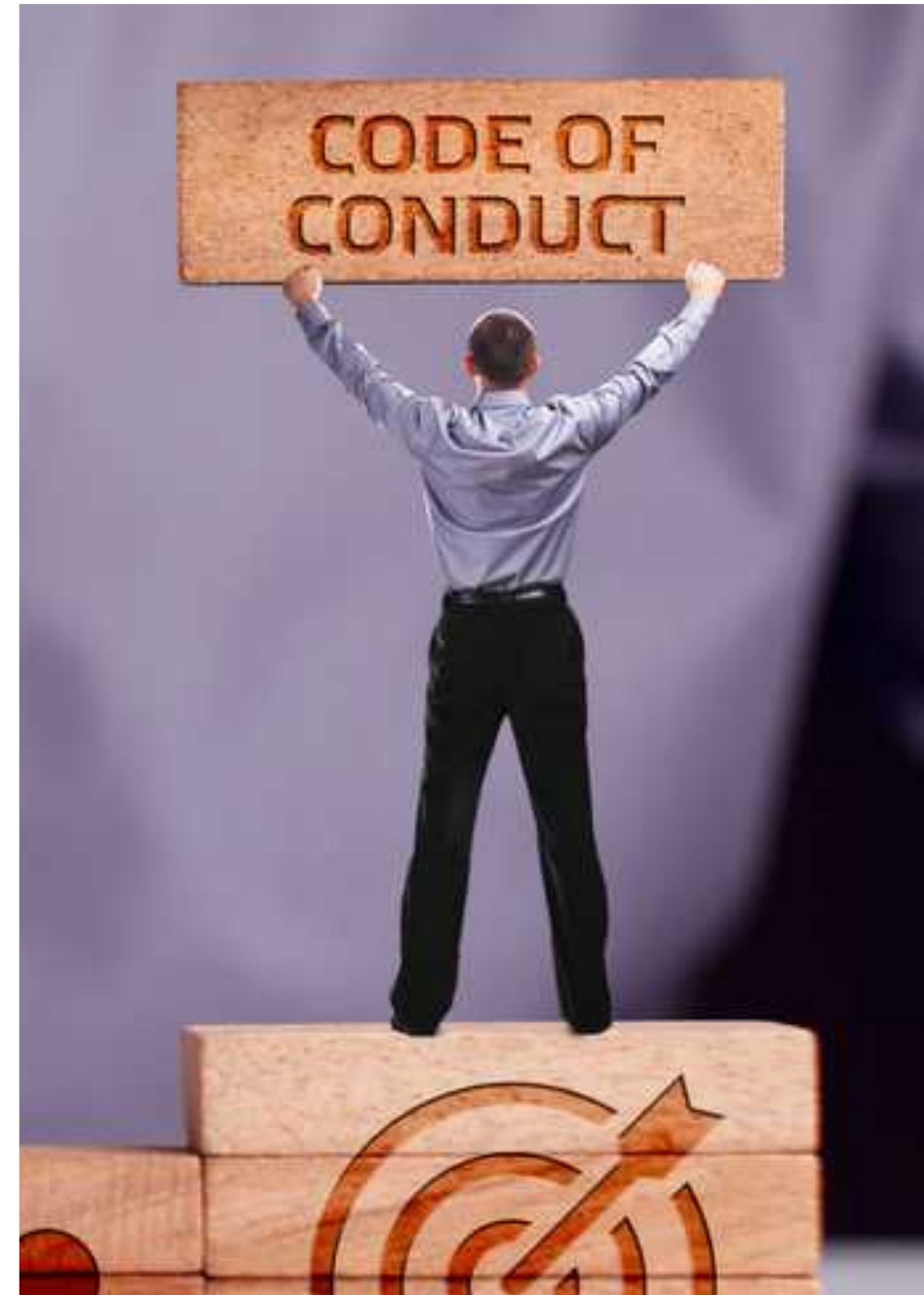


CODE OF CONDUCT

The Insurance House code of conduct is to provide a statement of the policies and procedures of Insurance House for continuing to conduct its business in a legally and ethically appropriate manner. As such, this code constitutes an integral part of Insurance House personnel policies and procedures. Specific guidance is provided with respect to the following topics:

- a. Insurance House values**
- b. The role of Insurance House supervision**
- c. Conflicts of interest**
- d. Protecting Insurance House information and assets**
- e. Compliance with laws and regulations**
- f. Violations of policy: reporting obligations and discipline**

Insurance House Board of Directors has charged all the company's employees with the responsibility of enforcing the compliance program and ensuring that the code and Insurance House related policies govern the business activities of all company employees. This charge, however, in no way diminishes each employees responsibility to understand and comply with the code and Insurance House related policies. It also does not diminish each supervisors responsibility to ensure that those employees for which he or she has responsibility comply with the code and all related Insurance House policies in effect including, without limitation, the contract policy, security policy, purchasing policy, travel and entertainment policy, accounting policy and procedure, privacy policy, immigration policy and equal employment opportunity and with other employment-related policies.



DATA PRIVACY AND SECURITY

Insurance House implemented a Data Leakage Prevention (DLP) system across its network in order to ensure appropriate preservation of data confidentiality, secure data and ensure applicable compliance standards are met. DLP consistently monitors and identifies sensitive data on the network where intentional/ unintentional leakage is happening, however, the risk to the company is substantial. A DLP system has the ability to locate (Discover) confidential electronic data within Insurance House's core system and determine if there is a potential data leakage. The system has the ability to monitor and detect data leakages happening at:

- **Data in motion: Email, Uploads to internet websites and FTP servers, Transmitted over file shares, Instant Messaging.**
- **Data at rest, compressed data storage drives, removable media, file servers etc.**
- **Data in Desktop and Laptops. Data Leakage Prevention - Cybersecurity Preparedness**

On Cybersecurity Preparedness, the increasing complexity of the Insurance House environment requires the creation of a Cybersecurity Incident Respond Plan (CSIRP) to efficiently handle cybersecurity incidents, while further protecting Insurance House's sensitive and critical information damage and/ or exposure due to any security breach. These services are offered to instill a sense of trust with our customers, employees, and business partners who have provided us with a range of sensitive information. Insurance House has in place a Data Privacy and Cybersecurity Policy to ensure adequate safeguards for our customer and business data as well as compliance with data protection legislation. This Policy is communicated via classroom sessions and e-learning to all employees when they join Insurance House and are regularly given refresher training and awareness activities focusing on topics such as proper data handling, breach reporting and phishing.



WORKPLACE SAFETY

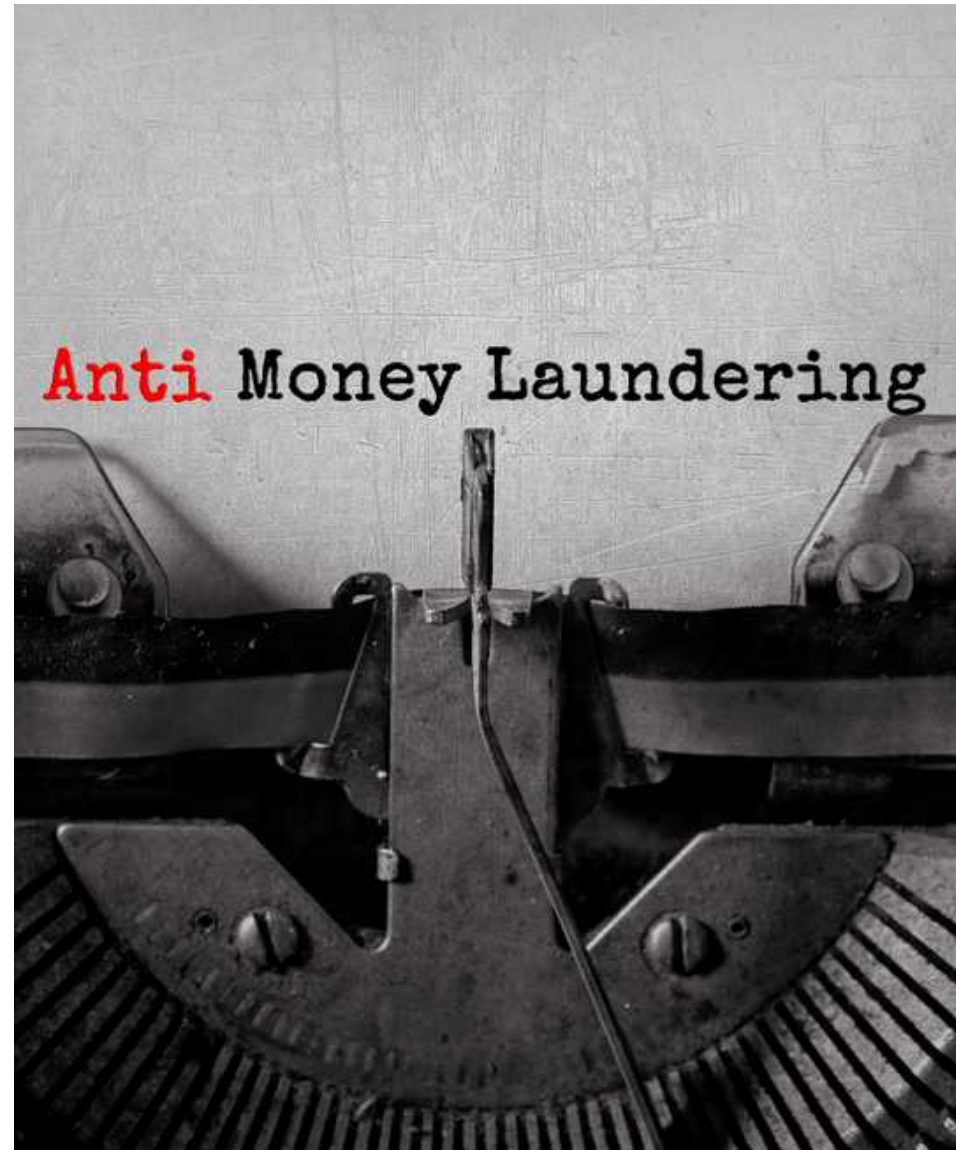
At Insurance House, we take measures to ensure a healthy, safe, and secure environment for all our employees, agents, and customers. Our admin team is responsible for conducting fire drills at all premises. IH support and protect the health of their staff, communities, service providers, and clients. The core business moved to remote or flexible working in a safe working environment, to understand how senior management was adapting to the new sustainable business operations.



ANTI MONE LANDERING

Insurance House is committed to the efforts of the Government of UAE, Central Bank of UAE, and Global efforts in combating Money Laundering & Terrorist Financing. These operational policies are primarily derived from the UAE Federal Law. This applies to Insurance House businesses (or business units), business under IH's management control, and staff in all departments and subsidiaries.

These policies include a risk-based approach to conducting customer due diligence, ongoing monitoring, suspicious activity reporting, training, and record keeping. Insurance House uses a comprehensive AML/CTF monitoring software/ online tool to screen, risk profile, and monitor customer activity. In addition, all Insurance House employees have completed AML and CTF training.



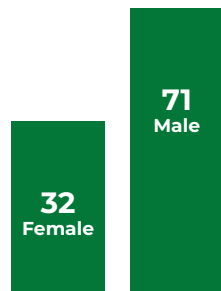
EMPLOYEE AND CULTURE



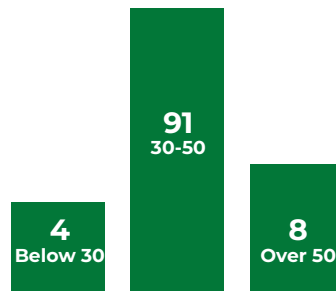
Insurance House employees are one of the vital resources of our organization. The company believes in the effective management of Human Capital in order to achieve the organization's objectives. Hence, the company aspires to recruit the right people, develop and retain the best talent, and create robust policies and procedure on Human Capital engagement that will enable the company to achieve its objectives and aspirations.



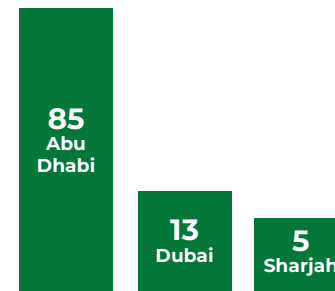
TOTAL HEAD COUNT OF IH EMPLOYEES ON 31 DECEMBER 2022



IH Employees by Gender



IH Employees by Age

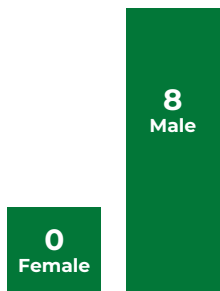


IH Employees across UAE

EMPLOYEE ENGAGEMENT

Insurance House creates and maintains a positive work environment, Whereby all new employees are required to complete the company orientation program in addition to a set of e-learning modules centered on the learning and development framework. Our Code of Conduct includes the professional services that we offer our customers and all external stakeholders. It provides clear guidance on how to conduct business at all times, and it is protected by the risk management matrix. Employees are encouraged to resolve issues by talking to and working with their direct line managers and the Human Resources department (open door policy). This builds a collaborative and inclusive workplace which prioritizes employee engagement.

EMPLOYEE TURNOVER



Employees by Gender



Employees by Age



EMIRATISATION

Insurance House encourages UAE nationals to achieve their full potential and further develop their competencies, and we surely do not take this task lightly. With internally set and structured Emiratisation programs, we provide a school of support and guidance to UAE Emiratis throughout their career journey with us. With a drive to become the nation's preferred insurance sector with UAE National employees, our Emiratisation programs are lucratively designed to develop and attract local talent.

IH RECOGNITION



TRAINING AND DEVELOPMENT

Insurance House is committed to building a high-performance culture that encourages enhancing employees' skills to meet current needs and to develop capabilities to meet future needs. It also strives to ensure that all training activities undertaken have a direct impact on enabling the skills required, whilst adopting a cost-effective approach in choosing the most appropriate solution. Keeping this in mind, the training and development function within the Human Capital Department was established to ensure that all IH employees have the access to career development opportunities as part of their employment.

CATEGORY	NO. OF TRAINING HOURS FOR 2022
FEMALE	317
MALE	410
JR. EMPLOYEES	367
MID. MANAGEMENT EMPLOYEES	125
SR. EMPLOYEES	235

June & July LinkedIn Learning AWARDS CEREMONY

Congratulations
To Winners Of June & July:

June	July
TISO Ahmed Mohamed Yussef 1 st Place	Legal Fatima Jamaluddin 1 st Place
Chairman's Office Inass Aycha 2 nd Place	Central Operations Vimesh Nedungotte 2 nd Place
Retail Assets Center Rafeeq Ahmed 3 rd Place	Internal Audit Joseph Fares 3 rd Place

LOOKING FORWARD TO ANOTHER CHAPTER OF LEARNING...
ANOTHER CHAPTER OF GROWTH!

DIVERSITY AND INCLUSION

A work environment that welcomes, teaches, promotes, and streamlines diversity and Inclusion for all evolves daily to emit the beauty of changing, more unified multicultural world. I look forward to what we can accomplish in cultivating an even more diverse, equitable and inclusive work culture that leadstoward sustainable organizational progress. We can effect that change to meet the challenges we can face today, and support a diverse workforce that delivers on promise of innovation that drives positive change in the communities. Diversity and Inclusion create the opportunity and culture for everyone to be treated equally.

Rahma Almashjari
Officer - Telesales



WOMEN'S LEADERSHIP

“One of the most powerful thing for develop leadership influence and respect is to maintain a consistent message. Make sure that Client know they can rely on you. This is how you develop trust and respect in Brand.

Increase visibility: Find a way to ensure that executives in the company are aware of Employees work and Accomplishment – and do so in a way that is not seen as boasting, but as informative and helpful in this way you can evaluate positively for top leadership.

Wafa Assaf, became part of Insurance House Family since 2012. Started as Supervisor – Commercial Line Department climbed up the ladder to become Assistant Manager with such hardworking and passion to learn more and more about insurance sector and capability to accomplish my task in a fast way and Good Manner.”

Wafa Assaf
Assistant manager - Liability & Engineering



COMMUNITY AND RESPONSIBILITY



COMMUNITY AND RESPONSIBILITY



60
EARTH HOUR

JOIN US FOR EARTH HOUR 2022

On Saturday 26 March 2022, 8:20 pm local time, switch off your lights to stand united for each other & the one home we all share.

Take Part

This year, as every year, we are speaking up for nature!

The climate is changing faster than nature can adapt, and the health of our planet is at stake.

In worldwide joined efforts to stand up against nature loss and climate change, we invite you to **switch off your lights** for an hour on **Saturday March 26 at 8:30 pm**.

Earth Hour is more than just an hour for the planet – it's a movement for our future and a catalyst for urgent change.

Let's make our voice count and show the world that we care about the future of our planet.

Make an impact and switch off...

#Connect2Earth #EarthHourUAE



HAVE YOU HEARD?

Talents are meant to be shared... especially if they are your amazing talents!

We're reaching out to all our talented employees... **Yes, YOU!**



After working hours. What is it that you do to unwind and relax?
Is it a pottery class? A long workout at the gym? A photography collection? A Zumba session? A softball match? Or Trivia night?

Your talent determines what you can do, your motivation determines how much you are willing to do, and your attitude determines how well you do it.

Everyone has a unique talent, but few explore it.

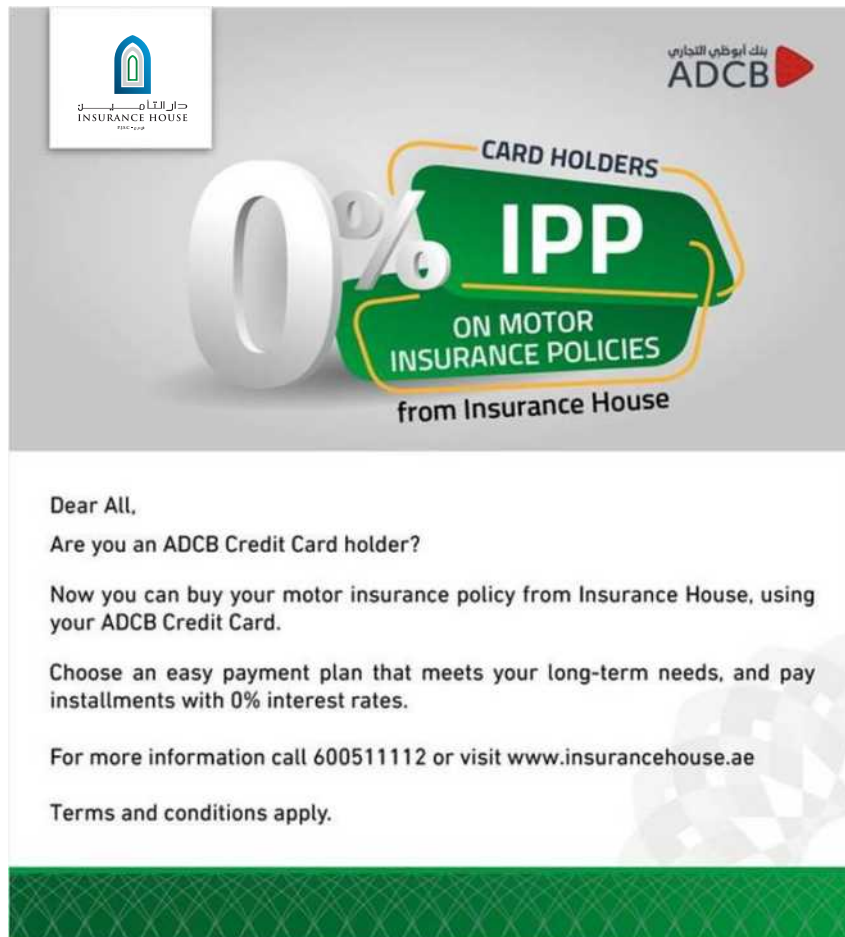
Do more of what makes you happy, and it will shine on through!

Allow us to know you better, and show the world what an amazing added value you are to our organization!

All you have to do is send an email to corporatecommunications@fh.ae with a few sentences describing your hobby / how it makes you feel, and attach a video of you performing that hobby.

Submission Deadline:
Monday March 07, 2022
Video Size: Less than 8mb

COMMUNITY AND RESPONSIBILITY



Insurance House logo and ADCB logo are visible in the top left and right corners of the advertisement.

0% IPP
ON MOTOR INSURANCE POLICIES
from Insurance House

CARD HOLDERS

Dear All,
Are you an ADCB Credit Card holder?

Now you can buy your motor insurance policy from Insurance House, using your ADCB Credit Card.

Choose an easy payment plan that meets your long-term needs, and pay installments with 0% interest rates.

For more information call 600511112 or visit www.insurancehouse.ae

Terms and conditions apply.



Insurance House logo is in the top left corner. A red SUV is shown under a green umbrella on the right side.

Exclusive Motor Insurance Discounts for Esaad Members

We are pleased to announce that Insurance House is offering **Esaad members discounts** on **Motor Insurance Policies**.

In order to claim the offer, Esaad members will have to show their "Esaad" membership card at any of Insurance House's branches across the UAE to benefit from our **Motor Insurance Policy discounts**.

For more details, visit www.insurancehouse.ae or contact **600511112**.

Terms & Conditions Apply.

Facebook, Instagram, Twitter, LinkedIn, YouTube, and Snapchat icons are shown in the bottom right corner, along with the handle [@myInsurancehouse](https://www.instagram.com/myInsurancehouse).

COMMUNITY AND RESPONSIBILITY



Dear All,

On the occasion of the **51st UAE National Day**, Insurance House would like to take the opportunity to greet you and your families, and wish all UAE nationals and residents as well as our wonderful country continuous prosperity, peace and happiness.

Please note that **Thursday 01 December to Sunday 04 December** will be off and that work will resume on **Monday 05 December 2022**, as per regular working hours.

We wish you all a pleasant holiday.



@insurancehouseuae

A pink and blue graphic for Breast Cancer Awareness Month. It features the Insurance House logo in the top left, a large "OCTOBER" with a pink ribbon forming the letter "O", and the text "Pinktober United Against Breast Cancer". The main text is in a light pink font on a white background with a subtle floral pattern. At the bottom, there are social media icons and the handle "@myfinancehouse".

BREAST CANCER AWARENESS MONTH
OCTOBER

Pinktober
United Against Breast Cancer

Dear All,

On the occasion of **Breast Cancer Awareness Month**, we invite all female staff to join us in raising awareness about breast cancer and supporting this initiative.

It is with great delight that **Finance House Group** is collaborating with **SEHA** and is inviting their specialists to our headquarters to answer all your questions about breast cancer, its prevention, diagnosis, and treatment.

In addition, SEHA will be providing all female staff a face-to-face physician consultation and health education, a vital signs checkup, a dietician consultation, and body-fat analysis – **all free of charge!**

There will also be an IFHAS initiative screening, only for Thiqa cardholders.

Let's altogether, both women and men, spread awareness and show our support on the day by wearing or accessorizing with pink!

Tuesday October 11, 2022

9:15 AM - 11:00 AM - Consultation
11:00 AM - 11:45 AM - Discussion and Refreshments

Finance House Headquarters, Abu Dhabi – Basement

Note: There will be a Raffle Draw for the attendees during this event

Early detection is essential for your protection!

f **i** **t** **in** **y** **sn**

@myfinancehouse

COMMUNITY AND RESPONSIBILITY



Exclusive Insurance Offers for Golden Visa Holders

Insurance House is happy to announce that it has launched exclusive discounts for **Golden Visa holders** on Personal Accident, Home, Jet Ski, Medical, Motor, and Travel Insurance coverages exclusively on the Thrive Club App by the Abu Dhabi Residents Office (ADRO)!

To redeem these offers, Golden Visa holders should:

- Visit any of our Insurance House branch
- Download the 'Thrive Club' mobile application
- Tap on the offer they wish to redeem

For more details, visit www.InsuranceHouse.ae or contact **600511112**.

**Terms & Conditions Apply.*



@myinsurancehouse




تلهم الواقع لمستقبل مستدام
Inspiring Reality for a Sustainable Future

نحتفل بروح وتفاني والتزام المرأة الإماراتية في دفع عجلة الاقتصاد الرقمي لدولة الإمارات العربية المتحدة.

Celebrating the Spirit, Dedication and Commitment of Emirati women in driving the UAE's Digital Economy forward.



FIFA World Cup 2022 Invitation
Staff Announcement

Dear All,

We're all excited for the FIFA World Cup 2022, and that is why Finance House will be live streaming the matches at the basement of FH Headquarters!

We look forward to watching the matches together and cheer for our favorite teams!

Attached are the screening times and schedule of every match.

May the best football team win!



@myfinancehouse

COMMUNITY AND RESPONSIBILITY



Dear all,

Kindly be advised that Abu Dhabi Emergency, Crisis and Disasters Committee approved the following:

- 1 AI Hosn App**
 Extension of AI Hosn green pass validity from 14 to 30 days for those fully vaccinated.
- 2 100% Operating Capacity**
 Return to 100% operating capacity in all commercial activities, tourist attractions and events.
- 2 Wear Facemask**
 Continued wearing of facemask in indoor spaces.

This is for your kind information and compliance please.

GOVERNANCE AND BUSINESS ETHICS

6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



16 PEACE, JUSTICE AND
STRONG INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



CORPORATE GOVERNANCE

Playing the detrimental role of establishing a solid corporate governance culture within the company, is our Board of Directors. Defining and enforcing standards of accountability within our daily operations, our board members are required to submit themselves for re-election at least once every three years and ensure that the company is being managed in compliance with the best interests of its shareholders. With formally set meeting schedules, our board takes the responsibility of the company's overall strategies, acquisitions, divestment policies, capital expenditure proposals and other significant matters related to investment. Nonetheless, the board is continually monitoring the company's exposure limits to key business risks, its annual budget and the progression of its budgeted proposals, taking into consideration both environmental and employee related variables. Chairman of the Board: The role of the Chairman of the Board is to facilitate the board's independent functionality, while maintaining and enhancing the quality of Insurance House's corporate governance. Committee of the Board: We have three Committees of the Board of Directors, which are the Internal Audit & Compliance Committee, the Nomination and Remuneration Committee, and the Investment Committee. The committees operate under written charters that set out their responsibilities and composition requirements. The committees are composed of Independent and NonExecutive Directors.



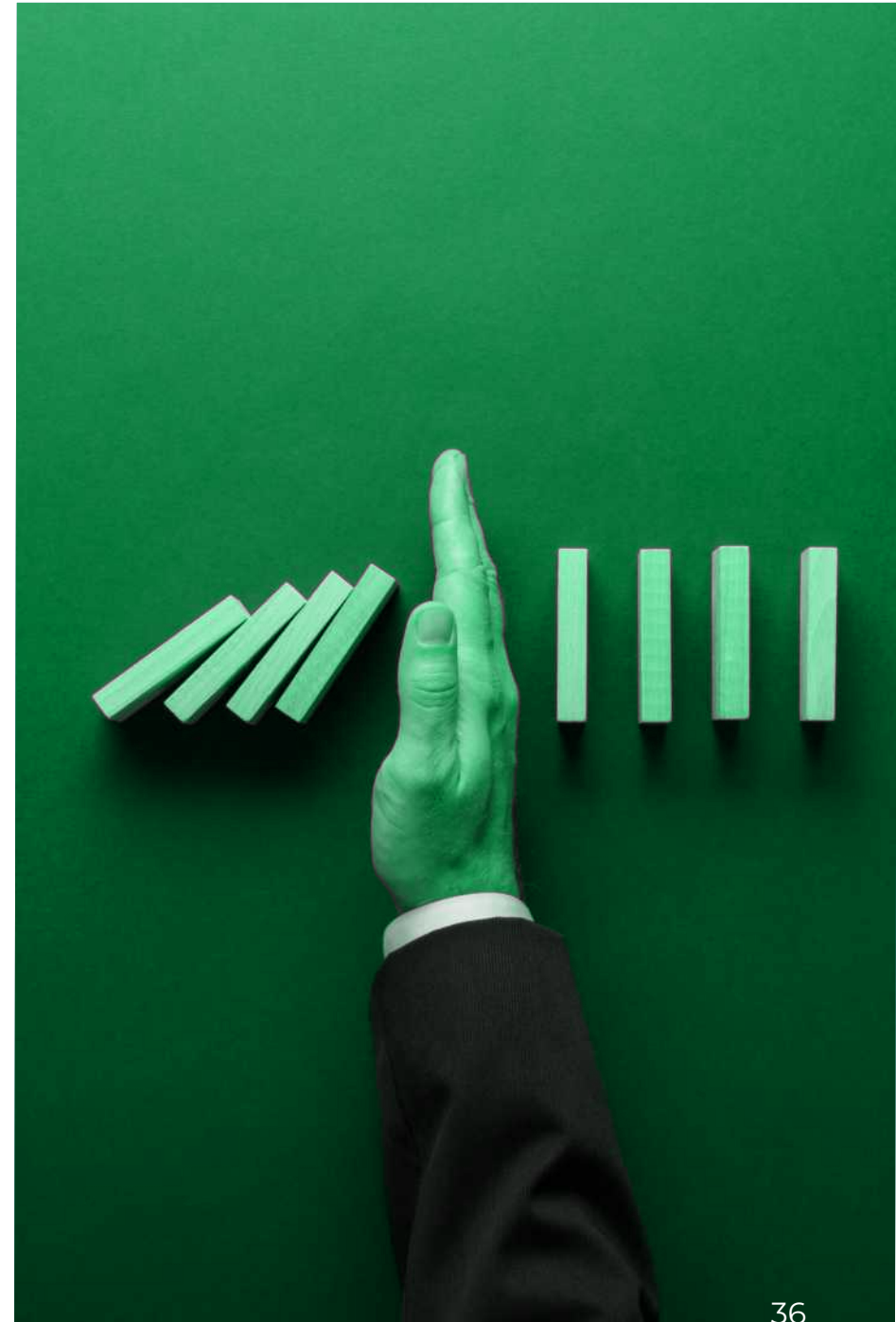
ESG GOVERNANCE

ESG issues have the potential to impact business performance. All Insurance House employees are responsible for contributing to the realization of our ESG priorities. This is core to who we are and how we operate. The Insurance House ESG team is responsible for overseeing governance around ESG, in addition to integrating and addressing ESG issues within our business and providing input on our ESG approach, environmental targets, submissions to sustainability indices, and in reviewing this Report. The Insurance House ESG team also considers the latest ESG research and feedback raised by key stakeholders, in order to provide input on specific ESG issues relevant to the Insurance House operations



EFFECTIVE RISK MANAGEMENT

The Insurance House Risk Management Framework ensures that while operating, we have the capabilities and processes in place to identify, quantify, monitor, and report risk. The company has improved its capabilities in managing the ESG-related risks and has produced higher returns over the long term. At Insurance House, a comprehensive approach to risk management ensures that we have the frameworks in place across our business to address relevant risks. The Board retains ultimate responsibility for the oversight of the Insurance House risk management activities, whether they are relevant to the businesses. We constantly review the Insurance House risk framework to ensure that the nature of the risk to our operations is sufficient and under monitoring. During COVID-19, Insurance House conducted stress testing for its employees in addition to business continuity analysis to ensure sufficient capital is earmarked to provide protection to our policyholders and to ensure business continuity under stressed conditions.



THE ENVIRONMENT

The environment may directly impact the health of our employees and customers, and the company's energy consumption may be used in evaluating any environmental risks.



PAPER USAGE

Paper is a large source of waste in the insurance industry, and traditionally, the industry has been known to heavily rely on paper documents. In 2022, Insurance House's paper usage was 75%; however, it is now addressing change by digitalizing.



CO2

The weighted average of issued carbon intensity at IH is 2.9 tons of CO2 per employee. This will be part of the IH ESG risk assessment process for 2023.



ENERGY AND EMISSIONS

In 2022, IH reported a base year of energy consumption amounting to 3,040 kWh per employee, and the reduction target per employee in five years' time, by 2026, will be 10%.



WATER MANAGEMENT

IH monitors and manages its water consumption responsibly and efficiently. Non-drinking water consumption in 2022 was 2,220 m³.





Insurance House creates value for people and businesses to protect society of economic and environmental, however, we are in Insurance House confident that we are technological development and productive to help us grow stronger in the Insurance sector, so Insurance House ESG mission to help society and communities on the journey to stay safe and rest assured.

Reported by:

Hussain Ishaq Alblooshi
Insurance House P.J.S.C