



دار التأمين
INSURANCE HOUSE

ش.م.ع - P.J.S.C

INSURANCE HOUSE INTEGRATED REPORT 2021



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

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INSURANCE HOUSE
ش.م.ع - P.J.S.C

BOARD OF DIRECTORS' REPORT

Chairman's Report for the financial year ended 31 December 2021

On behalf of the Board of Directors, I am pleased to present the financial statements of Insurance House PJSC (IH) as at 31 December 2021 and the results of its operations for the twelve months ended 31 December 2021.

Technology, innovation and increasingly demanding customer expectations are transforming the UAE insurance industry. Understanding customer's motivation and enriching customer experience have been our key priorities to achieve profitable business growth. The motor insurance segment continued to witness a lower premium rate due to intense competition. 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 2021, IH has registered a Total Comprehensive Income of AED 18.87 million compared to AED 9.92 million in the previous year. This is a remarkable performance that provides a solid foundation for sustained profitable growth in the near future.

Gross Premiums Written during 2021 weighed in at AED 207.31 million compared to AED 217.37 million written during the previous year. Net Premiums Earned in 2021 were lower at AED 134.43 million compared to AED 150.17 million in the previous year. However, Net Claims Incurred during 2021 were remarkably lower at AED 66.64 million compared to AED 84.21 million in the previous year. As a combined result of the above, Net Underwriting Income for 2021 was almost flat at AED 46.48 million compared to AED 47 million registered during the previous year.

Domestic and Global equity, fixed income and real estate markets staged a smart rally in 2021, from the pandemic induced lows experienced for the most part of 2020. As a result of this market buoyancy, our Investment Income from a carefully managed and well-diversified investment portfolio surged to AED 15.29 million in 2021 compared to AED 6.82 million in the previous year.

General & administrative expenses were lower at AED 42.01 million compared to AED 42.95 million in the previous year. We continued to maintain a tight leash on expenses throughout the year.



Page 1 of 2

دار التأمين ش.م.ع: ص.ب ١٢٩٩٢١، أبوظبي، ا.ع.م: هاتف: ٤٩٣٤ ٤٤٤ (٢) ٩٧١؛ فاكس: ٤٩٣٤ ٤٠٠ (٢) ٩٧١
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 ١١٨,٧٨٠,٥٠٠ درهم إماراتي Public Joint Stock Company and the share capital is AED 118, 780,500

Cash & cash equivalents including fixed deposits with UAE banks as of 31 December 2021 stood at a robust 17.9% 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 2021 jumped to AED 149.03 million compared to AED 136.05 million as at the end of the previous year. This is after distributing a 4% cash dividend amounting to AED 4.75 million during the first half of the year.

In Jan 2022, 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.

In order to conserve the cash resources of the Company for other strategic purposes, the IH Board does not recommend any cash dividend payout for the financial year ended 31 December 2021.

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

10 February 2022



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

EXTERNAL AUDITOR'S REPORT

**Independent Auditor's Report
To the Shareholders of Insurance House P.S.C.****Report on the Financial Statements****Opinion**

We have audited the accompanying financial statements of Insurance House P.S.C. (the "Company"), which comprise the statement of financial position as at 31 December 2021, statement of profit or loss, statement of 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 2021, 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 2021. 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 provisions

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 provisions. 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 provision 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.S.C. (continued)

Key Audit Matters (continued)

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

- We have obtained the report prepared by the independent actuary which was appointed by the Company.
- We involved our actuarial specialists to assist us in performing the audit procedures in this area, which included amongst others, review of methodology, data used as input, and estimates and judgements used in the Actuary's valuation.
- We have assessed the Actuary's independence, expertise and qualifications and read their terms of engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

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 207,314,824 and net unearned premium reserve amounting to AED 41,796,550 (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 2021.

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, 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.

Independent Auditor's Report

To the Shareholders of Insurance House P.S.C. (continued)

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. 2 of 2015, as amended, and UAE Federal Law No. 6 of 2007, 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.
- 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.

Independent Auditor's Report

To the Shareholders of Insurance House P.S.C. (continued)

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

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.

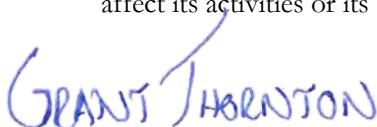
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Federal Law No. 6 of 2007 on the Establishment of the Insurance Authority and Organisation of the Insurance Operations and UAE Federal Law No. 2 of 2015, as amended, 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. 6 of 2007 on Establishment of the Insurance Authority and Organization of the Insurance Operations and UAE Federal Law No. 2 of 2015, as amended;
- 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;
- v) as disclosed in note 5 to the financial statements, the Company has purchased and sold certain shares during the year ended 31 December 2021;
- 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 2021 any of the applicable provisions of the Federal Law No. 6 of 2007 on the Establishment of the Insurance Authority and Organization of the Insurance Operations and UAE Federal Law No. 2 of 2015, as amended, or of its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2021.



GRANT THORNTON
Dr. Osama El-Bakry
Registration No: 935
Abu Dhabi, United Arab Emirates
10 February 2022



دار التَّوْقَفِ
INSURANCE HOUSE

ش.م.ع - P.J.S.C

FINANCIAL STATEMENTS

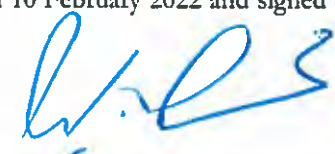
Insurance House P.S.C.
Financial Statements

Statement of financial position
As at 31 December 2021

	Notes	2021 AED	2020 AED
ASSETS			
Property and equipment	4	43,261,817	43,349,716
Statutory deposit	6	6,000,000	6,000,000
Investments carried at fair value through other comprehensive income (FVTOCI)	5	51,296,714	49,164,336
Investments carried at fair value through profit and loss (FVTPL)	5	12,249,031	10,554,455
Premium and insurance balances receivable	7	101,172,076	70,439,271
Other receivables and prepayments	8	25,542,510	25,494,906
Reinsurance contract assets	13	77,279,041	42,223,836
Fixed deposits	9	14,000,000	16,000,000
Cash and cash equivalents	9	54,857,557	72,626,824
TOTAL ASSETS		385,658,746	335,853,344
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
Accumulated losses		(7,548,693)	(5,446,912)
Board of directors' proposed remuneration		856,796	979,729
Reinsurance reserve	10	422,793	423,698
Investment revaluation reserve		14,271,093	20,861
Legal reserve	10	7,243,671	6,291,675
Total shareholders' equity		149,026,160	136,049,551
LIABILITIES			
Provision for employees' end-of-service benefits	11	2,883,016	3,252,942
Insurance liability			
Insurance and other payables	12	69,390,241	59,986,696
Technical provisions			
Unearned premiums reserve	13	81,376,611	79,368,272
Claims under settlement reserve	13	51,604,276	35,513,092
Incurred but not reported claims reserve	13	28,869,141	20,133,725
Unexpired risk reserve	13	252,338	-
Unallocated loss adjustment expenses reserve	13	2,256,963	1,549,066
Total technical provisions		164,359,329	136,564,155
TOTAL LIABILITIES		236,632,586	199,803,793
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		385,658,746	335,853,344

These financial statements were approved by the Board of Directors on 10 February 2022 and signed on their behalf by:


Mr. Amr Hindawi
Deputy Chief Executive Officer


Mr. Mohammed Alqubaisi
Chairman

The notes from 1 to 24 form an integral part of these financial statements

Insurance House P.S.C.
Financial Statements

Statement of profit or loss
For the year ended 31 December 2021

	Notes	2021 AED	2020 AED
Gross premiums	19	207,314,824	217,371,704
Reinsurance share of premiums		(78,751,861)	(77,800,645)
Reinsurance share of ceded business premiums		(5,806,642)	(6,938,884)
Net premiums		122,756,321	132,632,175
Net transfer from unearned premium reserve		11,674,447	17,540,933
Net premiums earned		134,430,768	150,173,108
Commission earned		16,546,396	10,925,538
Commission paid		(26,250,798)	(25,015,434)
Gross underwriting income		124,726,336	136,083,212
Gross claims paid		(147,136,773)	(152,570,446)
Reinsurance share of insurance claims and loss adjustment		84,914,782	72,608,170
Net claims paid		(62,221,991)	(79,962,276)
Increase in claims under settlement reserve		(9,405,647)	(1,721,586)
Decrease / (Increase) in reinsurance share of claims under settlement reserve		8,769,840	(532,546)
Increase in incurred but not reported claims reserve – net		(2,818,369)	(2,028,500)
Increase in unexpired risk reserve		(252,338)	-
(Increase) / Decrease in unallocated loss adjustment expenses reserve – net		(707,900)	32,988
Net claims incurred		(66,636,405)	(84,211,920)
Other underwriting income		1,997,184	4,626,366
Other underwriting and claim handling expenses		(13,605,630)	(9,492,896)
Net underwriting income		46,481,515	47,004,762
Income from investments - net	14	5,053,325	6,814,389
Other income		-	18,315
Gross income		51,534,840	53,837,466
General and administrative expenses	15	(42,014,884)	(42,951,587)
Profit for the year		9,519,956	10,885,879
Earnings per share:			
Basic and diluted earnings per share	16	0.08	0.09

The notes from 1 to 24 form an integral part of these financial statements.

Insurance House P.S.C.
Financial Statements

Statement of comprehensive income
For the year ended 31 December 2021

	Notes	2021 AED	2020 AED
Profit for the year		9,519,956	10,885,879
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Realised gain / (loss) on disposal of equity investments carried at FVTOCI		-	(352,021)
Impairment loss on debt investments carried at fair value through other comprehensive income – reclassified through profit or loss		-	120,401
Changes in fair value of equity investments carried at fair value through other comprehensive income	5	9,352,764	727,492
<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	885,174	(486,805)
Directors' remuneration		(883,409)	(979,729)
Total comprehensive income for the year		18,874,485	9,915,217

The notes from 1 to 24 form an integral part of these financial statements.

Insurance House P.S.C.
Financial Statements

Statement of changes in equity
For the year ended 31 December 2021

	Share capital	Tier 1 capital	Accumulated losses	Board of Directors' remuneration	Reinsurance reserve	Investment revaluation reserve	Legal reserve	Total shareholders' equity
	AED	AED	AED	AED	AED	AED	AED	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 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 24 form an integral part of these financial statements.

Insurance House P.S.C.
Financial Statements

Statement of changes in equity (continued)
For the year ended 31 December 2021

	Share capital AED	Tier 1 capital AED	Accumulated 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 2020	118,780,500	15,000,000	(8,920,743)	1,454,955	-	865,535	5,203,087	132,383,334
Dividends declared (Note 10)	-	-	(4,751,220)	-	-	-	-	(4,751,220)
Profit for the year	-	-	10,885,879	-	-	-	-	10,885,879
Transfer to statutory reserve	-	-	(1,088,588)	-	-	-	1,088,588	-
Transfer to reinsurance reserve	-	-	(423,698)	-	423,698	-	-	-
Other comprehensive income for the year	-	-	-	-	-	361,088	-	361,088
Payment of Board of Directors' remuneration	-	-	4,955	(1,454,955)	-	-	-	(1,450,000)
Proposed Board of Director's remuneration	-	-	(979,729)	979,729	-	-	-	-
Transfer of realised loss on disposal of equity investment carried at FVTOCI	-	-	(352,021)	-	-	-	-	(352,021)
Transfer of unrealised gain on disposal of equity investments carried at FVTOCI	-	-	1,415,753	-	-	(1,415,753)	-	-
Transfer of unrealised loss on disposal of debt investments carried at FVTOCI	-	-	-	-	-	209,991	-	209,991
Tier 1 Capital	-	-	(1,237,500)	-	-	-	-	(1,237,500)
Balance as at 31 December 2020	118,780,500	15,000,000	(5,446,912)	979,729	423,698	20,861	6,291,675	136,049,551

The notes from 1 to 24 form an integral part of these financial statements.

Insurance House P.S.C.
Financial Statements

Statement of cash flows
For the year ended 31 December 2021

	Note	2021 AED	2020 AED
OPERATING ACTIVITIES			
Profit for the year		9,519,956	10,885,879
<i>Adjustments for non-cash items:</i>			
Depreciation of property and equipment	4	1,652,709	1,843,455
Changes in fair value of investment carried at FVTPL	14	(675,387)	(381,687)
Realised gain on sale of investments carried at FVTPL	14	(428,993)	(1,164,015)
Realised loss on sale of debt investments carried at FVTOCI	14	164,493	159,350
Interest and dividend income	14	(3,948,945)	(5,428,037)
Provision for employees' end-of-service benefits	11	420,674	603,272
Expected credit losses	15	1,124,458	1,022,416
Operating profit before changes in working capital		7,828,965	7,540,633
Changes in working capital			
Premium and insurance balances receivables		(28,165,225)	(3,789,087)
Reinsurance contract assets		(35,055,205)	3,885,623
Technical provisions		27,795,174	(17,176,912)
Other receivables and prepayments		(85,214)	(576,083)
Insurance and other payables		9,403,545	14,534,974
Net cash flow (used in) / generated from operating activities		(18,277,960)	4,419,148
Employees' end-of-service benefits paid	11	(790,600)	(127,992)
Directors' remuneration		(937,360)	(1,450,000)
Net cash flow (used in) / generated from operating activities		(20,005,920)	2,841,156
INVESTING ACTIVITIES			
Payments for purchase of property and equipment	4	(1,564,810)	(3,987,615)
Proceeds from sale of investments carried at FVTOCI	5	4,437,578	10,771,227
Purchase of investments carried at FVTPL	5	(3,152,212)	(5,997,765)
Proceeds from sale of investments carried at FVTPL	5	2,562,016	10,596,279
Proceed from redemption of short-term investments		2,000,000	-
Payments for fixed deposits		-	(16,000,000)
Interest and dividend received		3,942,802	5,428,037
Net cash generated from investing activities		8,225,374	810,163
FINANCING ACTIVITIES			
Tier 1 Capital		(1,237,500)	(1,237,500)
Dividends paid		(4,751,220)	(4,751,220)
Net cash used in financing activities		(5,988,720)	(5,988,720)
Net change in cash and cash equivalents		(17,769,266)	(2,337,401)
Cash and cash equivalents, beginning of the year		72,626,824	74,964,225
Cash and cash equivalents, end of the year	9	54,857,557	72,626,824

The notes from 1 to 24 form an integral part of these financial statements.

Insurance House P.S.C.

Financial Statements

Notes to the financial statements

For the year ended 31 December 2021

1 Legal status and activities

Insurance House P.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. 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.

The Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015, as amended, on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021, however, some of the amended articles refer to further executive regulations to be issued. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

Federal Decree Law No. 24 of 2020 which amends certain provisions of the UAE Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of its Operations was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. Effective 2 January 2021, the Insurance Sector became under the supervision and authority of the CBUAE.

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 January 2, 2022, and will entirely replace Federal Law No. 2 of 2015, as amended, on Commercial Companies, as amended. The Company has complied with the law and amended its Articles of Association based on the law.

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. (2) of 2015, as amended, relating to commercial companies, UAE Federal Law No. (6) of 2007 on the Establishment of the Insurance Authority and Organisation of the Insurance Operations, and Insurance Authority’s Board of Directors Decision No. (25) of 2014 pertinent to Financial Regulations for Insurance Companies.

2.2 Basis of preparation

These financial statements are for the year ended 31 December 2021 and are presented in Arab Emirate Dirham (AED), which is the functional and presentation currency of the Company.

The financial statements have been prepared on the historical cost basis 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.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2021

2 General information (continued)

2.3 Standards, interpretations and amendments to existing standards

Standards, interpretations and amendments to existing standards that are effective in 2021

In the current period, the Company has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) that are mandatorily effective for an accounting period that begins on or after 1 January 2021. The application of these amendments to IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for the Company’s future transactions or arrangements.

- COVID-19-related rent concessions beyond 30 June 2021 (Amendments to IFRS 16)
- Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

These amendments do not have a significant impact on these financial statements and therefore the disclosures have not been made.

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

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

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- 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. The impact of these standards and amendments is currently being assessed by the management.

Standard number	Title	Effective date
IFRS 17	Insurance Contracts	1 January 2023

Insurance House P.S.C.

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 December 2021

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)

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Company plans to adopt the standard on the required effective date and is currently evaluating the expected impact.

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.

Insurance House P.S.C.
Financial Statements

Statement of changes in equity (continued)
For the year ended 31 December 2021

3 Summary of significant accounting policies (continued)

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.

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 in accordance with the Financial Regulations for Insurance Companies issued by the Insurance Authority, U.A.E.

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)

Incurred but Not Reported Claims Reserve is made at the statement of financial position date based on an actuarial estimate obtained from an independent actuary in accordance with the Financial Regulations for Insurance Companies issued by the Insurance Authority U.A.E.

3.7 Unallocated Loss Adjustment Expenses Reserve (ULAE)

Unallocated Loss Adjustment Expenses Reserve which cannot be allocated to specific claims, is made at the statement of financial position date based on actuarial estimates obtained from an independent actuary in accordance with the Financial Regulations for Insurance Companies issued by the Insurance Authority, U.A.E.

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, expenses and a reasonable profit margin.

Insurance House P.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2021

3 Summary of significant accounting policies (continued)

3.9 Liability adequacy test

All recognised insurance liabilities including provision 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.

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.

Notes to the financial statements (continued)
For the year ended 31 December 2021

3 Summary of significant accounting policies (continued)

3.12 Financial instruments (continued)

Fair value measurement

For investments traded in organised 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.

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

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 recognising 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.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2021

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 realises the impairment loss in the statement of profit or loss.

Insurance House P.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2021

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.S.C.

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 December 2021

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 and loss if the right-of-use asset is already reduced to zero.

Insurance House P.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2021

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 recognising 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.

Notes to the financial statements (continued)
For the year ended 31 December 2021

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.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2021

4 Property and equipment

	Land AED	Building AED	Office equipment and decoration AED	Computers and software AED	Motor vehicles AED	Capital work in progress AED	Total AED
Cost							
At 1 January 2020	10,390,000	28,571,039	6,007,958	3,190,793	302,143	-	48,461,933
Additions during the year 2020	-	-	83,971	221,517	-	3,682,127	3,987,615
Reclassification during the year 2020	-	-	-	-	-	1,197,513	1,197,513
Transfers during the year 2020	-	-	-	(106,490)	-	106,490	-
At 31 December 2020	10,390,000	28,571,039	6,091,929	3,305,820	302,143	4,986,130	53,647,061
Additions during the year 2021	-	-	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
Accumulated Depreciation							
At 1 January 2020	-	798,423	4,746,747	2,695,707	213,013	-	8,453,890
Charge for the year 2020	-	947,585	573,332	247,097	75,441	-	1,843,455
At 31 December 2020	-	1,746,008	5,320,079	2,942,804	288,454	-	10,297,345
Charge for the year 2021	-	952,368	494,769	192,276	13,296	-	1,652,710
At 31 December 2021	-	2,698,376	5,814,848	3,135,080	301,750	-	11,950,055
Carrying amount							
As at 31 December 2021	10,390,000	25,872,663	296,527	235,581	393	6,466,653	43,261,817
As at 31 December 2020	10,390,000	26,825,031	771,850	363,016	13,689	4,986,130	43,349,716

Insurance House P.S.C.
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 December 2021

5 Investments in financial assets

	2021 AED	2020 AED
Investments carried at FVTOCI		
Quoted equity securities	41,335,714	34,891,017
Quoted Tier 1 perpetual securities	3,011,000	7,323,319
Unquoted Tier 1 perpetual securities	6,950,000	6,950,000
	<u>51,296,714</u>	<u>49,164,336</u>
Investments carried at FVTPL		
Quoted equity securities	7,249,031	5,554,455
Unquoted debt securities	5,000,000	5,000,000
	<u>12,249,031</u>	<u>10,554,455</u>

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

	2021 AED	2020 AED
Investments carried at FVTOCI		
Fair value at 1 January	49,164,336	59,996,256
Disposals	(8,105,560)	(11,072,607)
Change in fair value	10,237,938	240,687
Fair value at the end of the reporting period	<u>51,296,714</u>	<u>49,164,336</u>
Investments carried at FVTPL		
Fair value at 1 January	10,554,455	13,607,267
Purchases	3,152,212	5,997,765
Disposals	(2,133,023)	(9,432,264)
Change in fair value taken to profit and loss	675,387	381,687
Fair value at the end of the reporting period	<u>12,249,031</u>	<u>10,554,455</u>

The geographical distribution of investments is as follows:

	2021 AED	2020 AED
Quoted UAE equity securities	46,841,483	39,388,459
Quoted outside UAE securities	3,011,000	7,323,319
Unquoted UAE securities	5,000,000	5,000,000
Unquoted UAE Tier 1 securities	6,950,000	6,950,000
Quoted outside UAE equity securities	1,743,262	1,057,013
	<u>63,545,745</u>	<u>59,718,791</u>

Insurance House P.S.C.
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Notes to the financial statements (continued)
For the year ended 31 December 2021

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 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>
31 December 2020					
Investments at FVTOCI					
Investment in quoted securities	(a)	34,891,017	-	-	34,891,017
Quoted Tier 1 perpetual securities		7,323,319	-	-	7,323,319
Unquoted Tier 1 perpetual securities		-	-	6,950,000	6,950,000
		<u>42,214,336</u>	<u>-</u>	<u>6,950,000</u>	<u>49,164,336</u>
Investments at FVTPL					
Investment in quoted equity securities	(a)	5,554,455	-	-	5,554,455
Unquoted Tier 1 perpetual securities		-	-	5,000,000	5,000,000
		<u>5,554,455</u>	<u>-</u>	<u>5,000,000</u>	<u>10,554,455</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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6 Statutory deposit

In accordance with the requirement of Federal Law No. 6 of 2007, concerning Insurance Companies and Agents, the Company maintains a bank deposit amounting to AED 6,000,000 as of 31 December 2021 (31 December 2019: AED 6,000,000) and it cannot be utilized without the consent of the UAE Insurance Regulatory Authority.

7 Premium and insurance balances receivable

	2021 AED	2020 AED
Due from policyholders	41,841,082	42,202,901
Due from brokers and agencies	12,686,644	14,310,160
Due from insurance and reinsurance companies	52,914,469	20,979,076
Due from related parties (Note 18)	2,492,527	891,043
	<u>109,934,722</u>	<u>78,383,180</u>
Expected credit loss	(9,110,170)	(8,025,259)
	<u>100,824,552</u>	<u>70,357,921</u>
Refundable deposits and other advances	347,524	81,350
Premium and insurance balances receivables – net	<u>101,172,076</u>	<u>70,439,271</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:

	2021 AED	2020 AED
Due from policyholders	41,841,082	42,202,901
Due from brokers and agencies	12,686,644	14,310,160
Due from insurance and reinsurance companies	2,965,005	1,376,272
Total	<u>57,492,731</u>	<u>57,889,333</u>

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

	2021 AED	2020 AED
0 – 30 Days	19,378,861	2,863,520
31 - 90 days	19,804,174	10,783,318
91 - 180 days	4,125,682	15,840,747
181 - 270 days	3,760,822	15,568,809
271 - 360 days	1,844,593	6,647,949
More than 360 days	8,578,599	6,184,990
Total	<u>57,492,731</u>	<u>57,889,333</u>

Insurance House P.S.C.
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Notes to the financial statements (continued)
For the year ended 31 December 2021

7 Premium and insurance balances receivables (continued)

Outside UAE:

	2021 AED	2020 AED
Due from insurance and reinsurance companies	49,949,464	19,602,804

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

	2021 AED	2020 AED
31-90 days	49,949,464	19,602,804

Expected credit loss

	2021 AED	2020 AED
Beginning balance	(8,025,259)	(7,123,244)
Charge during the year	(1,084,911)	(902,015)
Ending balance	(9,110,170)	(8,025,259)

8 Other receivables and prepayments

	2021 AED	2020 AED
Deferred acquisition costs	15,990,149	15,382,115
Prepayments	5,222,571	5,597,847
Rent receivable	2,353,778	2,353,778
Accrued interest income	957,400	1,230,826
Guarantee deposits	724,371	636,100
Other advances	294,241	294,240
	25,542,510	25,494,906

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9 Cash and cash equivalents

	2021 AED	2020 AED
Cash on hand	5,000	5,000
Cash at banks - current accounts (i)	19,018,735	3,763,352
Cash at bank - call account (i)	25,588,862	44,858,472
Fixed deposits (ii)	24,244,960	40,000,000
Cash and bank balances	68,857,557	88,626,824
Less: fixed deposits with an original maturity of more than three months	(14,000,000)	(16,000,000)
Cash and cash equivalents	54,857,557	72,626,824

- i. Cash at banks includes current accounts and call account balances amounting to AED 17,844,461 as of 31 December 2021 held with two financial institutions which are related parties (call account balances are interest bearing) (31 December 2020: AED 7,974,917).
- ii. Bank fixed deposits as at 31 December 2021 amounting to AED 24,244,960 (31 December 2020: AED 40,000,000) carry interest rate of 2.15% p.a. to 2.25% p.a. (31 December 2020: 1.8% p.a. to 3.25% p.a.).

10 Capital and reserves

Share capital

The share capital of the company as per Articles of Association is AED 120,000,000 divided into 120,000,000 shares of AED 1 par value per share. As at 31 December 2021 and 31 December 2020, the Company has 118,780,500 shares outstanding and issued of AED 1 par value per share.

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. (2) of 2015, as amended, 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 Insurance Authority's Board of Directors' Decision No. 23, Article 34, an amount of AED 422,793 was transferred from retained earnings to reinsurance reserve. The reserve is not available for distribution, and will not be disposed of without prior approval from Insurance Authority.

Dividend declaration

On April 12, 2021, the shareholders approved in the Annual General Meeting the declaration of dividends at a rate of 4% of the share capital.

Insurance House P.S.C.
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Notes to the financial statements (continued)
For the year ended 31 December 2021

11 Provision for employees' end-of-service benefits

	2021 AED	2020 AED
Balance as at 1 January	3,252,942	2,777,662
Charges during the year	420,674	603,272
Benefits paid	(790,600)	(127,992)
Balance at the end of the year	<u>2,883,016</u>	<u>3,252,942</u>

12 Insurance and other payables

	2021 AED	2020 AED
Payables-inside UAE	59,787,553	53,111,326
Payables-outside UAE	9,602,688	6,875,370
	<u>69,390,241</u>	<u>59,986,696</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:

	2021 AED	2020 AED
Due to insurance and reinsurance companies	24,803,420	24,614,443
Due to brokers and agents	7,292,919	4,528,352
Due to policyholders	6,273,082	4,058,779
VAT output tax payable (Net)	18,208	37,048
Unearned commission on premium ceded	3,021,801	2,734,566
Related party payables (Note 18)	8,900,000	5,773,409
Claims payable	5,806,174	5,313,021
Due to reinsurance companies – inside UAE	541,774	514,942
Other accrued expenses	3,130,175	5,536,766
	<u>59,787,553</u>	<u>53,111,326</u>

Outside UAE:

	2021 AED	2020 AED
Funds held for reinsurers	5,910,609	5,493,611
Due to insurance and reinsurance companies	3,692,079	1,381,759
	<u>9,602,688</u>	<u>6,875,370</u>

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Notes to the financial statements (continued)
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13 Technical provisions

	2021 AED	2020 AED
Insurance liabilities – gross		
Unearned premiums reserve	81,376,612	79,368,272
Claims under settlement reserves	51,604,277	35,513,092
Incurred but not reported claims reserve	28,869,141	20,133,725
Unexpired risk reserve	252,338	-
Unallocated loss adjustment expenses reserve	2,256,961	1,549,066
	<u>164,359,329</u>	<u>136,564,155</u>
Reinsurance share of outstanding claims		
Unearned premiums reserve	39,580,062	25,897,275
Claims under settlement reserves	30,655,061	15,199,690
Incurred but not reported claims reserve	7,043,918	1,126,871
	<u>77,279,041</u>	<u>42,223,836</u>
Insurance liabilities – net		
Unearned premiums reserve	41,796,550	53,470,997
Claims under settlement reserves	20,949,216	20,313,402
Incurred but not reported claims reserve	21,825,223	19,006,854
Unexpired risk reserve	252,338	-
Unallocated loss adjustment expenses reserve	2,256,961	1,549,066
	<u>87,080,288</u>	<u>94,340,319</u>

14 Income from investments

	2021 AED	2020 AED
Dividend income on investment in financial assets	1,580,592	2,535,036
Interest income on fixed deposits and call account (net)	1,430,018	1,454,221
Interest from fixed income securities	938,335	1,438,780
Net realised gain from sale of investments carried at FVTPL	428,993	1,004,665
Change in fair value of investments carried at FVTPL (Note 5)	675,387	381,687
	<u>5,053,325</u>	<u>6,814,389</u>

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15 General and administrative expenses

	2021 AED	2020 AED
Salaries and related benefits	22,707,021	25,758,895
Management and consultancy fees	7,400,000	5,772,447
Depreciation of property and equipment (Note 4)	1,652,709	1,843,455
Government fees	1,816,549	1,722,228
Expected credit loss	1,124,458	1,022,416
Telephone and postage	741,804	779,765
Bank charges	81,507	99,783
Other general expenses	6,490,836	5,952,598
	42,014,884	42,951,587

Expected credit loss (ECL) consists of ECL against premium and insurance balances receivable and debt investments carried at FVTOCI amounting to AED 1,084,911 and AED 39,547 respectively.

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:

	2021	2020
Earnings (AED):		
Net profit for the year	9,519,956	10,885,879
Number of shares:		
Weighted average number of ordinary shares for the purpose of earnings per share	118,780,500	118,780,500
Earnings per share (AED):		
Basic and diluted	0.08	0.09

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 2021

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 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.

	2021 AED	2020 AED
Total capital and reserves	149,026,160	136,049,551
Minimum regulatory capital	100,000,000	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:

- Re-insurers' share of insurance liabilities.
- 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.

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.

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Notes to the financial statements (continued)
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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 following table shows the maturity dates of Company's financial assets and liabilities as at 31 December 2021.

	Less than 1 year AED	More than 1 year AED	Total AED
<u>Financial assets</u>			
Interest bearing	68,855,827	20,961,000	89,816,827
Non-interest bearing	231,367,382	-	231,367,382
	<u>300,223,209</u>	<u>20,961,000</u>	<u>321,184,209</u>
<u>Financial liabilities</u>			
Non-interest bearing	117,954,508	-	117,954,508

The following table shows the maturity dates of Company's financial assets and liabilities as at 31 December 2020.

	Less than 1 year AED	More than 1 year AED	Total AED
<u>Financial assets</u>			
Interest bearing	88,621,824	25,273,319	113,895,143
Non-interest bearing	151,443,642	6,184,881	157,628,523
	<u>240,065,466</u>	<u>31,458,200</u>	<u>271,523,666</u>
<u>Financial liabilities</u>			
Non-interest bearing	92,728,174	-	92,728,174

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Notes to the financial statements (continued)
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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:

	2021 AED	2020 AED
Premium and insurance balances receivables		
<i>Shareholder</i>		
Finance House PJSC	2,077,408	816,813
<i>Others</i>		
Finance House LLC	253,390	72,390
Abdul Hamid Umer Taylor	-	1,840
Finance House Securities LLC	161,728	-
	<u>2,492,526</u>	<u>891,043</u>
Insurance and other payables		
<i>Shareholder</i>		
Finance House PJSC	7,500,000	5,200,000
<i>Others</i>		
FH Capital P.S.C	1,400,000	572,447
Finance House Securities LLC	-	962
	<u>8,900,000</u>	<u>5,773,409</u>
Investments		
<i>Shareholder</i>		
Finance House PJSC – Sukuks	6,950,000	6,950,000
Finance House PJSC – Quoted investments in equity	-	4,157,360
<i>Others</i>		
Finance House Securities LLC – Commercial papers	5,000,000	5,000,000
	<u>11,950,000</u>	<u>16,107,360</u>
Cash and cash equivalents		
<i>Shareholder</i>		
Cash at bank - call account	17,723,273	7,211,257
Cash at banks - current accounts	1,730	94,687
<i>Others</i>		
Cash at banks - current accounts	119,458	668,973
	<u>17,844,461</u>	<u>7,974,917</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 2021. FH Capital P.S.C, Finance House Securities L.L.C and Finance House LLC are subsidiaries of Finance House P.J.S.C.

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Notes to the financial statements (continued)
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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:

	2021 AED	2020 AED
Finance House PJSC		
Management fee	6,000,000	5,200,000
Gross premiums written	4,213,045	4,007,808
Interest on fixed deposits	651,044	-
Fixed deposits placed	73,000,000	89,000,000
Fixed deposits redeemed	79,000,000	69,000,000
Finance House Securities LLC		
Disposal of shares	6,420,016	14,086,596
Purchase of shares	3,152,212	2,997,765
Interest on investment in commercial paper	204,308	137,271
Gross premiums written	337,049	300,433
Fixed deposits placed	10,000,000	30,000,000
Fixed deposits redeemed	20,000,000	20,000,000
Finance House LLC		
Interest on investment in sukuks	388,475	521,250
Interest on Wakala fixed deposit	189,514	423,028
Gross premium written	378,209	171,170
FH Capital		
Consultancy fees	500,000	572,447
Board of directors		
Remuneration	856,796	1,450,000
Gross premiums written		
Mohamed Abdulla Jumaa Al Qubaisi	-	134,354
Finance House LLC	378,209	171,170

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Notes to the financial statements (continued)
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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 2021 AED			31 December 2020 AED		
	Underwriting	Investments	Total	Underwriting	Investments	Total
Segment revenue	207,314,824	5,053,325	212,368,149	217,371,70	6,814,389	224,186,093
Segment result	46,481,515	5,053,325	51,534,840	47,004,762	6,814,389	53,819,151
Unallocated expense, net			(42,014,882)			(42,933,272)
Net profit for the year			9,519,956			10,885,879

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

	31 December 2021 AED			31 December 2020 AED		
	Underwriting	Investments	Total	Underwriting	Investments	Total
Segment assets	235,823,208	98,120,495	333,943,703	176,992,785	110,233,735	287,226,520
Unallocated assets			44,612,597			48,626,824
Total assets			378,556,300			335,853,344
Segment liabilities and equity	361,402,191	14,271,093	375,673,284	332,579,541	20,861	332,600,402
Unallocated liabilities and equity			2,883,016			3,252,942
Total liabilities and equity			378,556,300			335,853,344

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Notes to the financial statements (continued)
For the year ended 31 December 2021

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.

	2021 AED	2020 AED
Motor	69,446,754	85,767,211
Medical	101,236,908	97,478,737
Commercial	36,631,162	34,125,756
	<u>207,314,824</u>	<u>217,371,704</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 6.6 million (31 December 2020: AED 6.6 million).

21 Post reporting date events

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 are no implications to the financial and reporting period ended 31 December 2021. Management is in the process of evaluating the consequences to the financial information / statements and will communicate the conclusion of their evaluation at an appropriate future time.

There have been no other events subsequent to the statement of financial position date that would significantly affect the amounts reported in the financial statements as at and for the period ended 31 December 2021.

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 10 February 2022.

24 Impact of COVID-19 on the Company's operations

The economic condition due to global outbreak of COVID-19 have adversely affected businesses worldwide during the year. The Company is also impacted due to lower revenue and delay in collecting premium. Investment income which was negatively affected during the year has been appreciated by the year-end.

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Notes to the financial statements (continued)
For the year ended 31 December 2021

24 Impact of COVID-19 on the Company's operations (continued)

Insurance Risk

The Company underwrites medical and business interruption policies. With regards to these policies, the Company has in place pandemic and infectious disease policy exclusion in place. The Company has evaluated all business interruption policies in force for which the Company may have to incur claim payouts. As a result of initial examination of the policies, the Company determined that these will not have a material impact in relation to the net claims paid due to lower retention levels of the Company. Furthermore, the Company has been able to retain major customers during the year and has generally witnessed renewals and new business across some major line of business.

Credit risk

The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Liquidity risk

The Company continues to monitor and respond to all liquidity requirements that are presented. The Company continues to calibrate stress testing scenarios to current market conditions in order to assess the impact on the Company. As at the reporting date, the liquidity position of the Company remains strong and is well placed to absorb and manage the impacts of this disruption.

Business continuity plan

The Company has remained fully operational throughout the period and has put in place effective business continuity and remote working plans enabled by the right technologies and systems to ensure uninterrupted services to customers and the operations. The outbreak has not caused any significant delays in policy issuance and claims settlements. The Company will continue to monitor the reverberations of COVID-19, if any, on its customers and operations and will take further action as needed. The steps taken by the Company to estimate the impact of COVID-19 and the judgments applied by management in assessing the value of assets and liabilities as at 31 December 2021 includes both quantitative and qualitative criteria such as risk profiling and actuarial analysis. Such analysis has enabled the Company to timely and accurately identify its exposure although these are subject to significant judgment due to the rapidly changing dynamics of COVID-19.



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

CORPORATE GOVERNANCE REPORT

**CORPORATE GOVERNANCE
REPORT**

INSURANCE HOUSE PSC

2021

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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 document:

- Internal Control Procedure 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 2020:

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 there are no transactions by the Board members and their spouses and children in the Company's securities during the year 2021.

S/N	Name	Position/Kinship	Owned shares as on 31/12/2021	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 Alfahim	Board Member	1,000,000	0	0
5	Mr. Murtadha Mohamed Sharif Alhashmi	Board member	0	0	0
6	Mr. Abdul Hamid Umer Taylor	Board Member Until 12 April 2021	25,000	0	0

7	Mr. Raman Tirunelveli Kuppuswamy	Board member	0	0	0
8	Mr. Jassem Mubarak Masoud Aldhaheeri	Board member Since 12 April 2021	0	0	0
9	Fatima Mohamed Abdulla AlQubaisi	Daughter of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
10	Jude Mohamed Abdulla AlQubaisi	Daughter of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
11	Hamad Mohamed Abdulla AlQubaisi	Son of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
12	Eisa Mohamed Abdulla AlQubaisi	Son of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0

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 business entities	Membership Duration
1	Mr. Mohamed Abdulla Jumaa Alqubaisi	Chairman Non-executive Non-independent	Over 30 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	10 years
2	Mrs. Alia Abdulla Mohamed AlMazrouei	Vice Chairman Non-executive	More than 15 years in several establishments	Finance House PJSC - Board Member	10 years

		Independent until 12 April 2021 and non-independent thereafter	Bachelor of Information Systems Management & Master of Business Administration	Department Of Economic Development – Advisor to Chairman	
3	Mr. Khaled Abdulla Jumaa Alqubaisi	Board member Non-executive Independent	Over 20 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 Abu Dhabi Future Energy Company PJSC / Masdar - Board Member Finance House PJSC - Chairman Emirates Integrated Telecommunications Company PJSC (DU) - Board Member Mubadala Investment Company – CEO, Real Estate & Infrastructure Investments Abu Dhabi Motorsports Management LLC - Vice Chairman Abu Dhabi Global Market - Board Member Emirates Nuclear Energy Corporation - Board Member	Since 20 March 2018
4	Mr. Abdulmajeed Ismail Ali Abdulrahim Alfahim	Board Member Non-executive Independent	Over 30 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 Industrial Investor Pvt.JSC - Vice Chairman Emirates National Petroleum Company Pvt.JSC – Vice Chairman Pearl Dubai FZ LLC – Chairman Al Marjan Investments & Development LLC – Chairman	Since 21 December 2016

				SANBAN Business Commercial Investments LLC - Chairman	
5	Mr. Abdul Hamid Umer Taylor	Board Member Non-executive Non-independent	Mashreq bank, United International Bank of Emirates, National Bank of Abu Dhabi and Abu Dhabi Islamic Bank. General Manager of Finance House until January 2021 and Advisor to Chairman thereafter. Master of Commerce and fellowship in the Institute of Banking.	Finance House PJSC - General Manager until January 2021 and Advisor to Chairman thereafter	9 years until 12 April 2021
6	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	Since 25 June 2019
7	Mr. Raman Tirunelveli Kuppaswamy	Board member Non-executive Non-independent	Over 35 years of experience in banking, finance and auditing. He is currently the Chief Executive	FH Capital PJS - Vice Chairman and Managing Director Finance House PJSC - CEO	10 years

			Officer of Finance House. 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		
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The Board of Directors were elected during the Annual General Assembly Meeting dated Monday 12 April 2021 according to which same abovementioned board members were elected except for Mr. Abdul Hamid Umer Taylor who was replaced by Mr. Jassem Mubarak Masoud Aldhaheri.

Mr. Jassem Mubarak Masoud Aldhaheri	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	Since 12 April 2021
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b. Statement of women's representation in the Board of Directors in 2021.

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 & 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. Such matter shall be pursuant to Article No. 169 of the Commercial Companies Law No. 2/2015 and Article No. 29 of the Chairman of Authority's Board of Directors' Decision No. (3/Chairman) of 2020.

1. Total remuneration paid to the members of the board of directors for the year 2020:

Board of Directors remuneration for the year 2020 was AED 937,360.

2. Total remuneration proposed to be paid to the members of the Board of Directors for the year 2021, which shall be presented at the annual General Assembly for approval:

The remuneration of the Board of Directors for the year 2021 amounting to AED 856,796 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 2021:

No allowances have been paid to the members of the Board of Directors for the fiscal year 2021 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 01/01/2021:

Meeting number and date	Meeting 1 10/02/2021	Meeting 2 04/05/2021	Meeting 3 09/08/2021	Meeting 4 03/11/2021	Meeting 5 27/12/2021
Board Members					
Mr. Mohamed Abdulla Jumaa Alqubaisi	✓	✓	✓	✓	✓
Mrs. Alia Abdulla AlMazrouei	✓	✓	✓	✓	✓
Mr. Khaled Abdulla Jumaa Alqubaisi	✓	✓	✓	✓	✓
Mr. Abdulmajeed Ismail Ali Alfahim	✓	✓	✓	✓	✓
Mr. Abdul Hamid Umer Taylor	✓	Not a Board Member			
Mr. Raman Tirunelveli Kuppaswamy	✓	✓	✓	✓	✓
Mr. Murtadha Mohamed Sharif Alhashmi	✓	✓	✓	✓	✓
Mr. Jassem Mubarak Masoud Aldhaheri	Not a Board Member	✓	✓	✓	✓

Absent ✕

Attended ✓

The Board of Directors were elected during the Annual General Assembly Meeting dated Monday 12 April 2021 according to which same board members were elected except for Mr. Abdul Hamid Umer Taylor who was replaced by Mr. Jassem Mubarak Masoud Aldhaheri.

f. Number of Board resolutions issued by passing during the 2021 fiscal year, along with its meeting convention dates

1. Board Resolution No. 01/2021 dated 13APR2021: Appointment of Chairman and Vice Chairman

2. Board Resolution No. 06/2021 – Annexure (1 & 2) dated 07SEP2021:

- Acceptance of Mr. Mohammed Othman's resignation from his position as CEO
- Appointment of Mr. Mohammed Othman as Associate Director and Head of Senior Management Committee (SMC).
- Approve recommendation of Nomination & Remuneration Committee for appointment of Mr. Ramez Abou Zaid as IH CEO.
- Approve formation of Senior Management Committee (SMC) with its mandate and appointment of its members.

Meeting number	Meeting No. 2/2021	Meeting No. 4/2021
Date	13/04/2021	07/09/2021
Resolution	Resolution no. (01/2021)	Resolution no. (06/2021)

g. Statement of the BOD's duties and powers exercised by the Board Members or the Executive Management during 2021 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.
- 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 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.

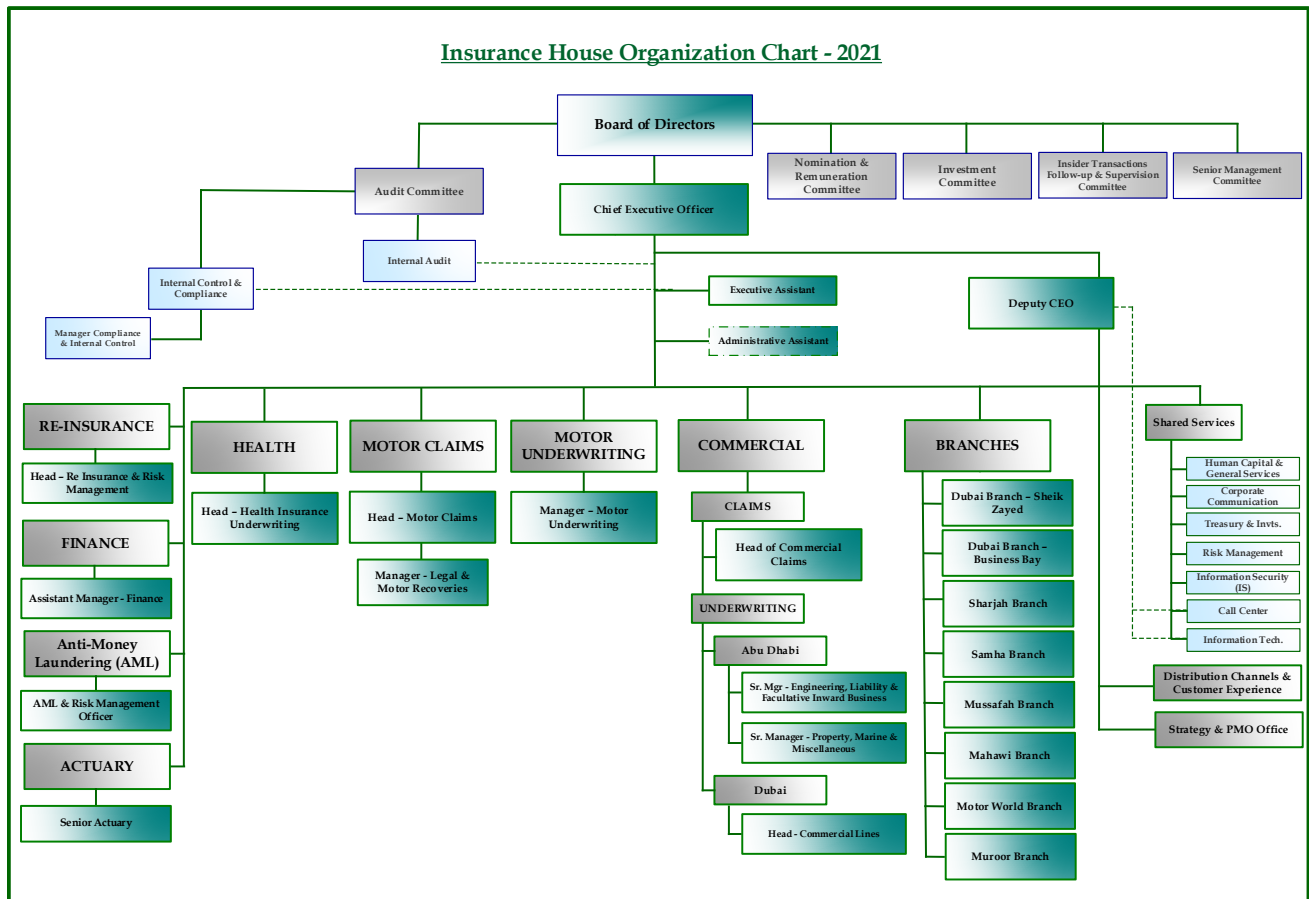
The Group Head – Human Capital & General Services was granted the following power of attorney:

- 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.

h. Statement of the details of transactions conducted with the related parties (stakeholders) during the year 2021:

#	<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	4,213,045
3	Finance House PJSC	Affiliate Company	Interest on fixed deposits	651,044
4	Finance House PJSC	Affiliate Company	Fixed deposits placed	73,000,000
5	Finance House PJSC	Affiliate Company	Fixed deposits redeemed	79,000,000
6	Finance House Securities LLC	Affiliate Company	Disposal of shares	6,420,016
7	Finance House Securities LLC	Affiliate Company	Purchase of shares	3,152,212
8	Finance House Securities LLC	Affiliate Company	Interest on investment in commercial paper	204,308
9	Finance House Securities LLC	Affiliate Company	Gross premiums written	337,049
10	Finance House LLC	Affiliate Company	Interests on investment in sukuks	388,475
11	Finance House LLC	Affiliate Company	Interest on Wakala fixed deposits	189,514
12	Finance House LLC	Affiliate Company	Gross premiums written	378,209
13	FH Capital P.J.S	Affiliate Company	Consultancy fees	500,000

- 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 2021 (AED)	Total bonuses paid in 2021 (AED)	Any other cash/in-kind benefits for 2021 or payable in the future
1	Associate Director & Head of Senior Management Committee	1-10-21	229,972.00	-	-
2	Chief Executive Officer <i>Until 30/09/2021</i>	30-11-14	830,259.83	-	-
3	Chief Executive Officer	12-09-21	520,789.24	-	-
4	Deputy Chief Executive Officer <i>Until 30/06/2021</i>	11-11-18	340,919.96	-	-
5	Deputy Chief Executive Officer	28-02-21	581,027.35	-	-
6	Head – Finance & Investor Relations <i>Until 30/06/2021</i>	1-06-11	199,122.89	-	-
7	Head – Finance <i>Until 25/05/2021</i>	25-10-20	155,210.00	-	-
8	Head – Motor Claims	28-12-14	427,439.92	-	-
9	Head – Health Insurance	1-06-16	440,165.92	-	-
10	Sr. Manager – Property Insurance	23-09-12	373,460.00	-	-
11	Head – Commercial Lines	23-10-12	415,944.00	-	-
12	Head – Reinsurance & Risk Management <i>(Until 04/11/2021)</i>	1-11-12	311,541.60	-	-
13	Sr. Manager – Engineering & Liability Insurance	5-03-17	395,771.50	-	-
14	Head – Commercial Claims	22-12-19	385,583.24	-	-
15	Manager – Motor Underwriting	22-02-16	282,425.08	-	-
16	Manager – Business Development	1-06-16	255,324.13	-	-
17	Senior Actuary	15-05-19	331,982.40	-	-

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 Monday 12 April 2021 at a total fees of AED 132,088 per annum until the end of the financial year 31/12/2021.

Name of the audit office and the name of the partner auditor	Grant Thornton – Hisham Farouk
Number of years served as an external auditor for the Company	5 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 2021 (AED)	AED 132,088
Fees and costs of the special services other than auditing the financial statements for 2021 (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 2021
Details and nature of other services provided (if any). If there are no other services, this matter shall be stated expressly.	No other services were provided during 2021
Statement of the other services performed by an external auditor other than the Company's auditor in 2021 (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 2021

No any other services were provided by any other external auditor during 2021 other than Grant Thornton.

c. No qualified opinions were made by the Company's External Auditor in the interim and annual financial statements for 2021.

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:

The following are the former members of the Audit Committee:

Audit Committee members	Membership status in the BOD	Position in the Committee
Mr. Khaled Abdulla Jumaa Alqubaisi	Independent	Chairperson
Mr. Abdulmajeed Ismail Ali Alfahim	Independent	Member
Mr. Abdul Hamid Umer Taylor	Non-executive	Member
Mrs. Shagufta Farid	From outside the board and outside the company	Specialist Member

Following the election of the members of the Board of Directors during the Annual General Assembly Meeting held on Monday 12 April 2021, new members of the Audit Committee were appointed through BOD Resolution No. 2/2021 during the BOD meeting No. 2/2021 dated 04/05/2021.

The following are the newly appointed members of the Audit Committee:

Audit Committee members	Membership status in the BOD	Position in the Committee
Mr. Khaled Abdulla Jumaa Alqubaisi	Independent	Chairperson
Mr. Abdulmajeed Ismail Ali Alfahim	Independent	Member
Mr. Jassem Mubarak Masoud Aldhaheeri	Independent	Member
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 2021, three Audit Committee meetings were held as illustrated below:

Meeting number and date	Meeting 1 28/01/2021	Meeting 2 (Q1 & Q2) 29/06/2021	Meeting 3 01/11/2021
Members			
Mr. Khaled Abdulla Jumaa Alqubaisi	✓	√ (Via proxy)	✓
Mr. Abdulmajeed Ismail Ali Alfahim	✓	✓	✓
Mr. Abdul Hamid Umer Taylor	✓	Not a committee member	
Mr. Jassem Mubarak Masoud Aldhaheri	Not a committee member	✓	✓
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 Alfahim, 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.

Following the election of the members of the Board of Directors during the Annual General Assembly Meeting held on Monday 12 April 2021, same members of the Nomination and Remuneration Committee were appointed through BOD Resolution No. 5/2021 during the BOD meeting No. 2/2021 dated 04/05/2021.

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

Committee members	Membership status in the BOD	Position in the Committee
Mr. Abdulmajeed Ismail Ali Alfahim	Independent	Chairperson
Mrs. Alia Abdulla Mohamed AlMazrouei	Independent	Member
Mr. Murtadha Mohamed Sharif Alhashmi	Independent	Member

c. Meetings of Nominations and Remuneration Committee:

Meeting number and date	Meeting 1 31/08/2021
Members	
Mr. Abdulmajeed Ismail Ali Alfahim	✓
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 former members of the Management and Supervision of Insiders' Trading Committee:

Committee members	Position in the Committee
Mr. Abdul Hamid Umer Taylor	Chairperson
Mr. Raman Tirunelveli Kuppuswamy	Member
Mr. Murtadha Mohamed Sharif Alhashmi	Member

Following the election of the members of the Board of Directors during the Annual General Assembly Meeting held on Monday 12 April 2021, new members of the Management and Supervision of Insiders' Trading Committee were appointed through BOD Resolution No. 4/2021 during the BOD meeting No. 2/2021 dated 04/05/2021.

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

Committee members	Position in the Committee
Mr. Murtadha Mohamed Sharif Alhashmi	Chairperson
Mr. Jassem Mubarak Masoud Aldhaheri	Member
Mr. Raman Tirunelveli Kuppuswamy	Member

Meetings of Management and Supervision of Insiders' Trading Committee:

Meeting number and date	Meeting 1 27/12/2021
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 2021

- The committee meeting was held on 27th December 2021 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:

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 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 former 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 Alfahim	Member
Mr. Abdul Hamid Umer Taylor	Member
Mr. Raman Tirunelveli Kuppuswamy	Member

Following the election of the members of the Board of Directors during the Annual General Assembly Meeting held on Monday 12 April 2021, new members of the Investment Committee were appointed through BOD Resolution No. 3/2021 during the BOD meeting No. 2/2021 dated 04/05/2021.

The following are the newly appointed 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 Alfahim	Member
Mr. Jassem Mubarak Masoud Aldhaheri	Member
Mr. Raman Tirunelveli Kuppuswamy	Member

c. Meetings of Investment Committee:

Meeting number and date	Meeting 1 23/05/2021	Meeting 2 22/12/2021
Members		
Mrs. Alia Abdulla Mohamed AlMazrouei	✓	✓
Mr. Mohamed Abdulla Jumaa Alqubaisi	✓	✓
Mr. Abdulmajeed Ismail Ali Alfahim	✓	✓
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 2021.

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 thirteen years of experience in internal auditing and compliance in banks and insurance companies in Lebanon, Yemen and the United Arab Emirates. Previously was the Acting Head of Internal Audit Department at Trust Compass Insurance (Lebanon) and Trust Yemen Insurance and Reinsurance Co.

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.

2 reports were issued by the Internal Control Department during the year 2021.

10. Violations committed during financial year 2021.

No violations were committed during 2021.

11. Company's contributions during 2021 toward the local community development and environmental conservation

Insurance House has been keen to implement an effective strategy to contribute to the development of the local community and the conservation of the environment, motivated by the belief in creating a movement for a better life. Starting from their social responsibility and commitment, the company has participated in a number of social activities that are of public benefit for the environment and society.

In efforts to continuously support the community, especially during the pandemic, Insurance House was the first and only insurance company to announce that it will offer a 35% discount on Motor Insurance Policies for people who have received the Covid-19 vaccination in the UAE. This gesture was created to applaud the government's efforts to vaccinate the country, and in return, do our part and support these efforts and prioritize the health and safety of the community.

As part of the "Fund of the UAE, Homeland of Humanity" Initiative, Insurance House gladly continued offering a 50% discount on vehicle insurance for Police and Army Officers, Civil Defense workers, Health Sector workers, Red Crescent volunteers, People of Determination, & the elderly to support our heroes and whomever was facing difficulties in these challenging times.

Insurance House participated this year, as every year, in the Earth Hour initiative whereby all power and lights were shut off in all branches. The Earth's climate is changing faster than nature can adapt, and our participation was a simple gesture representing our commitment to preserve the environment as much as possible through recycling paper and supporting energy saving alternatives.

Taking a role in supporting our community's youth, Insurance House developed an Internship Program whereby both local and expatriate students in their third or fourth university year could apply. During the internship duration, students were exposed to the company's day-to-day operations, met with employees who mentored them, and experienced the company's office culture.

In celebration of UAE Teachers' Day in October, Insurance House launched a 50% discount for all teachers on Motor Insurance Policies, as a token of appreciation for all their hard efforts in guiding, inspiring, and teaching our future generation.

Moreover, Insurance House renewed its partnership with Fazaa, a social initiative which aims to develop social interdependence and maintain effective bonds of solidarity within the UAE community. “Fazaa” members could benefit from the IH motor insurance policies offers by showing their “Fazaa” membership card at any of Insurance House’s branches across the UAE.

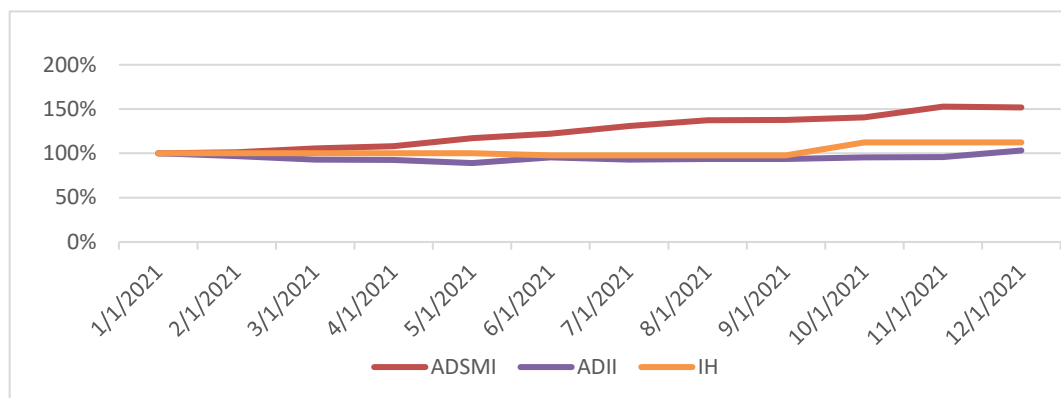
On the occasion of UAE’s 50th National Day, Insurance House launched a celebratory offer which includes a 50% discount on Motor Insurance Policies, valid throughout the duration of 50 days.

12. General Information

a. A statement of the Company share price movements in AED in the end of each month during 2021.

Month	Highest	Lowest	Closing
January	0.808	0.808	0.808
February	0.808	0.808	0.808
March	0.808	0.808	0.808
April	0.808	0.808	0.808
May	0.808	0.808	0.808
June	0.79	0.79	0.79
July	0.79	0.79	0.79
August	0.79	0.79	0.79
September	0.79	0.79	0.79
October	0.908	0.79	0.908
November	0.908	0.908	0.908
December	0.908	0.908	0.908

b. A statement of the comparative performance of the Company's shares with the market index and the sector index to which the company belongs during year 2021.



c. A statement of Company's shareholding distribution in ADX as of 31/12/2021

S/N	Shareholder Category	Percentage of Shares Held			
		Individual	Companies	Government	Total
1	Local	7.87%	90.07%	0.84%	98.78%
2	Arab	0.93%	0.08%	0.00%	1.01%
3	Foreign	0.03%	0.18%	0.00%	0.21%
	Total	8.83%	90.33%	0.84%	100%

d. A statement of the shareholders who hold 5% or more of the Company's capital as of 31/12/2021 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 31/12/2021:

S/N	Share(s) Owned	Number of Shareholders	Number of Share Held	% of the Shares Held of the Capital
1	Less than 50,000	29	659,260	0.56%
2	From 50,000 to less than 500,000	17	1,815,252	1.53%
3	From 500,000 to less than 5,000,000	17	21,443,166	18.05%
4	More than 5,000,000	3	94,862,822	79.86%
	Total	66	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 PSC, 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 2021 and the procedures taken with respect thereto.

Special Resolutions presented and approved in the Annual General Assembly Meeting held on 12th April 2021:

- Approve the amendment of the Memorandum and Articles of Association in line with the requirements of Federal Law Decree no. 26 of 2020 regarding the amendment of Federal Law no. (2) of 2015 regarding Commercial Companies.
- Approve the renewal of the below transactions with Related Parties:
 - Service Level Agreement with Finance House PJSC for a period of three years.
 - Service Level Agreement (Investment Management) with FH Capital P.J.S for a period of three years.
- Approve the Related Party Transaction with Finance House PJSC and the sale of 20% to 100% of the Commercial Building located in Defense Road – Abu Dhabi.

h. The board secretary.

Miss Lina Elaraj

Date of appointment: 09/11/2020 till date

i. Detailed statement of the major events and important disclosures that the company encountered during the year 2021.

- Insurance House P.S.C. has maintained its Financial Strength Rating 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, for the third year in a row.
- Distribution of 4% Cash dividends from the total share capital.
- Insurance House continued its partnership with Abu Dhabi Commercial Bank to promote earning and redeeming ADCB Touchpoints.

j. Statement of the details of transactions conducted with the related parties during the year 2021 which equal to 5% or more of the share capital:

#	<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	73,000,000
3	Finance House PJSC	Affiliate Company	Fixed deposits redeemed	79,000,000
4	Finance House Securities LLC	Affiliate Company	Disposal of shares	6,420,016

j. Statement of Emiratisation percentage in the Company at the end of 2019, 2020, 2021:

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 15% for the year 2019,
- The Emiratisation rate has reached 16% for the year 2020,
- The Emiratisation rate has reached 15% for the year 2021, 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 2021.

The Company did not carry out innovative initiatives or projects during 2021; 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: / /2022	Date: / /2022	Date: / /2022	Date: / /2022

Company Official Seal



دار التَّوْقَفَاءِ
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 2021

AEI000401010

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STATEMENT OF IH CEO HEADLINES

The impact of COVID-19 affected our sustainability goals, but we have been one team to reach our objective. However, this also guides our approach to our customer and employee relationships, helping ensure that we have the right value for our business and the communities we serve to build on our strong portfolios.

Insurance House has reset its sustainability goals in 2021 to become the most responsible company in the insurance sector. Despite 2021 being a game-changing year for everyone, IH registered a Net Profit of AED 9.520 million compared to AED 10.89 million in the previous year. 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.

Gross Premiums Written during 2021 weighed in at AED 207.31 million compared to AED 217.37 million written during the previous year. Net Premiums Earned in 2021 were slightly lower at AED 134.43 million compared to AED 150.17 million in the previous year. At the same time, Net Claims Incurred during 2021 were flat at AED 66.64 million compared to AED 84.21 million in the previous year.

Another key highlight of the year 2021 is that the investment grade credit ratings of the Company- Long-Term Issuer Credit Rating of “BBB-” and a Financial Strength Rating of “B+” (Good) have been reaffirmed in Q4 2021 by AM Best, the international credit rating agency.

Several expense rationalization and expense reduction measures have been initiated, and the full year impact of these measures will be realized in 2022.

AMR HINDAWI
Acting Chief Executive Officer of Insurance House





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.

IH- ESG ISSUES

The ESG team considers feedback from internal and external stakeholders, employees, customers, and regulators. However, in 2021, the ESG team identified the below issues as key structural drivers of our growth, while we continue putting our efforts into operating in a sustainable way. More details will follow in the coming sections of this report.



COVID-19



PREVENTING BRIBERY
AND CORRUPTION



ANTI-MONEY LAUNDERING
AND COUNTER TERRORIST
FINANCING



DATA LEAKAGE
PREVENTION
-CYBERSECURITY
PREPAREDNESS



PREVENTING
FRAUD



EMPLOYEE
ENGAGEMENT



RELATIONSHIPS WITH
CUSTOMERS



DIVERSITY AND
INCLUSION



EMPLOYEE
TURNOVER



TRAINING AND
DEVELOPMENT



EMIRATISATION



WORKPLACE SAFETY



CORPORATE
GOVERNANCE



RISK MANAGEMENT



BOARD STRATEGY



CODE OF CONDUCT



CLIMATE
ENGAGEMENT



PAPER USAGE



ENERGY AND EMISSIONS



THE CARBON
FOOTPRINT OF
OUR INVESTMENT
PORTFOLIO



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:

- **Supporting Business Portfolio**
- **Responsible for the Right People**
- **Our Social Community**
- **Governance and Risk Management**

The background is a solid dark green. In the center, a hand is shown holding a glowing yellow lightbulb. Surrounding the lightbulb are several circular icons, each containing a white symbol representing a different ESG goal. These include a leaf (environment), a person (social), a factory (environment), a water drop (environment), a gear (governance), and a recycling symbol (environment).

ESG – GOALS

SUSTAINABLE DEVELOPMENT GOALS



SUPPORTING BUSINESS PORTFOLIO



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 2021 - FINANCIAL & OPERATIONAL HIGHLIGHTS

REGULAR DIVIDEND PAYOUT TO SHAREHOLDERS	
YEAR	'IN '000 AED
2019	4,751
2020	4,751

SOUND OPERATIONAL PERFORMANCE	'IN '000 AED
GROSS WRITTEN PREMIUM	207,315
GROSS CLAIM SETTLED	147,137
OPERATING PROFIT	46,482

STRONG FINANCIAL PERFORMANCE	'IN '000 AED
NET PROFIT	9,520
INVESTMENT INCOME	5,053
TOTAL ASSETS	385,659

WEALTH CREATION FOR SHAREHOLDERS	
EARNING PER SHARE	0,08
DIVIDEND PER SHARE	---
RETURN ON EQUITY	6%

	'IN '000 AED
RETAINED EARNINGS	7,549
SHAREHOLDER EQUITY	149,026



REGULAR DIVIDEND PAYOUT TO SHAREHOLDERS IN 2021

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 favorable 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.

2021

Insurance House Maintains Credit Rating with Stable Outlook



B+

Financial
Strength Rating

BBB-

Long-Term Issuer
Credit Rating



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).



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For Vaccinated staff against Covid-19

Only staff fully vaccinated against Covid19- and displaying a valid "Green Pass" on Alhoshn application can be allowed entry into FHG premises/offices. Additionally, for those currently traveling to Abu Dhabi from Dubai, an active "E" or "Star Icon" will also be required.

"E/Star Icon" Status on Alhoshn Application can be maintained only if staff is fully vaccinated and receive a negative PCR test result **every 7 days**.



"Green Pass" status on Alhoshn Application can be maintained only if staff is fully vaccinated and receive a negative PCR test result **every 30 days**.

Note: Please note that "Green Pass" will turn into "Grey" post a period of 6 months from vaccination 2nd dose date, hence staff must take booster shot to maintain "Green Pass" status.



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INSURANCE HOUSE

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For Un-Vaccinated staff

Unvaccinated staff who joined the organization recently must submit a negative PCR test result **every Sunday (every 7 days)**. **Staff must complete vaccination (both doses) within 60 days from visa permit entry date.**

Note: if staff is vaccinated at home country, procedures must be followed to register their vaccination status with the local authorities in the UAE. Kindly contact HC for further assistance.

Other unvaccinated staff must provide certified medical report that their health condition does not permit to be vaccinated in order to be allowed exceptional permit for office entry.

COVID 19

In COVID-19 business continuity, IH supported and protected the health of their staff, communities, service providers, and clients. Adapting to the new environment during the pandemic, the core business moved to remote, flexible, and safe working conditions.



Senior Management supported employees by communicating with them the updated Office Entry Protocols Reference that was announced by local authorities.

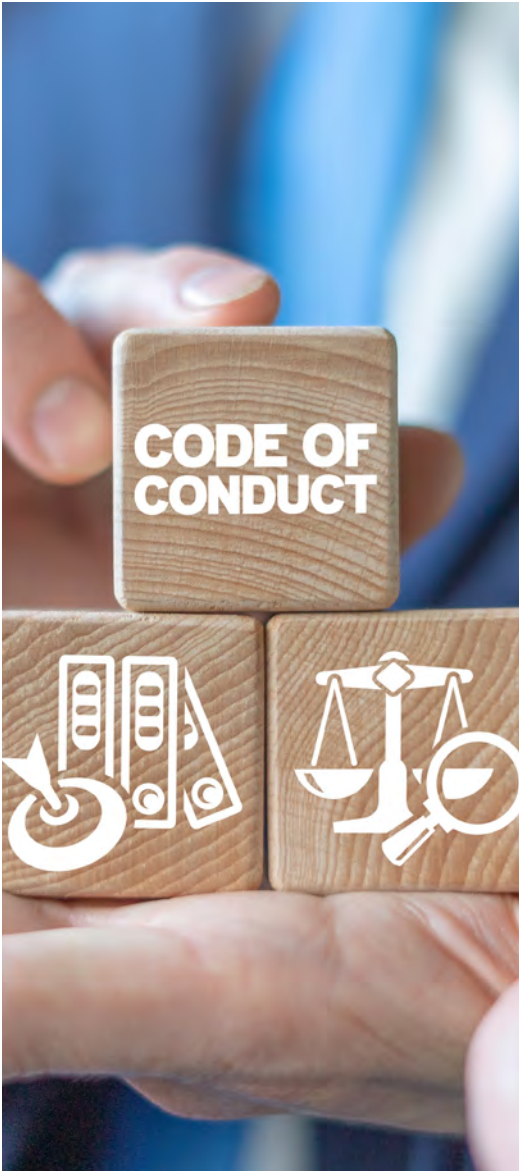
PREVENTING BRIBERY AND CORRUPTION

Insurance House sets a very strict policy concerning anti-corruption and the detection and deterrence of bribery in operations. This high-standard procedure is followed by Insurance House employees and where applicable, such as Insurance House contractors, associates, insurance brokers, automobile agencies, and suppliers - if fraud is suspected or detected.

Moreover, this subject can affect assets that are both small and large in value. For the purposes of Insurance House's policy, fraud includes but is not limited to the following:

- 1- Accepting or offering a bribe or other favours under circumstances that might lead to the inference that the gift or favour was intended to influence a decision;
- 2- Accepting of any gift from Insurance House customers, suppliers, or any other parties is not permissible; only exception are gifts/ souvenirs inscribed/ printed with gifting company's logo/ signage and value not exceeding AED 100.





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:

- 1- Insurance House values
- 2- The role of Insurance House supervision
- 3- Conflicts of interest
- 4- Protecting Insurance House information and assets
- 5- Compliance with laws and regulations
- 6- 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.



PREVENTING FRAUD

Insurance House's attitude to fraud is that of zero tolerance. Insurance House will not tolerate fraud, dishonest or illegal activity amongst its employees, contractors, customers, garages, insurance brokers, automobile agencies or suppliers under any circumstances. Insurance House prevents fraud under four aspects:

1- Internal Controls: Are the key element in preventing fraud, and they are documented and communicated to all staff members so that they are constantly reminded of the importance of compliance. It is the responsibility of management to ensure that these internal controls have been documented and communicated.

2- Management Checks/ Monitoring: The prevention detection of fraud and impropriety is only possible where strong internal controls are present and constantly applied. Routing checks and monitoring by controls include duly approval scheme of delegation of authorities, override/ exception report monitoring and review, and being cognisant of change of staff members beyond their means.

3- Corporate Governance: As part of governance it will be important to continue to develop an environment in which awareness of responsibility for fraud prevention and detection can flourish. It is the system principle of corporate governance as:

- Openness;
- Integrity; and
- Accountability.

4- Promotion of Code of Conduct: Is to guide employees in their day-to-day activities. Moreover, the HR Department and Insurance House is continuously improving the Code of Conduct and presenting short courses to all employees; consequently increasing awareness among internal stakeholders. A Code of Conduct clarifies what is ethical acceptable behavior, and it also communicates to external stakeholders that IH takes its ethical commitments seriously.



ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING

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.



DATA LEAKAGE PREVENTION - CYBERSECURITY PREPAREDNESS

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:

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

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.



RELATIONSHIPS WITH CUSTOMERS

During our annual Customer Relationship meetings at Insurance House, we are achieving our promise to offer better services while engaging with our customers in a meaningful way. Consequently, we are customizing our products and services in our core business. Moreover, this has allowed us to develop propositions to better address customer needs across our communities; including protocols for dealing with customer issues and to focus on:

- 1- Customer Engagement.
- 2- Customer Complaints.
- 3- Listening to Customers.

NOW



OPEN
at *Baniyas*

Insurance House opened its 10th location at ADNOC's Vehicle Inspection Centre in Baniyas Street, P.O.Box. 129921, Abu Dhabi, U.A.E. We opened this branch keeping in mind the needs of IH customers and to better service the community of this area. We always want to be located next to our customers, and we promise to deliver our best to them at all times.

RESPONSIBLE FOR THE RIGHT PEOPLE

3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



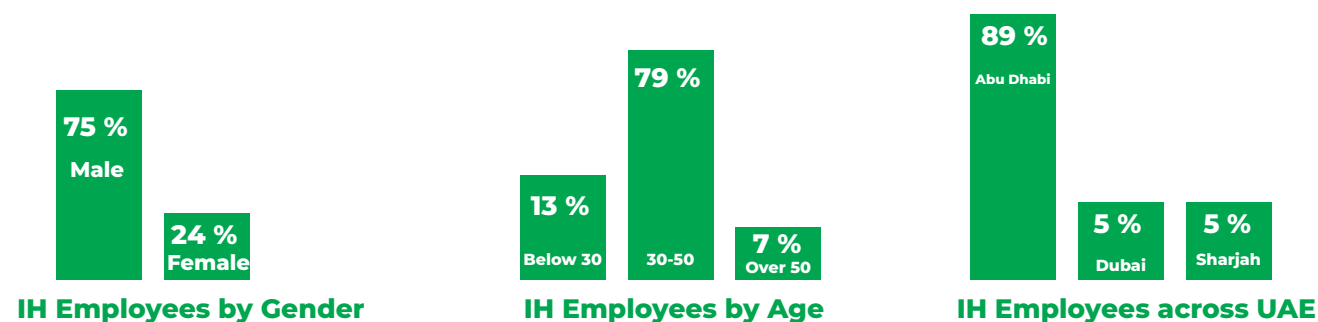
10 REDUCED
INEQUALITIES





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 2021: 99





EMPLOYEE ENGAGEMENT

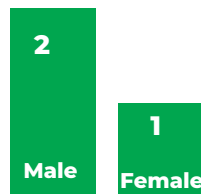
Insurance House creates and maintains a positive work environment, Whereby all new employees are required to complete the company orientation program in addition to a set of e-learning modules centered on the learning and development framework.

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

Insurance House's demand and competition for skilled talent (employee turnover rate) in 2020 was less during the COVID-19 period, and it was at the low management level.



IH Employees by Gender



IH 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 UAE - Employees by Gender

Female 9

Male 1

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.

IH Employees by Gender Training Hours

Female: 352 Hours

Male: 456 Hours

IH Employees Average training hours by employee level:

JUNIOR STAFF: 408 Hours

MIDDLE MANAGEMENT: 139 Hours

SENIOR MANAGEMENT: 261 Hours





LINKEDIN LEARNING

As part of our learning and development provisions, IH took a step for online training to have a partnership with LinkedIn Learning to develop IH employees and help them become better at their job. Employees have access and can choose to attend as many training programs as they want job-related.

DIVERSITY AND INCLUSION

Insurance House respects and appreciates cultural diversity and supports talented people to create value and promote the development of culturally responsible and responsive curricula while promoting innovation, better decision making, and problem solving.

At Insurance House, we hire talent based on attitude, skills, and knowledge, and we have a zero-tolerance policy for discrimination or harassment in any form, across all aspects of diversity, including race, color, religion, gender, nationality, age, disability, and marital status.



WOMEN'S LEADERSHIP:

The company has taken many sustainable steps to ensure that advancing gender equality in the business portfolio leads to better access to talent, higher productivity, and the quality bottom line. However, as part of its move to create a gender-smart workplace, IH has enhanced women's presence in leadership positions via mentoring and building succession pipelines.

Badria Alblooshi, a very supportive, hard-working, and loyal IH employee, started in 2011 as a Motor Underwriter Supervisor. With such a positive attitude and flexibility in completing tasks, she has climbed up the ladder to become Branch Manager.

Badria has successfully developed strategies that have resulted in a systematic delivery of Company services.

Her highly satisfactory performance was a direct result of her positive attitude towards her job, co-employees, and especially her clients.

Ms. Badria Alblooshi
Branch Manager – Sharjah

Covid-19 Precautionary Measures During Eid

As we approach Eid, we would like to kindly highlight the importance of practicing preventive and precautionary measures to protect the public health and the community's safety during these blessed times.



Always wear your mask



Practice social distancing



Extend Eid greetings and wishes using online communication platforms



Sanitize your hands frequently, and do not touch your face



Avoid physical gatherings and opt to interact with friends and family virtually



Avoid giving gifts, especially money, to children. Instead, transfer money digitally

We wish you a Eid Mubarak and many happy returns!

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.



RECOGNIZING IH EMPLOYEES

Insurance House recognizes the excellent performance of the Motor Underwriters Department, as each employee showed hard work and commitment, resulting in the best sales record this year despite the pandemic challenges. This has helped us stand out from the competition

OUR SOCIAL COMMUNITY





NATIONAL DAY CELEBRATION

In celebration of the UAE's 50th National Day, Insurance House launched a new campaign, offering a 50% discount to customers on Motor Insurance Policies. This initiative falls under IH's sustainability campaigns that help to spread joy amongst customers.



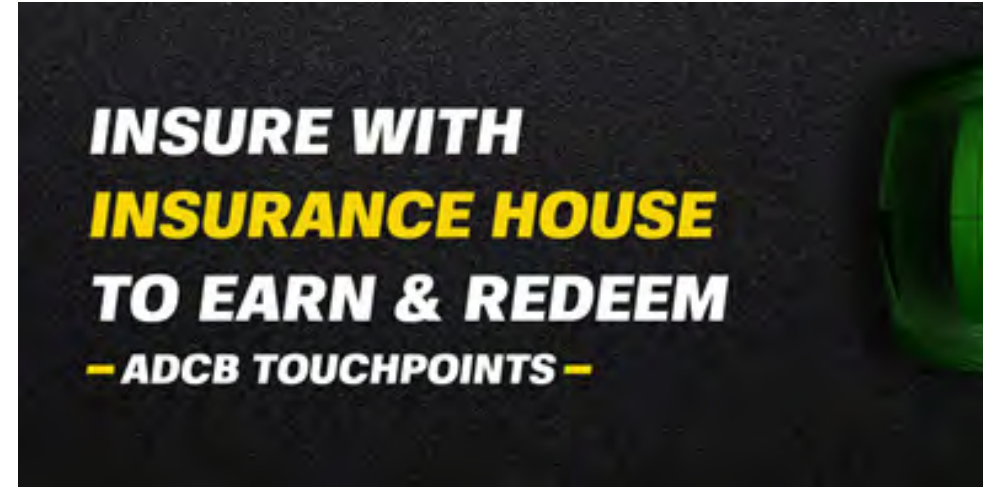
PARTISANSHIP WITH TRAVELLERPASS

Insurance House offered distinguished clients a discount if they purchased a Motor Insurance policy through the TravellerPass application. TravellerPass LLC is a leading marketing consultancy with over 15 years of experience in the Middle East. It is committed to helping businesses deploy strategic marketing campaigns and loyalty programs.



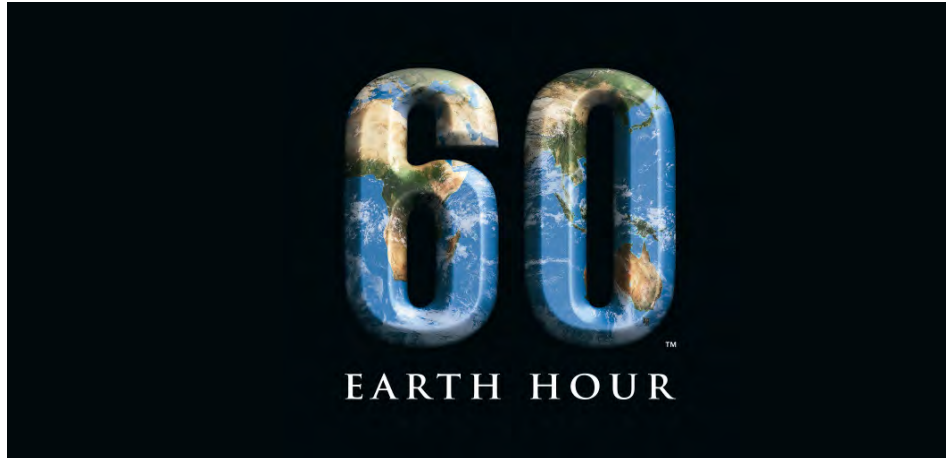
CSR (BLOOD DONATION)

The Insurance House staff joined the Blood Drive Donation and contributed in making a difference in other people's lives. The blood donated was to benefit Accident Victims, Fire Victims, Anemia Patients, Hemophilia Patients, Patients undergoing surgeries, and Cancer Patients.



STRATEGIC PARTNERSHIP

Insurance House is glad to announce a new partnership with ADCB. This partnership will allow ADCB customers to redeem their TouchPoints at Insurance House and get a Motor Insurance policy or any other Insurance policy in return.



EARTH HOUR

Insurance House this year, as every year, joined the Earth Hour initiative. Earth Hour is more than just an hour for the planet- it's a movement for our future. The climate is changing faster than nature can adapt, and the health of our planets is at stake; therefore, we are speaking up for nature.



COVID 19

To support the first defense team of doctors and nurses for their sincere efforts in caring for the affected during the pandemic, and to return the favor, Insurance House announced the reduction of their car insurance fees to 50%.



INTERNSHIP PROGRAM AT IH

The Internship Program is a unique work-experience that will be offered to university students in their third and fourth years of education and will be available for both local and expatriate students. The duration of the training must not exceed three calendar months.

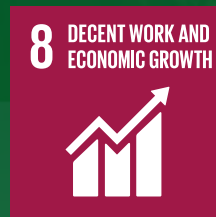
GOVERNANCE AND RISK MANAGEMENT



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



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.

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 Non-Executive 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.



GO GREEN INITIATIVE (BOARD STRATEGY):

Being environmentally cautious has always been embedded within our operations. Recycling paper, supporting energy saving alternatives, and educating the public about going green are among our top priorities. Moreover, we have implemented more stringent environmental risk management procedures that affect both our business and the companies that we invest in.

INSURANCE HOUSE STRATEGY

Paper Usage

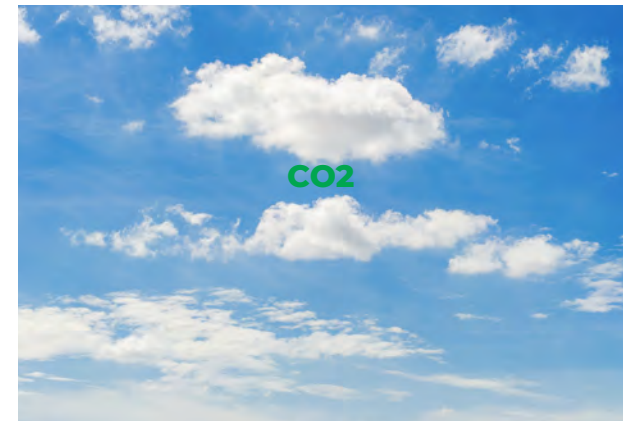
Paper is a large source of waste in the insurance industry, and traditionally, the industry has been known to heavily rely on paper documents. In 2021, Insurance House's paper usage was 80%; however, it is now addressing change by digitalizing.

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 2022.



Paper Usage



CO2

Energy and Emissions

In 2021, IH reported a base year of energy consumption amounting to 3,851 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 2021 was 2,357 m³.



Energy and Emissions



Water Management



Insurance House creates value for people and businesses with the aim of protecting society from economic and environmental factors. We at Insurance House are confident that we have the necessary technological advancements to help us further grow in the Insurance sector. Insurance House ESG's mission is to help the community as a whole stay safe and rest assured.

Reported by:

Hussain Ishaq Alblooshi
Insurance House P.S.C