

# **Insurance House P.J.S.C.**

Condensed Interim Financial Statements

(Un-audited)

For the three months period ended 31 March 2023

**Insurance House P.J.S.C.**  
**Condensed Interim Financial Statements (Un-audited)**

**For the three months period ended 31 March 2023**

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

### Chairman's Report for the three months ended 31 March 2023

On behalf of the Board of Directors, I present the condensed interim financial statements of Insurance House PJSC (IH) as at 31 March 2023 and the results of its operations for the three months ended 31 March 2023.

IH has registered a Net Loss of AED 15.71 million in Q1 2023, compared to a Net Loss of AED 6.48 million in the corresponding period of the previous year. A substantial portion of these losses were sustained in the Motor business where cut-throat competition amongst insurers led to very low rates of insurance premium that was not commensurate with the underlying risk being underwritten. We have taken necessary corrective action to restore the health of this portfolio and expect improved results going forward.

Due to a more selective approach towards underwriting risks, Gross Premiums Written during the first three months of 2023 were lower at AED 74.66 million compared to AED 96.07 million in the corresponding period of the previous year. Gross Underwriting Income during Q1 2023 was substantially lower at AED 23.89 million, compared to AED 33 million in the corresponding period of the previous year. Net Claims Incurred in Q1 2023 were at par with the prior year at AED 28.33 million compared to AED 28.27 million during the same period of the previous year. As a combined result of the above, Net Underwriting Loss for Q1 2023 was AED 7.57 million compared to a Net Underwriting Income of AED 943K registered during the same period last year.

Net Income from Investments was AED 1.62 million in Q1 2023, compared to AED 2.45 million in the corresponding period of the previous year. Despite recent turbulence, we expect local & global equity and fixed income markets to remain relatively stable through the rest of the year.

General & administrative expenses were marginally higher at AED 10.70 million in Q1 2023 compared to AED 9.87 million in the same period of the previous year.

The liquidity position of the Company continues to be robust with Fixed Deposits and Cash & cash equivalents as of 31 March 2023 accounting for circa 9% of Total Assets.

During the current period, IH Management has identified material errors in the process of recording of transactions covering a) reinsurance share of premium, b) reinsurance share of loss adjustment and c) commission income related to reinsurance of medical stream for prior periods. Management is still in the process of identifying and assessing the errors and the impact on regulatory requirements. Pending completion of the reconciliation, management has provisionally accounted for reversal of Reinsurance receivable from reinsurers amounting to AED 69 million on retrospective basis by restating the comparative financial statements with corresponding impact on Accumulated Losses.

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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

Public Joint Stock Company and the share capital is AED 118,780,500 شركة مساهمة عامة برأس مال وقدره ١١٨,٧٨٠,٥٠٠ درهم إماراتي



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

The unhealthy price competition amongst insurance companies and the material accounting errors stated above are viewed as temporary setbacks and may curtail our growth momentum in the near term. However, we are confident that with continued shareholder support and dedication of IH Management and Staff, we will bounce back stronger than before. Going forward, profits from core insurance activities will be driven by improved digital delivery capabilities, significant fine-tuning of risk underwriting techniques and enhanced claims management processes.

On behalf of the Board of Directors,

**Mohammed Abdulla Jumaa Alqubaisi**  
Chairman

Abu Dhabi  
11 May 2023

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دار التأمين ش.م.ع. ص.ب. ١٢٩٩٢١، أبوظبي، ا.ع.م؛ هاتف: ٤٤٤ ٤٩٣٤ (٢) +٩٧١؛ فاكس: ٤٩٣٤ ٤٠٠ (٢) +٩٧١  
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## **Report on review of condensed interim financial statements**

### **To the Shareholders of Insurance House P.J.S.C**

#### **Introduction**

We have reviewed the accompanying condensed interim financial statements of Insurance House P.J.S.C. (the "Company"), which comprise the statement of financial position as at 31 March 2023 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows for the three months period then ended and other related explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Basis for Adverse Conclusion**

- (i) The Company has not adopted International Financial Reporting Standard (IFRS) 17, "Insurance Contracts", which is effective for periods beginning on or after 1 January 2023, in the preparation of these condensed interim financial statements. As referred in Note 2.3 to these condensed interim financial statements, the Company is still in the process of implementing the provisions of IFRS 17 and has thus, continued with the provisions of IFRS 4, "Insurance Contracts" in preparation of these condensed interim financial statements. Had the entity adopted IFRS 17, several account balances covering equity, assets and liabilities and loss for the period, the related accounting policies and presentation and disclosures in these condensed interim financial statements would have been materially different.
- (ii) During the current period, the management has identified material errors in the process of recording of transactions covering a) reinsurance share of premium; b) reinsurance share of loss adjustment; and c) commission income, related to reinsurance of medical and personal assurance for prior periods. Management is in the process of assessing the impact of these errors and reconciliation of balances with the Reinsurers and brokers. Pending completion of such reconciliation, management has provisionally accounted for reversal of Reinsurance receivable from reinsurers aggregating AED 69,343,226 (Note 23) on retrospective basis by restating the comparative balances in these condensed interim financial statements. Consequently, we are unable to assess whether any further adjustments might be required to these condensed interim financial statements.



### **Adverse Conclusion**

Our review indicates that, because of the significance of matters, as described in the Basis for Adverse conclusion section of our report, the condensed interim financial statements is not prepared, in all material respects, in accordance with IAS 34.

### **Emphasis of Matter**

As of 31 March 2023, the Company's accumulated losses are AED 84,342,984 (Note 1.1) which has resulted in the erosion of equity in excess of 50%. This has led to non-compliance by the Company with the solvency ratio as required by financial regulations for insurance companies and Central Bank of the UAE.

### **Other Matters**

The condensed interim financial statements of the Company for the three-month period ended 31 March 2022 were reviewed by another auditor, who expressed an unmodified review conclusion dated 10 May 2022.

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor, who expressed an unmodified opinion on those statements on 13 February 2023.

For, **Crowe Mak**

A handwritten signature in black ink, appearing to read "Zayd Khalid Maniar".

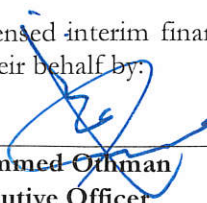
Zayd Khalid Maniar  
Partner  
Registration number 579  
Abu Dhabi, United Arab Emirates  
11 May 2023

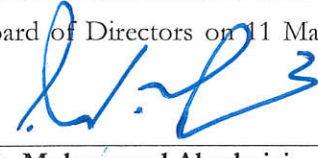
**Insurance House P.J.S.C.**  
**Condensed Interim Financial Statements**

**Condensed Interim Statement of Financial Position**  
**As at 31 March 2023**

|                                                                               |       | (Un-audited)       | (Restated)         | (Restated)         |
|-------------------------------------------------------------------------------|-------|--------------------|--------------------|--------------------|
|                                                                               | Notes | 31 March 2023      | 31 December 2022   | 1 January 2022     |
|                                                                               |       | AED                | AED                | AED                |
| <b>ASSETS</b>                                                                 |       |                    |                    |                    |
| Property and equipment                                                        | 4     | 42,786,419         | 43,010,347         | 43,261,817         |
| Investments carried at fair value through other comprehensive income (FVTOCI) | 5     | 39,074,226         | 40,502,582         | 51,296,714         |
| Investments carried at fair value through profit or loss (FVTPL)              | 5     | 12,782,590         | 13,948,829         | 12,249,031         |
| Statutory deposit                                                             | 6     | 6,000,000          | 6,000,000          | 6,000,000          |
| Premium and insurance balances receivable                                     | 7     | 115,939,550        | 93,466,228         | 75,679,473         |
| Reinsurance contract assets                                                   | 13    | 114,864,780        | 102,577,633        | 77,279,041         |
| Other receivables and prepayments                                             | 8     | 41,113,249         | 48,225,047         | 25,542,510         |
| Fixed deposits                                                                | 9     | 14,000,000         | 14,000,000         | 14,000,000         |
| Cash and cash equivalents                                                     | 9     | 20,919,625         | 41,930,903         | 54,857,557         |
| <b>TOTAL ASSETS</b>                                                           |       | <b>407,480,439</b> | <b>403,661,569</b> | <b>360,166,143</b> |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>                                   |       |                    |                    |                    |
| <b>Capital and reserves</b>                                                   |       |                    |                    |                    |
| Share capital                                                                 | 10    | 118,780,500        | 118,780,500        | 118,780,500        |
| Tier 1 capital                                                                | 10    | 15,000,000         | 15,000,000         | 15,000,000         |
| Treasury shares                                                               | 10    | (4,660,318)        | (4,660,318)        | -                  |
| Accumulated losses                                                            |       | (84,342,984)       | (68,326,040)       | (60,414,763)       |
| Board of Directors' proposed remuneration                                     |       | 392,248            | 392,248            | 856,796            |
| Reinsurance reserve                                                           | 10    | 650,848            | 650,848            | 422,793            |
| Investment revaluation reserve                                                |       | 7,280,303          | 7,198,968          | 14,271,093         |
| Statutory reserve                                                             | 10    | 7,679,502          | 7,679,502          | 7,243,671          |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                             |       | <b>60,780,099</b>  | <b>76,715,708</b>  | <b>96,160,090</b>  |
| <b>LIABILITIES</b>                                                            |       |                    |                    |                    |
| Provision for employees' end-of-service benefits                              | 11    | 3,246,592          | 3,208,318          | 2,883,016          |
| <b>Insurance liability</b>                                                    |       |                    |                    |                    |
| Insurance and other payables                                                  | 12    | 122,194,872        | 119,411,739        | 96,763,708         |
| <b>Technical reserves</b>                                                     |       |                    |                    |                    |
| Unearned premiums reserve                                                     | 13    | 120,467,299        | 112,656,717        | 81,376,611         |
| Claims under settlement reserve                                               | 13    | 53,613,171         | 52,137,577         | 51,604,276         |
| Incurred but not reported claims reserve                                      | 13    | 36,164,493         | 36,186,621         | 28,869,141         |
| Unexpired risk reserve                                                        | 13    | 8,176,508          | 568,447            | 252,338            |
| Unallocated loss adjustment expenses reserve                                  | 13    | 2,837,405          | 2,776,442          | 2,256,963          |
| <b>Total technical reserves</b>                                               |       | <b>221,258,876</b> | <b>204,325,804</b> | <b>164,359,329</b> |
| <b>TOTAL LIABILITIES</b>                                                      |       | <b>346,700,340</b> | <b>326,945,861</b> | <b>264,006,053</b> |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                             |       | <b>407,480,439</b> | <b>403,661,569</b> | <b>360,166,143</b> |

These condensed interim financial statements were approved by the Board of Directors on 11 May 2023 and signed on their behalf by:

  
**Mr. Mohammed Othman**  
**Chief Executive Officer**

  
**Mr. Mohammed Alqubaisi**  
**Chairman**

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

**Insurance House P.J.S.C.**  
**Condensed Interim Financial Statements**  
**Condensed Interim Statement of profit or loss**  
**For the period ended 31 March 2023**

|                                                                                 | Notes | (Un-audited)<br>Three months<br>period ended<br>31 March 2023<br>AED | (Un-audited)-<br>Restated<br>Three months<br>period ended<br>31 March 2022<br>AED |
|---------------------------------------------------------------------------------|-------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Gross premiums written                                                          | 19    | 74,656,099                                                           | 96,067,053                                                                        |
| Reinsurance share of premiums                                                   |       | (42,184,120)                                                         | (48,873,010)                                                                      |
| Reinsurance share of ceded business<br>premiums                                 |       | (2,271,261)                                                          | (1,812,075)                                                                       |
| <b>Net premiums</b>                                                             |       | <b>30,200,718</b>                                                    | <b>45,381,968</b>                                                                 |
| Net transfer to unearned premium reserve                                        |       | 369,024                                                              | (13,513,187)                                                                      |
| <b>Net premiums earned</b>                                                      |       | <b>30,569,742</b>                                                    | <b>31,868,781</b>                                                                 |
| Commission earned                                                               |       | 6,359,666                                                            | 9,318,622                                                                         |
| Commission paid                                                                 |       | (13,034,587)                                                         | (8,191,511)                                                                       |
| <b>Gross underwriting income</b>                                                |       | <b>23,894,821</b>                                                    | <b>32,995,892</b>                                                                 |
| Gross claims paid                                                               |       | (66,766,344)                                                         | (46,966,427)                                                                      |
| Reinsurance share of insurance claims and loss<br>adjustment                    |       | 43,454,637                                                           | 27,110,304                                                                        |
| <b>Net claims paid</b>                                                          |       | <b>(23,311,707)</b>                                                  | <b>(19,856,123)</b>                                                               |
| (Increase) in claims under settlement reserve                                   |       | (1,475,599)                                                          | (16,438,239)                                                                      |
| (Increase)/ Decrease in reinsurance share of<br>claims under settlement reserve |       | (596,995)                                                            | 8,398,730                                                                         |
| Decrease in incurred but not reported claims<br>reserve – net                   |       | 4,726,663                                                            | 276,273                                                                           |
| (Increase)/Decrease in unexpired risk reserve<br>– net                          |       | (7,608,061)                                                          | 252,338                                                                           |
| Increase in unallocated loss adjustment<br>expenses reserve – net               |       | (60,964)                                                             | (898,882)                                                                         |
| <b>Net claims incurred</b>                                                      |       | <b>(28,326,663)</b>                                                  | <b>(28,265,903)</b>                                                               |
| Other underwriting income                                                       |       | 1,172,417                                                            | 579,143                                                                           |
| Other underwriting and claim handling<br>expenses                               |       | (4,309,782)                                                          | (4,366,586)                                                                       |
| <b>Net underwriting (loss)/ income</b>                                          |       | <b>(7,569,207)</b>                                                   | <b>942,546</b>                                                                    |
| Income from investments - net                                                   | 14    | 1,623,071                                                            | 2,449,501                                                                         |
| Other Income                                                                    |       | 938,335                                                              | -                                                                                 |
| <b>Gross (loss)/ income</b>                                                     |       | <b>(5,007,801)</b>                                                   | <b>3,392,047</b>                                                                  |
| General and administrative expenses                                             | 15    | (10,699,776)                                                         | (9,870,652)                                                                       |
| <b>Net loss for the period</b>                                                  |       | <b>(15,707,577)</b>                                                  | <b>(6,478,605)</b>                                                                |
| <b>Loss per share:</b>                                                          |       |                                                                      |                                                                                   |
| Basic and diluted loss per share                                                | 16    | (0.13)                                                               | (0.05)                                                                            |

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

**Insurance House P.J.S.C.**  
**Condensed Interim Financial Statements**  
**Condensed Interim Statement of Comprehensive Income**  
**For the period ended 31 March 2023**

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|                                                                                                                        | Notes | <b>(Un-audited)<br/>Three months<br/>period ended<br/>31 March 2023<br/>AED</b> | <b>(Un-audited)-<br/>Restated<br/>Three months<br/>period ended<br/>31 March 2022<br/>AED</b> |
|------------------------------------------------------------------------------------------------------------------------|-------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Net loss for the period                                                                                                |       | <b>(15,707,577)</b>                                                             | <b>(6,478,605)</b>                                                                            |
| <b>Other comprehensive income/ (loss)</b>                                                                              |       |                                                                                 |                                                                                               |
| <i>Items that will not be reclassified<br/>subsequently to profit or loss</i>                                          |       |                                                                                 |                                                                                               |
| Net unrealized (loss)/gain from<br>investments at fair value through other<br>comprehensive income – equity securities | 5     | <b>(930)</b>                                                                    | 5,423,716                                                                                     |
| <i>Items that maybe reclassified<br/>subsequently to profit or loss</i>                                                |       |                                                                                 |                                                                                               |
| Net unrealized gain/ (loss) from<br>investments at fair value through other<br>comprehensive income – debt securities  | 5     | <b>12,513</b>                                                                   | (44,393)                                                                                      |
| <b>Total comprehensive loss for the period</b>                                                                         |       | <b><u>(15,695,994)</u></b>                                                      | <b><u>(1,099,282)</u></b>                                                                     |

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

**Insurance House P.J.S.C.**  
**Condensed Interim Financial Statements**  
**Condensed Interim Statement of Changes in Equity**  
**For the period ended 31 March 2023**

|                                                                           | Share<br>capital<br>AED | Tier 1<br>capital<br>AED | Treasury<br>Shares<br>AED | (Accumulated<br>losses)<br>AED | Reinsurance<br>reserve<br>AED | Proposed<br>Board of<br>Directors'<br>Remuneration<br>AED | Investment<br>revaluation<br>reserve<br>AED | Statutory<br>reserve<br>AED | Total<br>shareholders'<br>equity<br>AED |
|---------------------------------------------------------------------------|-------------------------|--------------------------|---------------------------|--------------------------------|-------------------------------|-----------------------------------------------------------|---------------------------------------------|-----------------------------|-----------------------------------------|
| Balance as at 1 January 2023 (Audited)-<br>restated                       | 118,780,500             | 15,000,000               | (4,660,318)               | (68,326,040)                   | 650,848                       | 392,248                                                   | 7,198,968                                   | 7,679,502                   | 76,715,708                              |
| Net loss for the period                                                   | -                       | -                        | -                         | (15,707,577)                   | -                             | -                                                         | -                                           | -                           | (15,707,577)                            |
| Other comprehensive income for the<br>period                              | -                       | -                        | -                         | -                              | -                             | -                                                         | 11,583                                      | -                           | 11,583                                  |
| Tier 1 Capital accrued coupon                                             | -                       | -                        | -                         | (309,367)                      | -                             | -                                                         | -                                           | -                           | (309,367)                               |
| Transfer of unrealized loss on disposal of<br>investment at FVTOCI - debt | -                       | -                        | -                         | -                              | -                             | -                                                         | 69,752                                      | -                           | 69,752                                  |
| <b>Balance as at 31 March 2023<br/>(Un-audited)</b>                       | <b>118,780,500</b>      | <b>15,000,000</b>        | <b>(4,660,318)</b>        | <b>(84,342,984)</b>            | <b>650,848</b>                | <b>392,248</b>                                            | <b>7,280,303</b>                            | <b>7,679,502</b>            | <b>60,780,099</b>                       |
| Balance as at 1 January 2022 (Audited)-<br>restated                       | 118,780,500             | 15,000,000               | -                         | (60,414,763)                   | 422,793                       | 856,796                                                   | 14,271,093                                  | 7,243,671                   | 96,160,090                              |
| Net loss for the period                                                   | -                       | -                        | -                         | (6,478,605)                    | -                             | -                                                         | -                                           | -                           | (6,478,605)                             |
| Other comprehensive income for the<br>period                              | -                       | -                        | -                         | -                              | -                             | -                                                         | 5,379,323                                   | -                           | 5,379,323                               |
| Tier 1 Capital accrued coupon                                             | -                       | -                        | -                         | (309,380)                      | -                             | -                                                         | -                                           | -                           | (309,380)                               |
| Transfer of unrealized loss on disposal of<br>investment at FVTOCI – debt | -                       | -                        | -                         | -                              | -                             | -                                                         | 23,225                                      | -                           | 23,225                                  |
| <b>Balance as at 31 March 2022<br/>(Un-Audited)- Restated</b>             | <b>118,780,500</b>      | <b>15,000,000</b>        | <b>-</b>                  | <b>(67,202,748)</b>            | <b>422,793</b>                | <b>856,796</b>                                            | <b>19,673,641</b>                           | <b>7,243,671</b>            | <b>94,774,653</b>                       |

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

**Insurance House P.S.C.**  
**Condensed Interim Financial Statements**

**Condensed Interim Statement of Cash Flows**  
**For the period ended 30 June 2021**

|                                                                                | Notes | (Un-audited)<br>Three months<br>period ended<br>31 March 2023<br>AED | (Un-audited)-<br>Restated<br>Three months<br>period ended<br>31 March 2022<br>AED |
|--------------------------------------------------------------------------------|-------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <b>OPERATING ACTIVITIES</b>                                                    |       |                                                                      |                                                                                   |
| Net profit for the period                                                      |       | (15,707,577)                                                         | (6,478,605)                                                                       |
| <i>Adjustments for non-cash items:</i>                                         |       |                                                                      |                                                                                   |
| Depreciation of property and equipment                                         | 4     | 328,634                                                              | 357,070                                                                           |
| Changes in fair value of investment carried at FVTPL                           | 14,5  | 546,239                                                              | (665,519)                                                                         |
| Gain on sale of investments carried at FVTOCI                                  |       | (30,681)                                                             | -                                                                                 |
| Gain on sale of investments carried at FVTPL                                   |       | (650,717)                                                            | -                                                                                 |
| Gain on sale of Property and equipment                                         |       | (84,000)                                                             | -                                                                                 |
| Charge of Expected credit losses                                               | 7     | 112,500                                                              | -                                                                                 |
| Interest and dividend income                                                   | 14    | (1,553,283)                                                          | (1,818,763)                                                                       |
| Provision for employees' end-of-service benefits                               | 11    | 162,908                                                              | 118,394                                                                           |
| Realized loss on sale of debt investments- FVTOCI                              |       | 70,375                                                               | 11,466                                                                            |
| Reclassification of unrealized loss on disposal of investment at FVTOCI – debt | 14    | -                                                                    | 23,225                                                                            |
| Operating profit before changes in working capital                             |       | (16,805,602)                                                         | (8,452,732)                                                                       |
| <b>Changes in working capital</b>                                              |       |                                                                      |                                                                                   |
| (Increase) in Premium and insurance balances receivables                       |       | (22,585,822)                                                         | (32,618,173)                                                                      |
| (Increase) in Reinsurance contract assets                                      |       | (12,287,147)                                                         | (44,274,855)                                                                      |
| Increase in Technical reserves                                                 |       | 16,933,072                                                           | 66,197,823                                                                        |
| Decrease/ (Increase) in Other receivables and prepayments                      |       | 7,111,797                                                            | (7,699,652)                                                                       |
| Increase in Insurance and other payables                                       |       | 2,783,133                                                            | 27,507,888                                                                        |
| <b>Net cash (used in)/generated from operations</b>                            |       | (24,850,569)                                                         | 660,299                                                                           |
| Employees' end-of-service benefits paid                                        | 11    | (124,634)                                                            | -                                                                                 |
| <b>Net cash (used in)/generated from operations</b>                            |       | (24,975,203)                                                         | 660,299                                                                           |
| <b>INVESTING ACTIVITIES</b>                                                    |       |                                                                      |                                                                                   |
| Payments for purchase of property and equipment                                | 4     | (104,706)                                                            | (123,860)                                                                         |
| Proceeds from sale of Property and equipment                                   |       | 84,000                                                               | -                                                                                 |
| Purchase of investments carried at FVTPL                                       | 5     | (3,000,001)                                                          | (2,212,064)                                                                       |
| Proceeds from sale of investments carried at FVTPL                             |       | 4,270,717                                                            | -                                                                                 |
| Purchase of investments carried at FVTOCI                                      |       | -                                                                    | (5,837,801)                                                                       |
| Proceeds from sale of investments carried at FVTOCI                            |       | 1,470,000                                                            | 1,470,001                                                                         |
| Proceed from redemption of short term investments                              |       | -                                                                    | 14,000,000                                                                        |
| Interest and dividend received                                                 |       | 1,553,283                                                            | 1,818,763                                                                         |
| <b>Net cash generated from investing activities</b>                            |       | 4,273,293                                                            | 9,115,039                                                                         |
| <b>FINANCING ACTIVITIES</b>                                                    |       |                                                                      |                                                                                   |
| Tier 1 Capital                                                                 |       | (309,367)                                                            | (309,380)                                                                         |
| <b>Net cash used in financing activities</b>                                   |       | (309,367)                                                            | (309,380)                                                                         |
| <b>Net change in cash and cash equivalents</b>                                 |       | (21,011,277)                                                         | 9,465,958                                                                         |
| Cash and cash equivalents, beginning of the period                             |       | 55,930,903                                                           | 54,857,557                                                                        |
| <b>Cash and cash equivalents, end of the period</b>                            | 9     | 34,919,626                                                           | 64,323,515                                                                        |

# Insurance House P.J.S.C.

## Condensed Interim Financial Statements

### Notes to the condensed interim financial statements

#### For the period ended 31 March 2023

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## 1 Legal status and activities

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

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

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

The range of products and services offered by the company include but is 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.

### 1.1 Equity

As of March 31, 2023, the Company's accumulated losses are AED 84,342,984 which has resulted in erosion of equity in excess of 50% and has affected the required solvency ratio as prescribed by the Central Bank of the UAE. The management is in the process of presenting necessary plan to the Board of Director including and scheduling an extraordinary general meeting to address the matter.

## 2 General Information

### 2.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, “*Interim Financial Reporting*” as issued by the International Accounting Standard Board (IASB), and also comply with the applicable requirements of the laws in the UAE.

On 28 December 2014, the United Arab Emirates (UAE) Insurance Authority issued Financial Regulations for Insurance Companies which came into force on 29 January 2015. The Company is in compliance with the Financial Regulations for Insurance Companies as at 31 March 2023 subject to solvency ratio as prescribed in UAE federal law No.6 of 2007, Federal Law by Decree No. 32 of 2021 on Commercial Companies and Note 1.1.

### 2.2 Basis of preparation

These condensed interim financial statements are for the three months period ended 31 March 2023 and are presented in Arab Emirate Dirham (AED), which is the functional and presentational currency of the Company.

The condensed interim financial statements have been prepared on the historical cost basis, except for the measurement at fair value of certain financial instruments.

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

**Notes to the condensed interim financial statements**  
**For the period ended 31 March 2023**

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**2 General information (continued)**

**2.2 Basis of preparation (continued)**

These condensed interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all of the information required in annual financial statements in accordance with IFRSs and should be read in conjunction with the financial statements for the year ended 31 December 2022. In addition, the results for the three months period ended 31 March 2023 are not necessarily an indication of the results that may be expected for the financial year ending 31 December 2023.

These condensed interim financial statements have been prepared on a consistent basis with the accounting policies and estimates adopted in the Company's most recent annual financial statements for the year ended 31 December 2022, except for the adoption of new standards and interpretations effective 1 January 2023.

**IFRS 17 - Insurance Contracts**

International Financial Reporting Standard (IFRS) 17, "Insurance Contracts" establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard is effective for periods beginning on or after 1 January 2023.

The Company has not adopted IFRS 17 in the preparation of these condensed interim financial statements. The Company is in the process of implementation of IFRS 17 to comply with it and has submitted an application to Central Bank of United Arab Emirates ("CBUAE") to seek an extension from application of IFRS 17 for the quarter. Pending such approval, the company has adopted IFRS 4, "Insurance Contracts" in the preparation of these condensed interim financial statements in the current period.

**2.3 Standards, interpretations and amendments to existing standards**

**Standards, interpretations and amendments to existing standards that are effective in 2023**

There are no applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that are expected to have a material impact on the condensed interim financial statements of the Company except IFRS 17, Insurance Contracts.

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

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted any of the forthcoming new or amended standards in preparing this condensed interim financial statements.

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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

| <b>New Standards or amendments</b>                                                                                       | <b>Effective date</b> |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Amendments to IAS 1- Classification of liabilities as current or non-current                                             | 1 January 2024        |
| Amendments to IAS 1- Non-current liabilities with covenants                                                              | 1 January 2024        |
| Amendments to IFRS 16 – Lease liability in a sale and leaseback                                                          | 1 January 2024        |
| Amendments to IFRS 10 and IAS 28 – Sale or Construction of assets between an Investor and its associate or joint venture | N/A*                  |

\*Available for optional adoption/ effective date deferred indefinitely.

### **3 Summary of significant accounting policies**

#### **3.1 Accounting convention**

These condensed interim 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:

|                                 | <b>Years</b> |
|---------------------------------|--------------|
| 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 statement of profit or loss.

#### **3.3 Premiums**

Gross premiums written reflect amounts recognised during the period 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.

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

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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**3 Summary of significant accounting policies (continued)**

**3.4 Unearned Premiums Reserve**

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

**3.5 Claims**

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

**3.6 Incurred but not reported claims reserve (IBNR)**

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

**3.7 Unallocated Loss Adjustment Expenses Reserve (ULAE)**

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

**3.8 Unexpired Risk Reserve (URR)**

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

**3.9 Liability adequacy test**

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

**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.

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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**3 Summary of significant accounting policies (continued)**

**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 subsequent 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.

***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.

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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**3 Summary of significant accounting policies (continued)**

*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.

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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**3 Summary of significant accounting policies (continued)**

**3.12 Financial instruments (continued)**

**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.

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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**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 company 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.

# Insurance House P.J.S.C.

## Condensed Interim Financial Statements

### Notes to the condensed interim financial statements (continued)

#### For the period ended 31 March 2023

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### **3 Summary of significant accounting policies (continued)**

#### **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.

#### **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.

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 period-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.

# Insurance House P.J.S.C.

## Condensed Interim Financial Statements

### Notes to the condensed interim financial statements (continued)

#### For the period ended 31 March 2023

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### **3 Summary of significant accounting policies (continued)**

#### **3.16 Provisions, contingent liabilities and contingent assets (continued)**

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.

#### **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 condensed interim 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.

# Insurance House P.J.S.C.

## Condensed Interim Financial Statements

### Notes to the condensed interim financial statements (continued)

#### For the period ended 31 March 2023

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### **3 Summary of significant accounting policies (continued)**

#### **3.18 Leases (continued)**

##### **Measurement and recognition of leases as a lessee**

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

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

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

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

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

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

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.

# Insurance House P.J.S.C.

## Condensed Interim Financial Statements

### Notes to the condensed interim financial statements (continued)

#### For the period ended 31 March 2023

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### **3 Summary of significant accounting policies (continued)**

#### **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.

#### **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.

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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**3 Summary of significant accounting policies (continued)**

**3.24 Critical accounting estimates and judgements in applying accounting policies (continued)**

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

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

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

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

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

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

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**4 Property and equipment**

|                                      | Land<br>AED       | Building<br>AED   | Office<br>equipment and<br>decoration<br>AED | Computers<br>and software<br>AED | Motor<br>vehicles<br>AED | Capital work<br>in progress<br>AED | Total<br>AED      |
|--------------------------------------|-------------------|-------------------|----------------------------------------------|----------------------------------|--------------------------|------------------------------------|-------------------|
| <b>Cost</b>                          |                   |                   |                                              |                                  |                          |                                    |                   |
| At 1 January 2022                    | 10,390,000        | 28,571,039        | 6,111,375                                    | 3,370,661                        | 302,143                  | 6,466,653                          | 55,211,871        |
| Additions during the year            | -                 | -                 | 41,077                                       | 215,185                          | 403,495                  | 453,466                            | 1,113,223         |
| At 31 December 2022                  | 10,390,000        | 28,571,039        | 6,152,452                                    | 3,585,846                        | 705,638                  | 6,920,119                          | 56,325,094        |
| Additions during the period          | -                 | -                 | 909                                          | 34,033                           | -                        | 69,764                             | 104,760           |
| (Deletions) during the period        | -                 | -                 | -                                            | -                                | (240,000)                | -                                  | (240,000)         |
| <b>At 31 March 2023 (Un-audited)</b> | <b>10,390,000</b> | <b>28,571,039</b> | <b>6,153,361</b>                             | <b>3,619,879</b>                 | <b>465,638</b>           | <b>6,989,883</b>                   | <b>56,189,800</b> |
| <b>Accumulated Depreciation</b>      |                   |                   |                                              |                                  |                          |                                    |                   |
| At 1 January 2022                    | -                 | 2,698,376         | 5,814,848                                    | 3,135,080                        | 301,750                  | -                                  | 11,950,054        |
| Charge for the year                  | -                 | 952,368           | 203,051                                      | 166,341                          | 42,933                   | -                                  | 1,364,693         |
| At 31 December 2022                  | -                 | 3,650,744         | 6,017,899                                    | 3,301,421                        | 344,683                  | -                                  | 13,314,747        |
| Charge for the period                | -                 | 238,092           | 24,450                                       | 41,220                           | 24,872                   | -                                  | 328,634           |
| (Disposals) for the period           | -                 | -                 | -                                            | -                                | (240,000)                | -                                  | (240,000)         |
| <b>At 31 March 2023 (Un-audited)</b> | <b>-</b>          | <b>3,888,836</b>  | <b>6,042,349</b>                             | <b>3,342,641</b>                 | <b>129,555</b>           | <b>-</b>                           | <b>13,403,381</b> |
| <b>Carrying amount</b>               |                   |                   |                                              |                                  |                          |                                    |                   |
| <b>At 31 March 2023 (Un-audited)</b> | <b>10,390,000</b> | <b>24,682,203</b> | <b>111,012</b>                               | <b>277,238</b>                   | <b>336,083</b>           | <b>6,989,883</b>                   | <b>42,786,419</b> |
| At 31 December 2022                  | 10,390,000        | 24,920,295        | 134,553                                      | 284,425                          | 360,955                  | 6,920,119                          | 43,010,347        |

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**5 Investments in financial assets**

|                                      | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|--------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>Investments carried at FVTOCI</b> |                                         |                                         |
| Quoted equity securities             | 30,996,424                              | 30,997,354                              |
| Quoted Tier 1 perpetual securities   | 1,127,802                               | 2,555,228                               |
| Unquoted Tier 1 perpetual securities | 6,950,000                               | 6,950,000                               |
|                                      | <b>39,074,226</b>                       | <b>40,502,582</b>                       |
| <b>Investments carried at FVTPL</b>  |                                         |                                         |
| Quoted equity securities             | 5,782,590                               | 6,948,829                               |
| Unquoted debt securities             | 7,000,000                               | 7,000,000                               |
|                                      | <b>12,782,590</b>                       | <b>13,948,829</b>                       |

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

|                                                        | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|--------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>Investments carried at FVTOCI</b>                   |                                         |                                         |
| Fair value at 1 January                                | 40,502,582                              | 51,296,714                              |
| Additions                                              | -                                       | 11,330,115                              |
| Disposals                                              | (1,439,939)                             | (21,732,807)                            |
| Change in fair value                                   | 11,583                                  | (391,440)                               |
| Fair value at the end of the reporting period / year   | <b>39,074,226</b>                       | <b>40,502,582</b>                       |
| <b>Investments carried at FVTPL</b>                    |                                         |                                         |
| Fair value at 1 January                                | 13,948,829                              | 12,249,031                              |
| Additions                                              | 3,000,001                               | 10,119,102                              |
| Disposals                                              | (3,620,001)                             | (9,323,263)                             |
| Change in fair value taken to profit or loss (note 14) | (546,239)                               | 903,959                                 |
| Fair value at the end of the reporting period / year   | <b>12,782,590</b>                       | <b>13,948,829</b>                       |

The geographical distribution of investments is as follows:

|                                                | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Quoted UAE equity securities                   | 35,632,976                              | 36,674,355                              |
| Quoted outside UAE Tier 1 Perpetual securities | 1,127,802                               | 2,555,227                               |
| Unquoted UAE debt securities                   | 7,000,000                               | 7,000,000                               |
| Unquoted UAE Tier 1 securities                 | 6,950,000                               | 6,950,000                               |
| Quoted outside UAE equity securities           | 1,146,038                               | 1,271,829                               |
|                                                | <b>51,856,816</b>                       | <b>54,451,411</b>                       |

# Insurance House P.J.S.C.

## Condensed Interim Financial Statements

### Notes to the condensed interim financial statements (continued)

#### For the period ended 31 March 2023

#### 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 condensed interim 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). Management has determined the fair value of these unquoted investments by applying an appropriate risk adjusted liquidity discount on the net assets of the investee companies.

|                                        | Note | Level 1<br>AED    | Level 2<br>AED | Level 3<br>AED   | Total<br>AED      |
|----------------------------------------|------|-------------------|----------------|------------------|-------------------|
| <b>31 March 2023 (Un-audited)</b>      |      |                   |                |                  |                   |
| <b>Investments at FVTOCI</b>           |      |                   |                |                  |                   |
| Investment in quoted securities        | (a)  | 30,996,424        | -              | -                | 30,996,424        |
| Quoted Tier 1 perpetual securities     |      | 1,127,802         | -              | -                | 1,127,802         |
| Unquoted Tier 1 perpetual securities   |      | -                 | -              | 6,950,000        | 6,950,000         |
|                                        |      | <u>32,124,226</u> | <u>-</u>       | <u>6,950,000</u> | <u>39,074,226</u> |
| <b>Investments at FVTPL</b>            |      |                   |                |                  |                   |
| Investment in quoted equity securities | (a)  | 5,782,590         | -              | -                | 5,782,590         |
| Unquoted Tier 1 perpetual securities   |      | -                 | -              | 7,000,000        | 7,000,000         |
|                                        |      | <u>5,782,590</u>  | <u>-</u>       | <u>7,000,000</u> | <u>12,782,590</u> |
| <b>31 December 2022 (Audited)</b>      |      |                   |                |                  |                   |
| <b>Investments at FVTOCI</b>           |      |                   |                |                  |                   |
| Investment in quoted securities        | (a)  | 30,997,354        | -              | -                | 30,997,354        |
| Quoted Tier 1 perpetual securities     |      | 2,555,228         | -              | -                | 2,555,228         |
| Unquoted Tier 1 perpetual securities   |      | -                 | -              | 6,950,000        | 6,950,000         |
|                                        |      | <u>33,552,582</u> | <u>-</u>       | <u>6,950,000</u> | <u>40,502,582</u> |
| <b>Investments at FVTPL</b>            |      |                   |                |                  |                   |
| Investment in quoted equity securities | (a)  | 6,948,829         | -              | -                | 6,948,829         |
| Unquoted Tier 1 perpetual securities   |      | -                 | -              | 7,000,000        | 7,000,000         |
|                                        |      | <u>6,948,829</u>  | <u>-</u>       | <u>7,000,000</u> | <u>13,948,829</u> |

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

During the period, 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.

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**6 Statutory deposits**

In accordance with the requirement of Federal Law No. 6 of 2007, as amended, concerning Insurance Companies and Agents, the Company maintains a bank deposit amounting to AED 6,000,000 as of 31 March 2023 (31 December 2022: AED 6,000,000) and it cannot be utilized without the consent of the Central Bank of the U.A.E. ("CBUAE").

**7 Premium and insurance balances receivable**

|                                                        | (Un-audited)<br>31 March<br>2023<br>AED | (Restated)<br>31 December<br>2022<br>AED |
|--------------------------------------------------------|-----------------------------------------|------------------------------------------|
| Due from policyholders                                 | 66,567,594                              | 49,374,608                               |
| Due from insurance and reinsurance companies (Note 23) | 43,335,025                              | 35,813,770                               |
| Due from brokers and agencies                          | 10,682,229                              | 12,931,714                               |
| Due from related parties (Note 18)                     | 4,434,570                               | 4,271,318                                |
|                                                        | <u>125,019,418</u>                      | <u>102,391,410</u>                       |
| Expected credit loss                                   | (9,222,670)                             | (9,110,170)                              |
|                                                        | <u>115,796,748</u>                      | <u>93,281,240</u>                        |
| Refundable deposits and other advances                 | 142,802                                 | 184,988                                  |
| Premium and insurance balances receivables – net       | <u>115,939,550</u>                      | <u>93,466,228</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:

|                                              | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|----------------------------------------------|-----------------------------------------|-----------------------------------------|
| Due from policyholders                       | 66,567,594                              | 49,374,608                              |
| Due from brokers and agencies                | 10,682,229                              | 12,931,714                              |
| Due from insurance and reinsurance companies | 10,145,854                              | 3,219,928                               |
| Total                                        | <u>87,395,677</u>                       | <u>65,526,250</u>                       |

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

|                    | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|--------------------|-----------------------------------------|-----------------------------------------|
| 0 – 30 Days        | 26,097,710                              | 4,514,747                               |
| 31 - 90 days       | 31,579,102                              | 39,055,760                              |
| 91 - 180 days      | 6,163,208                               | 6,764,273                               |
| 181 - 270 days     | 5,745,807                               | 1,887,228                               |
| 271 - 360 days     | 1,294,051                               | 2,547,093                               |
| More than 360 days | 16,515,799                              | 10,757,149                              |
| Total              | <u>87,395,677</u>                       | <u>65,526,250</u>                       |

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**7 Premium and insurance balances receivables (continued)**

**Outside UAE:**

|                                              | (Un-audited)<br>31 March<br>2023<br>AED | (Restated)<br>31 December<br>2022<br>AED |
|----------------------------------------------|-----------------------------------------|------------------------------------------|
| Due from insurance and reinsurance companies | 33,189,171                              | 32,593,842                               |

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

|            | (Un-audited)<br>31 March<br>2023<br>AED | (Restated)<br>31 December<br>2022<br>AED |
|------------|-----------------------------------------|------------------------------------------|
| 31-90 days | 33,189,171                              | 32,593,842                               |

**Expected credit loss**

|                              | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|------------------------------|-----------------------------------------|-----------------------------------------|
| Beginning balance            | (9,110,170)                             | (9,110,170)                             |
| Charge for the period / year | (112,500)                               | -                                       |
| Ending balance               | (9,222,670)                             | (9,110,170)                             |

**8 Other receivables and prepayments**

|                            | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|----------------------------|-----------------------------------------|-----------------------------------------|
| Deferred acquisition costs | 28,849,410                              | 35,888,339                              |
| Prepayments                | 7,697,247                               | 8,487,851                               |
| Rent receivable            | 1,428,778                               | 1,613,778                               |
| Dividend receivable        | 825,917                                 | -                                       |
| Accrued interest income    | 1,036,398                               | 954,103                                 |
| Guarantee deposits         | 925,814                                 | 931,292                                 |
| Other advances             | 349,685                                 | 349,684                                 |
|                            | 41,113,249                              | 48,225,047                              |

# Insurance House P.J.S.C.

## Condensed Interim Financial Statements

### Notes to the condensed interim financial statements (continued)

#### For the period ended 31 March 2023

#### 9 Cash and cash equivalents

|                                                                          | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|--------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Cash on hand                                                             | 5,000                                   | 5,000                                   |
| Cash at banks - current accounts                                         | 10,332,945                              | 16,102,533                              |
| Cash at bank - call account                                              | 10,581,680                              | 15,318,930                              |
| Fixed deposits                                                           | 14,000,000                              | 24,504,440                              |
| Cash and bank balances                                                   | 34,919,625                              | 55,930,903                              |
| Less: fixed deposits with an original maturity of more than three months | (14,000,000)                            | (14,000,000)                            |
| Cash and cash equivalents                                                | 20,919,625                              | 41,930,903                              |

- i. Cash at banks includes current accounts and call account balances amounting to AED 5,222,360 as of 31 March 2023 held with a financial institution which is a related party (call account balances are interest bearing) (31 December 2022: AED 9,113,164).
- ii. Bank fixed deposits as of 31 March 2023 amounting to AED 14,000,000 (31 December 2022: AED 24,504,440) carry interest rates of 5.25% p.a. (31 December 2022: 4.75% - 5.25% p.a.).

#### 10 Capital and reserves

##### Share capital

|                                          | 2023<br>AED | 2022<br>AED |
|------------------------------------------|-------------|-------------|
| <i>Authorised, issue and fully paid:</i> |             |             |
| 118,780,500 shares of AED 1 each         | 118,780,500 | 118,780,500 |

##### Tier 1 capital

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

##### Statutory reserve

In accordance with the UAE Federal Law No. 32 of 2021, concerning Commercial Companies and the Company's Articles of Association, 5% of profit is to be transferred to non-distributable legal reserve until the balance of the legal reserve equals 50% of the Company's paid up share capital. This reserve is not available for dividend distribution.

##### Reinsurance reserve

In accordance with Article (34) to Insurance Authority's Board of Directors Decision No (23) of 2019, insurance companies incorporated in the State and licensed by the Central Bank of the United Arab Emirates ("CBUAE") shall bind in the preparation of its annual financial statements and its final accounts to allocate an amount equal to 0.5% (Five per thousand) of the total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom

the Company deals to pay what is due to the Company or default in its financial position. The provision shall be accounted year after year based on the reinsurance premiums ceded and many not be disposed of without the written approval of the Assistant Governor of the Banking and Insurance Supervision Department of CBUAE. The decision was effective from 1 December 2020. Accordingly, an amount of AED 650,848 (31 December 2022: 650,848) has been recorded in equity as a reinsurance default risk reserve.

## Treasury Shares

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

## 11 Provision for employees' end-of-service benefits

|                                         | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| Balance as at 1 January                 | 3,208,318                               | 2,883,016                               |
| Charges during the period / year        | 162,908                                 | 667,476                                 |
| Benefits paid during the period / year  | (124,634)                               | (342,174)                               |
| Balance at the end of the period / year | <u>3,246,592</u>                        | <u>3,208,318</u>                        |

## 12 Insurance and other payables

|                      | (Un-audited)<br>31 March<br>2023<br>AED | (Restated)<br>31 December<br>2022<br>AED |
|----------------------|-----------------------------------------|------------------------------------------|
| Payables-inside UAE  | 89,650,695                              | 85,108,040                               |
| Payables-outside UAE | 32,544,177                              | 34,303,699                               |
|                      | <u>122,194,872</u>                      | <u>119,411,739</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:

|                                            | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|--------------------------------------------|-----------------------------------------|-----------------------------------------|
| Due to insurance and reinsurance companies | 33,626,339                              | 31,675,000                              |
| Due to brokers and agents                  | 18,935,976                              | 15,628,083                              |
| Related party payables (Note 18)           | 14,678,799                              | 14,047,973                              |
| Claims payable                             | 8,186,186                               | 13,166,912                              |
| Due to policyholders                       | 8,300,626                               | 5,981,492                               |
| Unearned commission on premium ceded       | 757,625                                 | 258,887                                 |
| Due to reinsurance companies – inside UAE  | 368,562                                 | 242,673                                 |
| VAT output tax payable (Net)               | 545,827                                 | -                                       |
| Other accrued expenses                     | 4,250,755                               | 4,107,020                               |
|                                            | <u>89,650,695</u>                       | <u>85,108,040</u>                       |

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**12 Insurance and other payables (continued)**

Outside UAE:

|                                            | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|--------------------------------------------|-----------------------------------------|-----------------------------------------|
| Funds held for reinsurers                  | 8,663,428                               | 5,613,877                               |
| Due to insurance and reinsurance companies | 23,880,749                              | 28,689,822                              |
|                                            | <u>32,544,177</u>                       | <u>34,303,699</u>                       |

**13 Technical reserves**

|                                                | (Un-audited)<br>31 March<br>2023<br>AED | (Audited)<br>31 December<br>2022<br>AED |
|------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>Insurance liabilities – gross</b>           |                                         |                                         |
| Unearned premiums reserve                      | 120,467,299                             | 112,656,717                             |
| Claims under settlement reserves               | 53,613,171                              | 52,137,577                              |
| Incurred but not reported claims reserve       | 36,164,493                              | 36,186,621                              |
| Unexpired risk reserve                         | 8,176,508                               | 568,447                                 |
| Unallocated loss adjustment expenses reserve   | 2,837,405                               | 2,776,442                               |
|                                                | <u>221,258,876</u>                      | <u>204,325,804</u>                      |
| <b>Reinsurance share of outstanding claims</b> |                                         |                                         |
| Unearned premiums reserve                      | 67,083,505                              | 58,903,899                              |
| Claims under settlement reserves               | 25,982,402                              | 26,579,396                              |
| Incurred but not reported claims reserve       | 21,798,873                              | 17,094,338                              |
|                                                | <u>114,864,780</u>                      | <u>102,577,633</u>                      |
| <b>Insurance liabilities – net</b>             |                                         |                                         |
| Unearned premiums reserve                      | 53,383,794                              | 53,752,818                              |
| Claims under settlement reserves               | 27,630,769                              | 25,558,181                              |
| Incurred but not reported claims reserve       | 14,365,620                              | 19,092,283                              |
| Unexpired risk reserve                         | 8,176,508                               | 568,447                                 |
| Unallocated loss adjustment expenses reserve   | 2,837,405                               | 2,776,442                               |
|                                                | <u>106,394,096</u>                      | <u>101,748,171</u>                      |

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**14 Income from investments**

|                                                                                | (Un-audited)<br>Three months<br>period ended<br>31 March<br>2023<br>AED | (Un-Audited)<br>Three months<br>period ended<br>31 March<br>2022<br>AED |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Dividend income on investment in financial assets                              | 989,915                                                                 | 1,405,483                                                               |
| Interest income from fixed income securities                                   | 209,728                                                                 | 183,934                                                                 |
| Interest income on fixed deposits and call account (net)                       | 358,640                                                                 | 229,256                                                                 |
| Realized gain on sale of investments carried at FVTPL                          | 611,027                                                                 | -                                                                       |
| Realized loss on sale of investments carried at FVTOCI-debt                    | -                                                                       | (11,466)                                                                |
| Reclassification of unrealized loss on disposal of investment at FVTOCI – debt | -                                                                       | (23,225)                                                                |
| Unrealized gain on revaluation of investments (FVTPL)                          | (546,239)                                                               | 665,519                                                                 |
|                                                                                | <b>1,623,071</b>                                                        | <b>2,449,501</b>                                                        |

**15 General and administrative expenses**

|                                                 | (Un-audited)<br>Three months<br>period ended<br>31 March<br>2023<br>AED | (Un-audited)<br>Three months<br>period ended<br>31 March<br>2022<br>AED |
|-------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Salaries and related benefits                   | 5,977,289                                                               | 5,942,253                                                               |
| Management fees                                 | 1,693,296                                                               | 1,625,001                                                               |
| Government fees                                 | 834,298                                                                 | 655,254                                                                 |
| Depreciation of property and equipment (Note 4) | 328,634                                                                 | 357,070                                                                 |
| Telephone and postage                           | 123,320                                                                 | 202,066                                                                 |
| Bank charges                                    | 20,419                                                                  | 20,049                                                                  |
| Other general expenses                          | 1,722,520                                                               | 1,068,959                                                               |
|                                                 | <b>10,699,776</b>                                                       | <b>9,870,652</b>                                                        |

# Insurance House P.J.S.C.

## Condensed Interim Financial Statements

### Notes to the condensed interim financial statements (continued)

#### For the period ended 31 March 2023

#### 16 Earnings per share – Basic and diluted

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

|                                                                                  | (Un-audited)<br>Three months<br>period ended<br>31 March<br>2023 | (Un-audited)-<br>Restated<br>Three months<br>period ended<br>31 March<br>2022 |
|----------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------|
| <b>Earnings (AED):</b>                                                           |                                                                  |                                                                               |
| Net loss for the period                                                          | (15,707,577)                                                     | (6,478,605)                                                                   |
| <b>Number of shares:</b>                                                         |                                                                  |                                                                               |
| Weighted average number of ordinary shares for the purpose of earnings per share | 118,780,500                                                      | 118,780,500                                                                   |
| <b>Loss per share (AED):</b>                                                     |                                                                  |                                                                               |
| Basic and diluted                                                                | (0.13)                                                           | (0.05)                                                                        |

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.

##### 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 period to period from the estimate established using statistical techniques.

# Insurance House P.J.S.C.

## Condensed Interim Financial Statements

### Notes to the condensed interim financial statements (continued)

#### For the period ended 31 March 2023

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#### 17 Risk management (continued)

##### Insurance risk (continued)

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

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

##### Capital risk

The Company's objectives when managing capital are:

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

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

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

|                                       | (Un-audited)<br>31 March 2023 | (Restated)<br>31 December<br>2022 |
|---------------------------------------|-------------------------------|-----------------------------------|
|                                       | AED                           | AED                               |
| Total capital and reserves            | 60,780,099                    | 76,715,708                        |
| Minimum regulatory capital (Note 1.1) | 100,000,000                   | 100,000,000                       |

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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**17 Risk management (continued)**

**Credit risk**

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

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

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

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

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

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

The carrying amount of financial assets recorded in the condensed interim 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, 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 period. 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

## 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 March 2023.

|                                     | Less<br>than 1 year<br>AED | More<br>than 1 year<br>AED | Total<br>AED       |
|-------------------------------------|----------------------------|----------------------------|--------------------|
| <b><u>Financial assets</u></b>      |                            |                            |                    |
| Interest bearing                    | 20,919,626                 | 14,127,802                 | 35,047,428         |
| Non-interest bearing                | 279,099,935                | -                          | 279,099,935        |
|                                     | <b>314,417,363</b>         | <b>14,127,802</b>          | <b>314,417,363</b> |
| <b><u>Financial liabilities</u></b> |                            |                            |                    |
| Non-interest bearing                | 174,504,596                | -                          | 174,504,596        |

The following table shows the maturity dates of Company's financial assets and liabilities as at 31 December 2022 (Restated).

|                                     | Less<br>than 1 year<br>AED | More<br>than 1 year<br>AED | Total<br>AED       |
|-------------------------------------|----------------------------|----------------------------|--------------------|
| <b><u>Financial assets</u></b>      |                            |                            |                    |
| Interest bearing                    | 55,930,903                 | 15,555,227                 | 71,486,130         |
| Non-interest bearing                | 251,263,704                | -                          | 251,263,704        |
|                                     | <b>307,194,607</b>         | <b>15,555,227</b>          | <b>322,749,834</b> |
| <b><u>Financial liabilities</u></b> |                            |                            |                    |
| Non-interest bearing                | 171,551,685                | -                          | 171,551,685        |

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**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:

|                                                   | (Un-audited)<br>31 March 2023<br>AED | (Audited)<br>31 December 2022<br>AED |
|---------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Premium and insurance balances receivables</b> |                                      |                                      |
| <i>Shareholder</i>                                |                                      |                                      |
| Finance House P.J.S.C                             | 4,394,867                            | 4,245,137                            |
| <i>Others</i>                                     |                                      |                                      |
| Finance House L.L.C                               | 15,933                               | 15,933                               |
| Abdul Hamid Umer Taylor                           | 19,531                               | -                                    |
| Finance House Securities L.L.C.                   | 4,239                                | 10,248                               |
|                                                   | 4,434,570                            | 4,271,318                            |
| <b>Insurance and other payables</b>               |                                      |                                      |
| <i>Shareholder</i>                                |                                      |                                      |
| Finance House P.J.S.C                             | 13,787,500                           | 12,000,000                           |
| <i>Others</i>                                     |                                      |                                      |
| FH Capital P.S.C                                  | 891,299                              | 2,047,973                            |
|                                                   | 14,678,799                           | 14,047,973                           |
| <b>Investments</b>                                |                                      |                                      |
| <i>Shareholder</i>                                |                                      |                                      |
| Finance House PJSC – Sukuks                       | 6,950,000                            | 6,950,000                            |
| <i>Others</i>                                     |                                      |                                      |
| Finance House Securities LLC – Commercial papers  | 7,000,000                            | 7,000,000                            |
|                                                   | 13,950,000                           | 13,950,000                           |
| <b>Cash and cash equivalents</b>                  |                                      |                                      |
| <i>Shareholder</i>                                |                                      |                                      |
| Cash at banks - current accounts                  | 173,024                              | 173,177                              |
| Cash at bank - call account                       | 5,049,336                            | 9,113,164                            |
| Cash at banks – fixed deposit                     | 14,000,00                            | 14,000,000                           |
| <i>Others</i>                                     |                                      |                                      |
| Cash at banks - current accounts                  | 119,253                              | 119,353                              |
|                                                   | 19,341,613                           | 23,405,694                           |
| <b>Tier 1 capital</b>                             |                                      |                                      |
| <i>Others</i>                                     |                                      |                                      |
| Abdul Hamid Umer Taylor                           | 2,000,000                            | 2,000,000                            |
| Abdumajeed Al Fahim                               | 500,000                              | 500,000                              |
|                                                   | 2,500,000                            | 2,500,000                            |

Finance House P.J.S.C is one of the major shareholders of the company as of 31 March 2023. FH Capital, Finance House Securities L.L.C and Finance House L.L.C. are subsidiaries of Finance House P.J.S.C.

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**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:

|                                            | (Un-audited)<br>Three months<br>period ended<br>31 March 2023<br>AED | (Un-audited)<br>Three months<br>period ended<br>31 March 2022<br>AED |
|--------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| <b>Finance House P.J.S.C</b>               |                                                                      |                                                                      |
| Gross premiums written                     | 679,754                                                              | 433,633                                                              |
| Interest on Fixed deposit                  | 183,750                                                              | 154,980                                                              |
| Management fee                             | 1,500,000                                                            | 1,500,000                                                            |
| <b>Finance House Securities</b>            |                                                                      |                                                                      |
| Purchase of shares                         | -                                                                    | 7,249,865                                                            |
| Disposal of shares                         | 4,215,718                                                            | -                                                                    |
| Gross premium written                      | 6,383                                                                | 10,538                                                               |
| Interest on investment in commercial paper | 65,774                                                               | 50,361                                                               |
| <b>Finance House LLC</b>                   |                                                                      |                                                                      |
| Interest on Sukuk                          | 105,800                                                              | 103,449                                                              |
| <b>CAPM Investment PSC</b>                 |                                                                      |                                                                      |
| Service fees                               | 193,296                                                              | 125,001                                                              |

**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.

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**19 Segment information (continued)**

**Primary segment information - business segment**

|                                 | Three months period ended<br>31 March 2023 (Un-audited)<br>AED |                    |                     | Three months period ended<br>31 March 2022 (Un-Audited)- Restated<br>AED |                    |                    |
|---------------------------------|----------------------------------------------------------------|--------------------|---------------------|--------------------------------------------------------------------------|--------------------|--------------------|
|                                 | <u>Underwriting</u>                                            | <u>Investments</u> | <u>Total</u>        | <u>Underwriting</u>                                                      | <u>Investments</u> | <u>Total</u>       |
| Segment revenue                 | 74,656,099                                                     | 1,623,071          | 76,279,170          | 96,067,053                                                               | 2,449,501          | 98,516,554         |
| Segment result                  | (7,569,207)                                                    | 1,623,071          | (5,946,136)         | 942,546                                                                  | 2,449,501          | 3,392,047          |
| Unallocated income/expense, net |                                                                |                    | (9,761,441)         |                                                                          |                    | (9,870,652)        |
| Net profit for the period       |                                                                |                    | <u>(15,707,577)</u> |                                                                          |                    | <u>(6,478,605)</u> |

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

|                                    | 31 March 2023<br>AED (Un-audited) |                    |                    | 31 December 2022<br>AED (Audited)-Restated |                    |                    |
|------------------------------------|-----------------------------------|--------------------|--------------------|--------------------------------------------|--------------------|--------------------|
|                                    | <u>Underwriting</u>               | <u>Investments</u> | <u>Total</u>       | <u>Underwriting</u>                        | <u>Investments</u> | <u>Total</u>       |
| Segment assets                     | 310,137,407                       | 76,423,407         | 386,560,814        | 283,430,398                                | 88,804,708         | 372,235,106        |
| Unallocated assets                 |                                   |                    | 20,919,625         |                                            |                    | 31,426,463         |
| Total assets                       |                                   |                    | <u>407,480,439</u> |                                            |                    | <u>403,661,569</u> |
| Segment liabilities and equity     | 396,953,544                       | 7,280,303          | 404,233,847        | 393,254,282                                | 7,198,969          | 400,453,251        |
| Unallocated liabilities and equity |                                   |                    | 3,246,592          |                                            |                    | 3,208,318          |
| Total liabilities and equity       |                                   |                    | <u>407,480,439</u> |                                            |                    | <u>403,661,569</u> |

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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**19 Segment information (continued)**

b) Secondary segment information – revenue from underwriting departments

The following is an analysis of the Company's revenues (gross written premiums and commission income) classified by major underwriting department.

|                                | (Un-audited)<br>Three months<br>period ended 31<br>March 2023<br>AED | (Un-audited)<br>Three months<br>period ended 31<br>March 2022<br>AED |
|--------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| Non – Marine                   | 32,075,860                                                           | 48,281,910                                                           |
| Marine                         | 161,820                                                              | 171,178                                                              |
| Medical and personal assurance | 42,418,419                                                           | 47,613,965                                                           |
|                                | <u>74,656,099</u>                                                    | <u>96,067,053</u>                                                    |

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

**20 Commitments and contingencies**

The Company's bankers have issued in the normal course of business letters of guarantee in favor of third parties amounting to AED 6.9 million (31 December 2022: AED 6.9 million).

**21 Subsequent events**

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

**22 General**

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

**23 Restatement**

During the current period, Management has identified errors in the accounting of transactions related to the reinsurance business of medical and personal assurance for prior periods. Management is in the process of appointing an independent consultant to investigate these errors along with the quantitative impact. However, Management has carried out internal assessment and provisionally assessed the impact on a best estimate basis and accounted for reversal of receivable from reinsurance contract aggregating AED 69,343,226 as at 31 December 2022 with corresponding impact to Accumulated Losses.

In accordance with the requirements of 'IAS 1 Presentation of Financial Statements' and 'IAS 8 Accounting policies, Changes in Accounting Estimates and Errors', the prior period errors have been corrected retrospectively by restating the relevant comparative balances in the condensed interim financial statements.

Refer table below for details of restatement.

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

**a) Restatement as at January 1, 2022**

|                                           | <b>1 January 2022<br/>Previously<br/>reported<br/>AED</b> | <b>Adjustment<br/>AED</b> | <b>1 January 2022<br/>Restated<br/>AED</b> |
|-------------------------------------------|-----------------------------------------------------------|---------------------------|--------------------------------------------|
| <b>Financial Statement Level Item</b>     |                                                           |                           |                                            |
| Premium and insurance balances receivable | 101,172,076                                               | (25,492,603)              | 75,679,473                                 |
| Accumulated losses                        | (7,548,693)                                               | (52,866,070)              | (60,414,763)                               |
| Insurance and other payables              | 69,390,241                                                | 27,373,467                | 96,763,708                                 |

**b) Restatement as at December 31, 2022**

|                                                                   | <b>31 December<br/>2022<br/>Previously<br/>reported</b> | <b>Adjustment</b> | <b>31 December<br/>2022<br/>Restated</b> |
|-------------------------------------------------------------------|---------------------------------------------------------|-------------------|------------------------------------------|
| <b>Financial Statement Level Item</b>                             |                                                         |                   |                                          |
| Premium and insurance balances receivable                         | 149,636,812                                             | (56,170,584)      | 93,466,228                               |
| Insurance and other payables                                      | 106,239,097                                             | 13,172,642        | 119,411,739                              |
| <b>Retained Earnings/ (Accumulated losses)</b>                    |                                                         |                   |                                          |
| Opening retained earnings/(losses)                                | (7,548,693)                                             | (52,866,070)      | (60,414,763)                             |
| Profit/(loss) for the year                                        | 4,358,311                                               | (16,477,156)      | (12,118,845)                             |
| Other movement during the year                                    | 4,207,568                                               | -                 | 4,207,568                                |
| <b>Closing balance of retained earnings/ (accumulated losses)</b> | <b>1,017,186</b>                                        | <b>-</b>          | <b>(68,326,040)</b>                      |

**c) Restatement of Statement of profit or loss for the quarter ended March 31, 2022**

|                                                           | <b>Three month<br/>period ended<br/>31 March 2022<br/>Previously<br/>reported</b> | <b>Adjustment</b>  | <b>Three month<br/>period ended<br/>31 March 2022<br/>Restated</b> |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------|
| <b>Financial Statement Line Item</b>                      |                                                                                   |                    |                                                                    |
| Gross direct claims paid                                  | (46,966,427)                                                                      | -                  | (46,966,427)                                                       |
| Reinsurance share of insurance claims and loss adjustment | 36,199,106                                                                        | (9,088,802)        | 27,110,304                                                         |
| <b>Net claims paid</b>                                    | <b>(10,767,321)</b>                                                               | <b>(9,088,802)</b> | <b>(19,856,123)</b>                                                |
| <b>Profit/(loss) for the period</b>                       | <b>2,610,197</b>                                                                  | <b>(9,088,802)</b> | <b>(6,478,605)</b>                                                 |
| <b>Total comprehensive income for the period</b>          | <b>7,989,520</b>                                                                  | <b>(9,088,802)</b> | <b>(1,099,282)</b>                                                 |

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

**Notes to the condensed interim financial statements (continued)**  
**For the period ended 31 March 2023**

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**24 Approval of condensed interim financial statements**

The condensed interim financial statements were approved and authorized for issue by the Board of Directors on 11 May 2023.