



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

Chairman's Report for the nine months ended 30 September 2023

On behalf of the Board of Directors, I present the condensed interim financial statements of Insurance House PJSC (IH) as at 30 September 2023 and the results of its operations for the nine months ended 30 September 2023.

IH has registered a Total Comprehensive Loss of AED 29.75 million in the first nine months of 2023, compared to a Total Comprehensive Loss of AED 11.84 million, in the corresponding period of the previous year. The current year's losses were primarily 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. The new IH Management has already taken necessary corrective actions to restore the health of this portfolio and expects improved results going forward.

In line with IFRS 17, Insurance Revenue for the first nine months of 2023 was higher by 4.3% at AED 185.05 million compared to AED 177.46 million in the corresponding period of the previous year. Insurance Service Expenses were lower by 1.9% at AED 228.69 million compared to AED 233.19 million in the corresponding period of the previous year. As a result of the above, Insurance Service Result (before adjustments for Reinsurance Contracts Issued) for the first nine months of 2023 was a negative AED 43.64 million compared to a negative AED 55.72 million in the corresponding period of the previous year. Insurance Service Result (after adjustments for Reinsurance Contracts Held) for the first nine months of 2023, was a loss of AED 33.44 million, compared to a loss of AED 15.91 million in the corresponding period of the previous year.

Net Income from Investments was higher at AED 6.44 million in the first nine months of 2023, compared to AED 5.25 million in the corresponding period of the previous year. Due to unsettled global economic conditions, we expect local & global equity and fixed income markets to remain volatile for the rest of the year.

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



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The adoption of IFRS 17 with effect from 1 Jan 2023 has resulted in a one-time adjustment of circa AED 9.62 million to the opening Shareholders' Equity as of 1 Jan 2023.

The unhealthy price competition amongst insurance companies and the one-time adjustment stated above are temporary setbacks to our growth momentum in the near term. However, we have a very competent and highly qualified new senior management team in IH, which has already started executing a meticulously planned, comprehensive Recovery Plan. 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

13 November 2023



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