



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

## Chairman's Report for the financial year ended 31 December 2023

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

The UAE Insurance Industry in general, had to endure yet another challenging year that forced insurance companies to recalibrate their business strategies, fine tune their pricing models and sharpen their service delivery capabilities, in order to stay profitable, improve customer satisfaction and enhance shareholder value.

In addition to coping with industrywide challenges, IH Management identified material errors in the process of recording transactions covering a) reinsurance share of premium, b) reinsurance share of loss adjustment and c) commission income relating to reinsurance of medical stream, all related to prior accounting periods. To fix these accounting errors, IH had to reverse Reinsurance receivable from reinsurers amounting to circa AED 69 million on a retrospective basis, by restating the comparative financial statements with corresponding impact on Accumulated Losses. Further, the adoption of IFRS 17 with effect from 1 Jan 2023 has also resulted in a one-time adjustment of circa AED 9.94 million to the opening Shareholders' Equity as of 1 Jan 2023.

For the year ended 31 December 2023, IH has registered a Total Comprehensive Loss of AED 41.01 million, compared to a Total Comprehensive Loss of AED 28.35 million in 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. 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 year ended 31 December 2023 was slightly lower at AED 242.95 million compared to AED 249.97 million in the previous year. Insurance Service Expenses for the full year 2023 were lower at AED 270.14 million compared to AED 313.58 million in the previous year. As

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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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of result of the above, Insurance Service Result (before adjustments for Reinsurance Contracts Issued) for the full year 2023 was a negative AED 27.19 million compared to a negative AED 63.60 million in the previous year. Insurance Service Result (after adjustments for Reinsurance Contracts Held) for the full year 2023, was a loss of AED 42.33 million, compared to a loss of AED 31.39 million in the previous year.

Net Income from Investments was lower at AED 4.74 million for the full year 2023, compared to AED 5.48 million in the previous year.

Cash & cash equivalents as of 31 December 2023 stood at a robust 17.4% of Total Assets, highlighting our conservative approach to liquidity management, and the sound liquidity position of the Company.

The unhealthy price competition amongst insurance companies and the material accounting errors stated above are temporary setbacks to our growth momentum in the near term. IH has already started executing a meticulously planned Comprehensive Recovery Plan. We are confident that with continued shareholder support and the dedication of IH Management & 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 & pricing models and enhanced claims management processes.

On behalf of the Board of Directors,

**Mohammed Abdulla Jumaa Alqubaisi**  
Chairman

Abu Dhabi

29 March 2024

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