

Insurance House P.J.S.C.

Reports and condensed interim financial statements
(Un-audited)

For the three months period ended 31 March 2025

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

Chairman's Report for the three months ended 31 March 2025

On behalf of the Board of Directors, I am pleased to present the condensed interim financial statements of Insurance House P.J.S.C. (IH) as at 31 March 2025 and the results of its operations for the three months ended 31 March 2025.

IH has registered a remarkable turnaround in its operational performance, with a Total Comprehensive Income of AED 796K in the first quarter of 2025, compared to a Total Comprehensive Loss of AED 6.89 million in the corresponding period of the previous year. The overhang of the unprofitable Motor business underwritten in the previous periods and the impact of unfavorable reinsurance treaties of the past are finally coming to an end. Going forward, the IH Management is confident of achieving significantly improved Net Insurance results from all major lines of business.

Whilst strictly adhering to our strategy of underwriting better-quality business, Insurance Revenue for the first three months of 2025 soared by 45% to AED 86.79 million compared to AED 59.86 million in the corresponding period of the previous year. Despite this record-breaking top-line growth, Insurance Service Expenses were only slightly higher at AED 92.77 million compared to AED 87.18 million in the corresponding period of the previous year. As of result of the above, Insurance Service Result (before adjustments for Reinsurance Contracts Issued) for the first quarter of 2025 significantly improved by circa AED 21.34 million, in comparison to the corresponding period of the previous year. Insurance Service Result (after adjustments for Reinsurance Contracts Held) for the first quarter of 2025, was a marginal loss of only AED 909K, compared to the loss of AED 6.75 million sustained in the corresponding period of the previous year.

Despite volatile global markets, Net Income from Investments was higher at AED 1.09 million in the first quarter of 2025, compared to AED 503K in the corresponding period of the previous year.

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

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



دار التأمين
INSURANCE HOUSE
شركة مساهمة عامة

With continued shareholder support, strategic direction of the IH Board and untiring efforts of IH Management and Staff, we are firmly on track to restore sustainable operating profitability in the calendar quarters ahead. 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
14 May 2025

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Ref: UN/ECEW/AD8031/14 MAY 2025

Report on Review of Condensed Interim Financial Statements

To
The Shareholders
Insurance House P.J.S.C
Abu Dhabi, United Arab Emirates

Introduction

We have reviewed the accompanying condensed interim financial statements of Insurance House P.J.S.C. (the "Company"), which comprise the condensed interim statement of financial position as at 31 March 2025, 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.

Emphasis of Matters

As stated in Note 1.1 of these condensed interim financial statements, the Company has accumulated losses amounting to AED 140,058,496 as at 31 March 2025 (31 December 2024: AED 140,407,541) which resulted in the erosion of equity in excess of 100%. This has led to non-compliance by the Company with the solvency ratio as required by financial regulations for insurance companies issued by Central Bank of the UAE. Our opinion is not modified in this regard.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.2 to these condensed interim financial statements which indicates that the Company has accumulated losses of AED 140,058,496 (2024: AED 140,407,541) and had negative equity of AED 1,506,404 (2024: AED 1,992,782 respectively). These events or conditions, along with other matters as set forth in Note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial statements".

For, Crowe Mak



Umesh Narayanappa
Partner

Registration number: 1234
Abu Dhabi, United Arab Emirates
14 May 2025

Insurance House P.J.S.C.
Condensed interim financial statements

Condensed interim statement of financial position as at 31 March 2025

	Notes	(Un-audited) 31 March 2025 AED	(Audited) 31 December 2024 AED
ASSETS			
Property and equipment	4	4,685,758	5,360,282
Financial assets	6	7,906,870	9,685,810
Statutory deposit	7	6,000,000	6,000,000
Reinsurance contract assets	5	150,359,952	138,384,676
Other receivables and prepayments	8	9,599,157	8,567,560
Cash and cash equivalents	9	30,653,725	39,345,217
TOTAL ASSETS		209,205,462	207,343,545
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	118,780,500	118,780,500
Tier 1 capital	10	15,000,000	15,000,000
Treasury shares	10	(4,660,318)	(4,660,318)
Accumulated losses		(140,058,496)	(140,407,541)
Reinsurance reserve	10	1,890,669	1,890,669
Investment revaluation reserve		(138,261)	(275,594)
Statutory reserve	10	7,679,502	7,679,502
TOTAL SHAREHOLDERS' EQUITY		(1,506,404)	(1,992,782)
LIABILITIES			
Provision for employees' end-of-service benefits	11	2,802,533	2,771,332
Insurance contract liabilities	5	192,086,220	194,146,215
Other payables	12	15,823,113	12,418,780
TOTAL LIABILITIES		210,711,866	209,336,327
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		209,205,462	207,343,545

These condensed interim financial statements were approved by the Board of Directors on 14 May 2025 and signed on their behalf by:



Mr. Mohammed Alqubaisi
Chairman

The notes from 1 to 22 form an integral part of these condensed interim financial statements.

The review report of the auditor is set out on page 3 to 4.

Insurance House P.J.S.C.
Condensed interim financial statements

Condensed interim statement of profit or loss and other comprehensive income for the period ended 31 March 2025

	Notes	Three months period ended 31 March 2025 AED (Un-audited)	Three months period ended 31 March 2024 AED (Un-audited)
Insurance revenue	5	86,788,646	59,857,300
Insurance service expenses	5	(92,771,450)	(87,184,625)
Insurance service result before reinsurance contracts issued		(5,982,804)	(27,327,325)
Allocation of reinsurance premiums	5	(64,096,903)	(27,836,043)
Amounts recoverable from reinsurance for incurred claims	5	69,171,205	48,415,716
Net income from reinsurance contracts held		5,074,302	20,579,673
Insurance service result		(908,502)	(6,747,652)
Investment income	13	397,426	483,775
Insurance finance expense for insurance contracts issued	5	(1,493,097)	(1,076,849)
Reinsurance finance income for reinsurance contracts held	5	1,025,478	438,239
Net insurance finance expenses		(467,619)	(638,610)
Net insurance and investment results		(978,695)	(6,902,487)
Other income and expense		1,150,961	(5,653)
Profit/Loss for the period (before tax)		172,266	(6,908,140)
Corporate tax expense		(64,376)	-
Profit/loss for the period (after tax)		107,890	(6,908,140)
Profit/(Loss) per share:			
Basic and diluted earnings per share		0.001	(0.06)

The notes from 1 to 22 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 and other comprehensive income
for the period ended 31 March 2025 (continued)**

	Three months period ended 31 March 2025 AED (Un-audited)	Three months period ended 31 March 2024 AED (Un-audited)
Profit/(Loss) for the period	107,890	(6,908,140)
Other comprehensive income/(loss)		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net fair value gain from investments at fair value through other comprehensive income – equity securities	687,863	19,640
Total comprehensive Profit/(Loss) for the period	795,753	(6,888,500)

The notes from 1 to 22 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 2025

	Share capital	Tier 1 capital	Treasury shares	Accumulated losses	Reinsurance Reserve	Investment revaluation reserve	Statutory reserve	Total shareholders' equity
	AED	AED	AED	AED	AED	AED	AED	AED
Balance at 1 January 2025 (Audited)	118,780,500	15,000,000	(4,660,318)	(140,407,541)	1,890,669	(275,594)	7,679,502	(1,992,782)
Net profit for the period	-	-	-	107,890	-	-	-	107,890
Other comprehensive income for the period	-	-	-	-	-	687,863	-	687,863
Tier 1 capital accrued coupon	-	-	-	(309,375)	-	-	-	(309,375)
Transfer of cumulative gain on disposal of investment at FVTOCI – equity	-	-	-	550,530	-	(550,530)	-	-
Balance at 31 March 2025 (Un-audited)	118,780,500	15,000,000	(4,660,318)	(140,058,496)	1,890,669	(138,261)	7,679,502	(1,506,404)
Balance at 1 January 2024 (Audited)	118,780,500	15,000,000	(4,660,318)	(119,136,157)	1,181,192	(6,069)	7,679,502	18,838,650
Net loss for the period	-	-	-	(6,908,140)	-	-	-	(6,908,140)
Other comprehensive income for the period	-	-	-	-	-	19,640	-	19,640
Tier 1 capital accrued coupon	-	-	-	(309,376)	-	-	-	(309,376)
Transfer of realized gain on disposal of investment at FVTOCI – debt	-	-	-	-	-	60,882	-	60,882
Balance at 31 March 2024 (Un-audited)	118,780,500	15,000,000	(4,660,318)	(126,353,664)	1,181,192	74,453	7,679,502	11,701,665

Insurance House P.J.S.C.
Condensed interim financial statements

Condensed interim statement of cashflow for the period ended 31 March 2025

	Notes	Three months period ended 31 March 2025 (Un-audited) AED	Three months period ended 31 March 2024 (Un-audited) AED
OPERATING ACTIVITIES			
Profit/Loss for the period		172,266	(6,908,140)
<i>Adjustments for non-cash items:</i>			
Depreciation of property and equipment	4	693,848	693,390
Realized gain on sale of investments carried at FVTPL	13	-	(103,695)
Un-realized loss/(gain) on investments measured at FVTPL	13	41,501	(4,065)
Dividends income	13	(5,640)	(39,590)
Interest income	13	(433,287)	(397,307)
Charge for employees' end-of-service benefits	11	66,428	140,037
Reclassification of unrealized loss on disposal of investment at FVTOCI	13	-	60,882
Cash generated from/(used in) operating activities		535,116	(6,558,488)
Changes in working capital			
Increase in reinsurance contract assets		(11,975,276)	(18,587,426)
(Increase)/Decrease in other receivables and prepayments		(1,031,600)	33,678,565
(Decrease)/Increase in insurance contract liabilities		(2,059,995)	5,824,828
Increase/(Decrease) in other payables	12	3,339,957	(9,226,696)
Cash generated from/used in operating activities		(11,191,798)	5,130,783
Payment for employees' end of service benefits obligation	11	(35,227)	(68,267)
Net cash generated from/(used in) operations activities		(11,227,025)	5,062,516
INVESTING ACTIVITIES			
Purchase of property and equipment	4	(19,323)	(68,435)
Purchase of investments carried at FVTPL	6	-	(252,000)
Proceeds from disposals of investments carried at FVTPL	6	-	327,600
Proceeds from disposals of investments carried at FVOCI	6	2,425,304	2,651,837
Dividends received	13	5,640	39,590
Interest received	13	433,287	397,307
Net cash generated from investing activities		2,844,908	3,095,899
FINANCING ACTIVITIES			
Tier 1 capital coupon	10	(309,375)	(309,367)
Net cash used in financing activities		(309,375)	(309,367)
Net change in cash and cash equivalents		(8,691,492)	7,849,048
Cash and cash equivalents, beginning of the period		39,345,217	37,779,645
Cash and cash equivalents, end of the period	9	30,653,725	45,628,693

Notes to the condensed interim financial statements for the period ended 31 March 2025

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 Federal Decree Law No. (48) of 2023 Regulating Insurance Activities (previously Federal Law No. 6 of 2007 as amended). The Company was established on 14 April 2011. The Company performs its activities through its head office in Abu Dhabi and branches located in Al Samha, Dubai – Sheikh Zayed Road, Sharjah, 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 31 March 2025, the Company’s accumulated losses are AED 140,058,496 (31 December 2024: 140,407,541) which resulted in erosion of equity in excess of 100% and has affected the required solvency ratio as prescribed by the Central Bank of the UAE. The management has submitted revised recovery plan for receiving principal shareholder’s guarantee of AED 100 million on 22 November 2023. On 13 December 2024 the Company has received instructions from Central Bank of the UAE for receiving a principal shareholder’s guarantee of AED 100 million from the principal shareholder, Finance House P.J.S.C. and increase of Company’s capital by AED 25 million. The company has submitted updated recovery plan to Central bank of UAE on 15 January, 2025 and awaiting approval for fulfilling the instruction requirements. The revised recovery plan has been approved by shareholders in the annual general meeting held on 22 April 2025.

1.2 Going concern

These condensed interim financial statements have been prepared on going concern basis despite the fact that the Company had accumulated losses of AED 140,058,496 (2024: AED 140,407,541) and had negative equity of AED 1,506,404 (2024: AED 1,992,782) as at 31 March 2025, which indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as going concern.

The Company’s future plan indicates that the Company will be profitable and will generate sufficient cash flow. The Company's directors are, therefore, confident that the Company will be able to meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations. Accordingly, these financial statements have been prepared on a going concern basis. The Company has prepared a recovery plan which is also submitted to Central Bank of UAE which consists of the following key reasons for the issues and planned steps to resolve them.

Key reasons for the accumulated loss leading to solvency deficit:

- The Company has not utilized technically sound pricing methodologies for the Medical and Motor lines in previous year which has ongoing impact on the results of current year.
- Sudden rise in the claims due to extraordinary natural events like heavy rain fall, flood and fire during the year.

Insurance House P.J.S.C.

Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025

1 Legal status and activities (continued)

1.2 Going concern (continued)

As at 31 March 2025, the Company's accumulated losses represent 117.91% of the share capital of the Company (31 December 2024: 118.21%) which has resulted in a solvency deficit.

As per the instruction of Central Bank of the UAE, the Company has planned the following key actions to address the solvency deficit by increasing the total Basic Own Funds i.e. Basic Own Funds and Subordinated Liabilities. The actions are as follows:

Increase in basic own funds:

- **Raise Tier 1 capital:** A capital injection of AED 25 million through Tier 1 Capital within 90 days of Central bank of UAE approval, will also increase the assets for solvency purposes.

Increase in subordinated liabilities:

- **Shareholder Guarantee:** Increase subordinated liabilities by means of a shareholder's guarantee (AED 100 million).

The company shareholder has approved the above plan in the annual general meeting held on 22 April 2025.

The company is also planning strategy and other changes in the underwriting, operations and internal control to improve the overall profitability of the business.

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 in compliance with the applicable requirements of the UAE Federal Decree Law No. 32 of 2021 ("Companies Law"), relating to commercial companies and UAE Federal Decree Law No. (48) of 2023 Regulating Insurance Activities (previously Federal Law no. 6 of 2007, as amended) concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations.

2.2 Basis of preparation

These condensed interim financial statements are prepared for the three months period ended 31 March 2025 and are presented in United Arab Emirate Dirham (AED), which is the functional currency of the Company.

The condensed interim financial statements have been prepared on historical cost basis, except for the measurement at fair value of certain financial instruments value and the provision for employees' end of service indemnity which is calculated in line with UAE labour laws.

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 International Financial Reporting Standards and should be read in conjunction with the financial statements for the year ended 31 December 2024. In addition, the results for the three months period ended 31 March 2025 are not necessarily an indication of the results that may be expected for the financial year ending 31 December 2025.

Insurance House P.J.S.C.

Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025

2 General information (continued)

2.3 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.

2.4 Standards, interpretations and amendments to existing standards

New and amended IFRS Standards that are effective for the current period

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not early adopted any of the forthcoming new or amended standards in preparing these condensed interim financial statements. Management anticipates that these standards will not have any significant impact on these financial statements.

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

New Standards or amendments	Effective date
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	1 January 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	1 January 2027

3 Material accounting policy information

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 2024, except for application of new standards effective as of 1 January 2025 and several amendments and interpretations applied for the first time in 2024 as stated in Note 2.4.

3.1 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.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company’s accounting policy. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

Notes to the condensed interim financial statements for the period ended 31 March 2025

3 Material accounting policy information (continued)

3.1 Property and equipment (continued)

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 condensed interim statement of profit or loss.

3.2 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.

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

Notes to the condensed interim financial statements for the period ended 31 March 2025

3 Material accounting policy information (continued)

3.2 Financial instruments (continued)

not reclassified from the equity reserve to condensed interim statement of profit or loss but is reclassified to retained earnings.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the condensed interim 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.

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

Investments in equity instruments are classified 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 condensed interim statement of profit or loss. Fair value is determined in the manner described in note 6.

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 for the period ended 31 March 2025

3 Material accounting policy information (continued)

3.2 Financial instruments (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 condensed interim 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. Financial liability is derecognised when it is extinguished.

3.3 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.

3.4 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 condensed interim statement of financial position date are translated to AED at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the condensed interim 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.

Notes to the condensed interim financial statements for the period ended 31 March 2025

3 Material accounting policy information (continued)

3.5 Interest income and expenses

Interest income and expense for all interest-bearing financial instruments is calculated by applying the effective interest rate to the gross carrying amount of the financial instrument, except for financial assets that have subsequently become credit-impaired (or stage 3), for which interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision) and are recognised within 'interest income' in the consolidated statement of profit or loss.

3.6 Dividend income

Dividend income from investments is recognised in the condensed interim statement of profit or loss when the Company's right to receive dividend has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

3.7 Provisions, contingent liabilities and contingent assets

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

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

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

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

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

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

3.8 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.

3.9 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.

Notes to the condensed interim financial statements for the period ended 31 March 2025

3 Material accounting policy information (continued)

3.10 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each condensed interim 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 condensed interim statement of profit or loss. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

3.11 Segment reporting

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

3.12 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 a 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.

3.13 Taxation

Current

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period.

Income tax expense is recognised in interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year/period. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year/period if the estimate of the annual income tax rate changes.

Deferred taxation

Deferred tax is accounted in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the condensed interim income statement, except in the case of

Notes to the condensed interim financial statements for the period ended 31 March 2025

3 Material accounting policy information (continued)

3.13 Taxation (continued)

items credited or charged to condensed interim other comprehensive income or equity in which case it is included in condensed interim other comprehensive income or equity.

3.14 Critical accounting estimates and judgements in applying accounting policies

In the application of the Company's accounting policies, which are described above in these condensed interim financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period.

Measurement of the expected credit loss allowance

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 and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Liability for remaining coverage

For insurance acquisition cash flows, the Company is eligible and chooses to capitalise all insurance acquisition cashflows upon payments. The effect of recognising insurance acquisition cash flows as an

Notes to the condensed interim financial statements for the period ended 31 March 2025

3 Material accounting policy information (continued)

3.14 Critical accounting estimates and judgements in applying accounting policies (continued)

expense on initial recognition of group of insurance contracts are to increase the liability for remaining coverage on initial recognition and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on initial recognition, due to expensing acquisition cashflows, offset by an increase in profit released over the coverage period. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfillment cash flows.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

Discount rates

The Company use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an illiquidity premium). The risk-free rate was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a credit rating were used. Management uses judgment to assess liquidity characteristics of the liability cash flows.

Discount rates applied for discounting of future cash flows are listed below:

	1 year		3 years		5 years		10 years		20 years	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Insurance contracts issued	5.17	6.11	4.83	5.31	4.84	5.03	4.97	4.88	5.13	4.85
Reinsurance contracts held	5.17	6.11	4.83	5.31	4.84	5.03	4.97	4.88	5.13	4.85

Notes to the condensed interim financial statements for the period ended 31 March 2025

3 Material accounting policy information (continued)

3.14 Critical accounting estimates and judgements in applying accounting policies (continued)

Risk adjustment for non-financial risk

The Company uses a Solvency II (Value at risk) type approach to determine its risk adjustment for non-financial risk. Each portfolio is matched with the most representative Solvency II LOB and an assumption is made that the prescribed standard deviation of premiums risk and reserves risk for a given Solvency II LOB is representative of the standard deviation of the portfolio LRC and LIC standard deviation respectively. Further, the Company assumes that the LRC and LIC each have a Lognormal distribution with the LIC mean matching the sum of the IBNR, OS and ULAE while the LRC mean matches the UPR of a given portfolio. The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount. The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach for different lines in the range of 60-75 percentile. That is, the Company has assessed its indifference to uncertainty for product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 60-75 percentile confidence level less the mean of an estimated probability distribution of the future cash flows.

The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Classification of investments

Management decides on acquisition of an investment whether it should be classified as of fair value through profit or loss, at fair value through other comprehensive income or at amortised cost.

Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's length market transactions;
- current fair value of another instrument that is substantially the same; and
- the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics, or other valuation models.

Provision for legal cases

Considerable judgement by management is required in the estimation for legal cases arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possibly significant, degrees of judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities.

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

4 Property and equipment

	Office equipment and decoration AED	Computers and software AED	Motor vehicles AED	Capital work in progress* AED	Total AED
Cost					
At 1 January 2024	6,432,692	3,728,050	465,638	7,303,821	17,930,201
Additions during the year	2,774	145,167	-	279,056	426,997
At 31 December 2024 (Audited)	6,435,466	3,873,217	465,638	7,582,877	18,357,198
Additions during the period	-	19,323	-	-	19,323
At 31 March 2025 (Un-audited)	6,435,466	3,892,540	465,638	7,582,877	18,376,521
Accumulated depreciation					
At 1 January 2024	6,134,443	3,464,648	205,833	405,767	10,210,691
Charge for the year	107,206	142,988	101,422	2,434,608	2,786,224
At 31 December 2024 (Audited)	6,241,649	3,607,636	307,255	2,840,375	12,996,915
Charge for the period	25,212	35,111	24,874	608,651	693,848
At 31 March 2025 (Un-audited)	6,266,861	3,642,747	332,129	3,449,026	13,690,763
Carrying amount					
At 31 March 2025 (Un-audited)	168,605	249,793	133,509	4,133,851	4,685,758
At 31 December 2024 (Audited)	193,817	265,581	158,383	4,742,502	5,360,282

* The comprehensive IH Digital Transformation Program that commenced in 2019 was planned for 5 years till 2024 (from Conception to Go Live), aimed to enhance IH's digital capabilities across motor, commercial, and medical lines of business.

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

4 Property and equipment (continued)

The project encompasses the below key elements of digital assets apart from the upgrade or replacement of the core system which is currently in progress as per the revised project roadmap. The key digital components /capabilities which are part of the program are as follows:

- User Experience Design & Customer Journey Build
- Micro-Service based Target Technical Architecture & Infrastructure
- Digital Transformation Requirements, Process and RFP
- Comprehensive Test Pack including Methodology, Test Plan
- Online Solution for Business to Business, Business to Consumer, Insurance as a Service Components, and other Digital Fabric Layer

Transformation of Core Insurance (Replacement or Upgrade) which is currently in Progress. The above components/capabilities acquired and/or completed as part of this Project (Items 1- 5 above) are all re-usable in nature and currently form the base of the Transformation of Core Insurance, which is delayed, but still in progress. This project has been delayed due to Covid – 19, change in management team / key personnel and financial distractions of 2023. It is now being re-scheduled to be completed by 2025. The Company has capital work in progress of AED 4,133,851 (31 December 2024: AED 4,742,502) as at 31 March 2025 and management expects to capitalize it upon completion of the project. Based on internal assessment, management has initiated amortizing it effective 1 November 2023 over the period of 3 years. Management has considered the impact of amortization amounting to AED 608,651 (31 December 2024: AED 2,434,608) (forming part of General and Administrative expenses) during the period.

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

5 Insurance and reinsurance contracts

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in asset position and those in a liability position is set out in the table below:

	(Un-audited) At 31 March 2025			(Audited) At 31 December 2024		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued	-	192,086,220	192,086,220	-	194,146,215	194,146,215
Reinsurance contracts held	150,359,952	-	150,359,952	138,384,676	-	138,384,676

The roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the next page:

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

5 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

2025 (Un-audited)

	Liabilities for remaining coverage Excluding loss component	Loss component	Liabilities for incurred claims Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	51,953,404	409,541	137,147,108	4,636,162	194,146,215
Net Insurance contract liabilities as at 1 January	51,953,404	409,541	137,147,108	4,636,162	194,146,215
Insurance revenue	(86,788,646)	-	-	-	(86,788,646)
Insurance service expenses	11,249,964	(409,541)	82,390,112	(459,085)	92,771,450
Incurred claims and other expenses	-	-	186,174,028	4,177,077	190,351,105
Changes to liabilities for incurred claims	-	-	(103,783,916)	(4,636,162)	(108,420,078)
Losses on onerous contracts and reversal of those losses	-	(409,541)	-	-	(409,541)
Amortisation of insurance acquisition cash flows	11,249,964	-	-	-	11,249,964
Insurance service result (gain) / loss	(75,538,682)	(409,541)	82,390,112	(459,085)	5,982,804
Insurance finance expenses through profit and loss	-	-	1,493,097	-	1,493,097
Total changes in condensed interim statement of comprehensive income	(75,538,682)	(409,541)	83,883,209	(459,085)	7,475,901
Cash flows					
Premiums received	88,912,800	-	-	-	88,912,800
Claims paid	-	-	(71,211,542)	-	(71,211,542)
Directly attributable expense paid	-	-	(13,474,120)	-	(13,474,120)
Insurance acquisition cash flows	(13,763,034)	-	-	-	(13,763,034)
Total cash flows	75,149,766	-	(84,685,662)	-	(9,535,896)
Insurance contract assets as at 31 March	-	-	-	-	-
Insurance contract liabilities as at 31 March	51,564,488	-	136,344,655	4,177,077	192,086,220
Net insurance contract liabilities as at 31 March	51,564,488	-	136,344,655	4,177,077	192,086,220

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

5 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)
2024 (Audited)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	AED	AED	AED	AED	AED
Insurance contract assets as at 1 January	(863,546)	-	386,929	14,277	(462,340)
Insurance contract liabilities as at 1 January	32,930,382	4,893,375	137,101,618	3,712,730	178,638,105
Net Insurance contract liabilities as at 1 January	32,066,836	4,893,375	137,488,547	3,727,007	178,175,765
Insurance revenue	(297,661,269)	-	-	-	(297,661,269)
Insurance service expenses	27,852,282	(4,483,835)	327,552,638	909,157	351,830,242
Incurred claims and other expenses	-	-	421,318,815	4,636,162	425,954,977
Changes to liabilities for incurred claims	-	-	(93,766,177)	(3,727,005)	(97,493,182)
Amortisation of insurance acquisition cash flows	27,852,282	-	-	-	27,852,282
Future service: Losses on onerous contracts and reversals of those losses	-	(4,483,835)	-	-	(4,483,835)
Insurance service result gain /(loss)	(269,808,987)	(4,483,835)	327,552,638	909,157	54,168,973
Insurance finance expenses through profit and loss	-	-	5,430,097	-	5,430,097
Total changes in statement of comprehensive income	(269,808,987)	(4,483,835)	332,982,735	909,157	59,599,070
Cash flows					
Premiums received	337,905,988	-	-	-	337,905,988
Claims paid	-	-	(282,175,690)	-	(282,175,690)
Directly attributable expense paid	-	-	(51,148,485)	-	(51,148,485)
Insurance acquisition cash flows	(48,210,433)	-	-	-	(48,210,433)
Total cash flows	289,695,555	-	(333,324,175)	-	(43,628,620)
Insurance contract assets as at 31 December	-	-	-	-	-
Insurance contract liabilities as at 31 December	51,953,404	409,541	137,147,108	4,636,162	194,146,215
Net insurance contract liabilities as at 31 December	51,953,404	409,541	137,147,108	4,636,162	194,146,215

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

5 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

2025 (Un-audited)

	Liabilities for remaining coverage Excluding loss component	Loss component	Liabilities for incurred claims Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January	(17,353,189)	-	(117,361,620)	(3,669,867)	(138,384,676)
Net Reinsurance contract (liabilities)/assets as at 1 January	(17,353,189)	-	(117,361,620)	(3,669,867)	(138,384,676)
Allocation of reinsurer premium	64,096,903	-	-	-	64,096,903
Net income or expense from reinsurance contracts held	(18,381,220)	-	(51,070,433)	280,448	(69,171,205)
Amount receivable for Incurred claims and other expenses	-	-	(122,953,348)	(3,389,418)	(126,342,766)
Changes that relate to past service - adjustments to LIC	-	-	71,882,915	3,669,867	75,552,782
Amortization of insurance acquisition cash flows	(18,381,220)	-	-	-	(18,381,220)
Reinsurance service result	45,715,683	-	(51,070,433)	280,448	(5,074,302)
Reinsurance finance expenses through profit and loss	-	-	(1,025,478)	-	(1,025,478)
Total changes in statement of comprehensive income	45,715,683	-	(52,095,911)	280,448	(6,099,780)
Cash flows					
Reinsurer premiums paid	(76,612,640)	-	-	-	(76,612,640)
Claim recoveries from reinsurance	-	-	50,235,248	-	50,235,248
Directly attributable expense paid	-	-	-	-	-
Acquisition cash flows recovered from reinsurance	20,501,895	-	-	-	20,501,895
Total cash flows	(56,110,745)	-	50,235,248	-	(5,875,497)
Reinsurance contract assets as at 31 March	-	-	-	-	-
Reinsurance contract liabilities as at 31 March	(27,748,251)	-	(119,222,283)	(3,389,418)	(150,359,952)
Net Reinsurance contract assets as at 31 March	(27,748,251)	-	(119,222,283)	(3,389,418)	(150,359,952)

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

5 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

2024 (Audited)

	Assets for remaining coverage Excluding loss component	Loss component	Estimates of the present value of future cash flows	Assets for incurred claims Risk adjustment	Total
	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January	43,082,898	-	66,746,412	1,622,035	111,451,345
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net Reinsurance contract assets as at 1 January	43,082,898	-	66,746,412	1,622,035	111,451,345
Allocation of reinsurance premium	(132,758,526)	-	-	-	(132,758,526)
Net income or (expense) from reinsurance contracts held	17,431,212	-	149,826,462	2,047,833	169,305,507
Incurred claims and other expenses	-	-	190,125,387	3,669,867	193,795,254
Changes that relate to past service - adjustments to LIC	-	-	(40,298,925)	(1,622,034)	(41,920,959)
Amortisation of reinsurance acquisition cash flows	17,431,212	-	-	-	17,431,212
Future Service: Loss recovery on underlying contracts	-	-	-	-	-
Reinsurance service result loss / (gain)	(115,327,314)	-	149,826,462	2,047,833	36,546,981
Reinsurance finance income through profit and loss	-	-	2,201,765	-	2,201,765
Total changes in statement of comprehensive income	(115,327,314)	-	152,028,227	2,047,833	38,748,746
Cash flows					
Reinsurer premiums paid	109,985,675	-	-	-	109,985,675
Claim recoveries from reinsurance	-	-	(101,413,018)	-	(101,413,018)
Acquisition cash flows recovered from reinsurance	(20,388,071)	-	-	-	(20,388,071)
Total cash flows	89,597,604	-	(101,413,018)	-	(11,815,414)
Reinsurance contract assets as at 31 December	17,353,188	-	117,361,621	3,669,867	138,384,676
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	17,353,188	-	117,361,621	3,669,867	138,384,676

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

6 Financial assets

	(Un-audited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Investments carried at FVTOCI		
Quoted equity securities	594,003	1,476,442
Unquoted Tier 1 perpetual securities	6,950,000	6,950,000
	7,544,003	8,426,442
Investments carried at FVTPL		
Quoted equity securities	362,867	1,259,368
	362,867	1,259,368

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

	(Un-audited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Investments carried at FVTOCI		
Fair value at 1 January	8,426,442	11,041,965
Disposals	(2,425,302)	(2,651,837)
Change in fair value	687,863	97,196
Reclassification of realized loss on disposal of investment	-	(60,882)
Reclassification from FVTPL	855,000	-
Fair value at the end of the reporting period/year	7,544,003	8,426,442
Investments carried at FVTPL		
Fair value at 1 January	1,259,368	66,070
Additions	-	1,512,381
Disposals	-	(327,600)
Change in fair value taken to profit or loss	(41,501)	(67,085)
Realized gain	-	75,601
Reclassified to FVOCI	(855,000)	-
Fair value at the end of the reporting period/year	362,867	1,259,368

The geographical distribution of investments is as follows:

	(Un-audited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Quoted UAE equity securities	956,870	1,309,387
Unquoted Tier 1 perpetual securities	6,950,000	6,950,000
Quoted outside UAE equity securities	-	1,426,423
	7,906,870	9,685,810

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

6 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 AED	Level 2 AED	Level 3 AED	Total AED
31 March 2025 (Un-audited)					
Investments at FVTOCI					
Investment in quoted securities	(a)	594,003	-	-	594,003
Unquoted Tier 1 perpetual securities		-	-	6,950,000	6,950,000
		<u>594,003</u>	<u>-</u>	<u>6,950,000</u>	<u>7,544,003</u>
Investments at FVTPL					
Investment in quoted equity securities	(a)	362,867	-	-	362,867
		<u>362,867</u>	<u>-</u>	<u>-</u>	<u>362,867</u>
31 December 2024 (Audited)					
Investments at FVTOCI					
Investment in quoted securities	(a)	1,476,442	-	-	1,476,442
Unquoted Tier 1 perpetual securities		-	-	6,950,000	6,950,000
		<u>1,476,442</u>	<u>-</u>	<u>6,950,000</u>	<u>8,426,442</u>
Investments at FVTPL					
Investment in quoted equity securities	(a)	1,259,368	-	-	1,259,368
		<u>1,259,368</u>	<u>-</u>	<u>-</u>	<u>1,259,368</u>

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

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

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

7 Statutory deposits

In accordance with the requirement of Article (38) of the Federal Decree Law No. (48) of 2023 Regulating Insurance Activities (previously Federal Law No. 6 of 2007, as amended), the Company maintains a bank deposit amounting to AED 6,000,000 as of 31 March 2025 (31 December 2024: AED 6,000,000) and it cannot be utilized without the consent of the Central Bank of the U.A.E. ("CBUAE").

8 Other receivables and prepayments

	(Un-audited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Prepayments	5,796,771	5,554,693
Rent receivable	-	133,778
Accrued interest income	807,290	1,171,410
Guarantee deposits	703,257	703,257
Other advances	2,288,846	1,001,429
Dividend receivable	2,993	2,993
	9,599,157	8,567,560

9 Cash and cash equivalents

	(Un-audited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Cash on hand	5,000	4,910
Cash at banks - current accounts	1,880,312	6,964,346
Cash at bank - call account	16,768,413	20,375,961
Deposit in commercial paper	7,000,000	7,000,000
Fixed Deposit	5,000,000	5,000,000
	30,653,725	39,345,217

The above cash and cash equivalent includes aggregate balance of AED 20,454,174 as of 31 March 2025 held with a financial institution which are related parties (31 December 2024: AED 24,666,997).

10 Capital and reserves

<i>Share capital</i>	(Un-audited) 31 March 2025 AED	(Audited) 31 December 2024 AED
<i>Authorised, issued and fully paid:</i>		
118,780,500 shares of AED 1 each	118,780,500	118,780,500

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

10 Capital and reserves (continued)

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, 10% of net profit were to be transferred to a 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 any distribution to the shareholders. The transfer to reserve shall be made at 10% of net profit at the year end.

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 may 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 1,890,669 (31 December 2024: AED 1,890,669) has been recorded in equity as a reinsurance default risk reserve.

Treasury shares

During the year ended 31 December 2022, 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) 31 March 2025 AED	(Audited) 31 December 2024 AED
Balance as at 1 January	2,771,332	2,531,023
Charges during the period/year	66,428	577,861
Benefits paid during the period/year	(35,227)	(337,552)
Balance at the end of the period/year	<u>2,802,533</u>	<u>2,771,332</u>

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

12 Other payables

	(Un-audited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Payables-inside UAE	15,823,113	12,418,780
	<u>15,823,113</u>	<u>12,418,780</u>

Inside UAE:

	(Un-audited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Related party payables (Note 16)	8,193,000	8,115,932
VAT output tax payable (net)	1,827,636	305,738
Other accrued expenses*	5,738,101	3,997,110
Provision for corporate tax	64,376	-
	<u>15,823,113</u>	<u>12,418,780</u>

*Accrued expense related to amounts incurred in the normal course of business such as fee payable to regulators and other professionals.

13 Income from investments

	(Un-audited) Three months period ended 31 March 2025 AED	(Un-Audited) Three months period ended 31 March 2024 AED
Dividend income on investment in financial assets	5,640	39,590
Interest income from fixed income securities	184,864	223,299
Interest income on fixed deposits and call account (net)	248,423	174,008
Realized gain on sale of investments carried at FVTPL	-	103,695
Unrealized (loss)/gain on revaluation of investments FVTPL	(41,501)	4,065
Realized loss on sale investments carried at FVTOCI-debt	-	(60,882)
	<u>397,426</u>	<u>483,775</u>

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

14 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) Three months period ended 31 March 2025	(Un-audited) Three months period ended 31 March 2024
Earnings (AED):		
Profit /Loss for the period	<u>107,890</u>	<u>(6,908,140)</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of earnings per share	<u>118,780,500</u>	<u>118,780,500</u>
Loss per share (AED):		
Basic and diluted	<u>0.001</u>	<u>(0.06)</u>

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

15 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.

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.

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

15 Risk management (continued)

Insurance risk (continued)

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 Federal Decree Law No. (48) of 2023 Regulating Insurance Activities (previously Federal Law No. 6 of 2007 as amended), 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 commensurate 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) 31 March 2025	(Audited) 31 December 2024
	AED	AED
Total capital and reserves	(1,506,404)	(1,992,782)
Minimum regulatory capital (Note 1.1)	100,000,000	100,000,000

The CBUAE has issued resolution no. 42 for 2009 setting the minimum subscribed or paid-up capital of AED 100 million for establishing insurance companies and AED 250 million for reinsurance companies. The resolution also stipulates that at least 51 percent of the capital of the insurance companies established in the UAE should be owned by UAE or GCC national individuals or corporate bodies. The Company is in compliance with these rules.

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the year. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table on the next page summarizes the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

Insurance House P.J.S.C.
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Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

15 Risk management (continued)

Capital risk (continued)

	31 December 2024 AED	31 December 2023 AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	52,322,957	44,500,401
Minimum Guarantee Fund (MGF)	43,171,289	31,682,833
Own Funds		
Basic Own Funds	(45,036,348)	(16,136,096)
Ancillary Own Funds	-	-
MCR Solvency Margin- Minimum Capital Requirement (deficit)/surplus	(145,036,348)	(116,136,096)
SCR Solvency Margin- Solvency Capital Requirement (deficit)/surplus	(97,369,305)	(60,636,497)
MGF Solvency Margin- Minimum Guarantee Fund (deficit)/surplus	(88,207,636)	(47,818,929)

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.

**Notes to the condensed interim financial statements for the period ended 31
March 2025 (continued)**

15 Risk management (continued)

Credit risk (continued)

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 the market interest rate. The Company is exposed to interest rate risk on call account, financial assets such as bonds. The interest rates are subject to periodic revision.

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 a 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.

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 2025.

Insurance House P.J.S.C.
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Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

15 Risk management (continued)

Liquidity risk (continued)

	Less than 1 year AED	More than 1 year AED	Total AED
<u>Financial assets</u>			
Interest bearing	30,653,725	12,950,000	43,603,725
Non-interest bearing	168,066,215	-	168,066,215
	<u>198,719,940</u>	<u>12,950,000</u>	<u>211,669,940</u>
<u>Financial liabilities</u>			
Non-interest bearing	<u>32,583,368</u>	-	<u>32,583,368</u>

The following table shows the maturity dates of Company's financial assets and liabilities as at 31 December 2024 (audited).

	Less than 1 year AED	More than 1 year AED	Total AED
<u>Financial assets</u>			
Interest bearing	39,345,217	12,950,000	52,295,217
Non-interest bearing	144,133,354	-	144,133,354
	<u>183,478,571</u>	<u>12,950,000</u>	<u>196,428,571</u>
<u>Financial liabilities</u>			
Non-interest bearing	<u>23,367,506</u>	-	<u>23,367,506</u>

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

16 Related party balances and transactions

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) 31 March 2025 AED	(Audited) 31 December 2024 AED
Premium and insurance balances receivables		
<i>Shareholder</i>		
Finance House P.J.S.C	8,215,698	7,588,001
<i>Fellow subsidiaries</i>		
Finance House L.L.C.	831,257	831,257
Finance House Securities L.L.C.	386,230	238,814
<i>Chairman</i>		
Mohamed Abdulla Jumaa Al Qubaisi	30,383	-
	9,463,568	8,658,072
Insurance and other payables		
<i>Shareholder</i>		
Finance House P.J.S.C	8,000,000	6,500,000
<i>Fellow subsidiaries</i>		
FH Capital P.S.C	155,865	1,578,798
Finance House Securities L.L.C.	37,135	37,134
	8,193,000	8,115,932
Investments		
<i>Shareholder</i>		
Finance House PJSC – Sukuks	6,950,000	6,950,000
	6,950,000	6,950,000
Cash and cash equivalents		
<i>Shareholder (Finance House P.J.S.C)</i>		
Cash at banks – current accounts	-	395,056
Cash at bank – call account	8,329,921	12,152,688
Cash at bank – fixed deposit	5,000,000	5,000,000
<i>Fellow subsidiaries</i>		
Finance House Securities LLC – Commercial papers	7,000,000	7,000,000
Finance House L.L.C.- Cash at banks – current accounts	124,253	119,253
	20,454,174	24,666,997
Tier 1 capital		
<i>Board member</i>		
Abdulmajeed Al Fahim	500,000	500,000
	500,000	500,000

Finance House P.J.S.C is one of the major shareholders of the Company as of 31 March 2025. 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 for the period ended 31 March 2025 (continued)

16 Related party balances and transactions (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) Three months period ended 31 March 2025 AED	(Un-audited) Three months period ended 31 March 2024 AED
Finance House P.J.S.C		
Gross premiums written	557,890	678,367
Interest on fixed deposit	155,823	-
Interest on Sukuk	105,800	105,800
Management fee	1,500,000	1,500,000
Finance House Securities		
Purchase of shares	2,434,520	252,000
Disposal of shares	-	1,826,470
Gross premium written	-	3,149
Interest on investment in commercial paper	79,062	103,716
FH Capital		
Service fees	31,250	128,314
Gross written premium	10,839	-
Finance House L.L.C.		
Gross written premium	69,008	-

17 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 for the period ended 31 March 2025
(continued)

17 Segment information (continued)

Primary segment information - business segment

	Three months period ended 31 March 2025 (Un-audited)			Three months period ended 31 March 2024 (Un-audited)		
	<u>Underwriting</u>	<u>Investments</u>	<u>AED Total</u>	<u>Underwriting</u>	<u>Investments</u>	<u>AED Total</u>
Segment revenue	86,788,646	397,426	87,186,072	59,857,300	483,775	60,341,075
Segment result	(1,376,121)	397,426	(978,695)	(7,386,262)	483,775	(6,902,487)
Unallocated income/(expense), net			<u>1,150,961</u>			<u>(5,653)</u>
Net Profit/loss for the period			<u>172,266</u>			<u>(6,908,140)</u>

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

	31 March 2025 AED (Un-audited)			31 December 2024 AED (Audited)		
	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>
Segment assets	170,644,867	7,906,870	178,551,737	158,312,518	9,685,810	167,998,328
Unallocated assets			<u>30,653,725</u>			<u>39,345,217</u>
Total assets			<u>209,205,462</u>			<u>207,343,545</u>
Segment liabilities	207,844,957	(128,854)	207,716,103	206,564,995	(275,593)	206,289,402
Equity			(1,313,174)			(1,717,157)
Unallocated liabilities			<u>2,802,533</u>			<u>2,771,332</u>
Total liabilities and equity			<u>209,205,462</u>			<u>207,343,545</u>

b) Secondary segment information – revenue from underwriting departments

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

	(Un-audited) Three months period ended 31 March 2025 AED	(Un-audited) Three months period ended 31 March 2024 AED
Non – Marine	44,516,636	28,592,469
Medical and personal assurance	42,104,347	31,109,349
Marine	<u>167,663</u>	<u>155,482</u>
	<u>86,788,646</u>	<u>59,857,300</u>

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

Insurance House P.J.S.C.
Condensed interim financial statements

Notes to the condensed interim financial statements for the period ended 31 March 2025 (continued)

18 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 6.7 million (31 December 2024: AED 6.7 million).

19 Change in re-insurance arrangements

During the year, the Company entered into a Quota Share Treaty for its Motor line of business with an A-rated reinsurer. This arrangement has had a positive impact on the Company's solvency position. The accompanying financial statements incorporate the effects of this treaty up to 31 March 2025.

20 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.

21 General

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

22 Approval of condensed interim financial statements

The condensed interim financial statements were approved and authorized for issue by the Board of Directors on 14 May 2025.