



دارالتأمين
INSURANCE HOUSE
ش.م.ع - P.J.S.C

**INSURANCE HOUSE
INTEGRATED REPORT
2024**





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

1. Board of Directors' Report3
2. External Auditor's Report6
3. Financial Statements12
4. Corporate Governance64
5. ESG Report101

TABLE OF CONTENTS



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

BOARD OF DIRECTORS' REPORT



دار التامين
INSURANCE HOUSE
P.J.S.C. - ٤٩٣٤

Chairman's Report for the financial year ended 31 December 2024

On behalf of the Board of Directors, I present the financial statements of Insurance House PJSC (IH) as at 31 December 2024 and the results of its operations for the twelve months ended 31 December 2024.

The UAE Insurance Industry as a whole, endured yet another challenging year that forced insurance companies to further 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.

IH has registered a significantly improved financial performance in 2024, in comparison to the previous year. This is indeed a creditable achievement, especially when viewed in the context of the unprecedented weather conditions experienced in the UAE during the first half of the year and the resultant adverse impact on the UAE Insurance industry as a whole. Total Comprehensive Loss of AED 19.59 million registered in 2024 is significantly lower than the Total Comprehensive Loss of AED 41.01 million logged in the previous year. A number of strategic initiatives and corrective actions initiated by IH Senior Management since July 2023 are beginning to bear fruit, across all business lines and Motor business in particular. The risk-reward ratio in the Motor business is witnessing a steady improvement in line with our revised Motor business underwriting strategies and pricing models.

Insurance Revenue for the year ended 31 December 2024 was significantly higher by circa 22.5%, at AED 297.66 million compared to AED 242.95 million in the previous year. Insurance Service Expenses for the full year 2024 weighed in at AED 351.83 million compared to AED 270.14 million in the previous year. Insurance Service Result (after adjustments for Reinsurance Contracts Held) for the full year 2024, was a significantly reduced loss of AED 17.62 million, compared to a loss of AED 42.33 million in the previous year.

دار التامين ش.م.ع. ص.ب. ١٢٩٩٢١، أبو ظبي، ا.ع.م؛ هاتف: ٤٤٤ ٤٩٣٤ (٢) +٩٧١؛ فاكس: ٤٩٣٤ ٤٠٠ (٢) +٩٧١
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
P.J.S.C

Net Income from Investments was lower at AED 1.79 million for the full year 2024, compared to AED 4.74 million in the previous year. This is primarily due to the planned and systematic reduction in the size of our equity and fixed income positions, to bolster liquidity buffers.

Cash & cash equivalents as of 31 December 2024 stood at a robust 19% of Total Assets (2023: 17.4%), highlighting our conservative approach to liquidity management, and the very sound liquidity position of the Company.

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 operating profitability in the years ahead. Going forward, profits from core insurance activities will be driven by improved digital delivery capabilities, further fine-tuning of risk underwriting techniques and streamlined claims management processes.

On behalf of the Board of Directors,

Mohammed Abdulla Alqubaisi
Chairman

Abu Dhabi

19 March 2025



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

EXTERNAL AUDITOR'S REPORT

Ref: UN/AUH-B-337/March 25

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Insurance House P.J.S.C. (the "Company"), Abu Dhabi, United Arab Emirates, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) together with ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates (UAE), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As stated in Note 1.1 of the financial statements, the Company has accumulated losses amounting to AED 140,407,541 as at 31 December 2024 (31 December 2023: AED 119,136,157) 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.1 to these financial statements which indicates that the Company has incurred loss of AED 19,691,126 for the year ended 31 December 2024 (31 December 2023: AED 41,974,615) and has accumulated losses and negative equity amounting to AED 140,407,541 and AED 1,992,782 respectively as at 31 December 2024 (31 December 2023: AED 119,136,157 and positive equity of AED 18,838,650, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the Company for the year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (continued)

**To the Shareholders of Insurance House P.J.S.C
Report on the Audit of the Financial Statements (continued)**

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of (Re)Insurance Contract Assets and Liabilities	
<p>Valuation of (Re)Insurance contract assets and liabilities involve significant judgements and estimates particularly with respect to the estimation of the present value of future cash flows, eligibility of the premium allocation approach (PAA) and estimation of the liabilities for incurred claims.</p> <p>These cash flows primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries.</p> <p>The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows.</p>	<p>We performed the following procedures in conjunction with our actuarial specialists:</p> <ul style="list-style-type: none"> - Understanding and evaluating the process, the design and implementation of controls in place to determine valuation of (Re)Insurance contract assets and liabilities. - Assessment of the competence, capabilities and objectivity of the management appointed actuary. - Tested the key controls (automated and manual) related to the integrity of the data used in the valuation process - Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows. - Evaluated and assessed the recoverability of Insurance receivables. - Involved our actuarial expert to evaluate the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied. - Tested samples of the source data used by actuary to ensure accuracy and completeness

Independent Auditor's Report (continued)

To the Shareholders of Insurance House P.J.S.C. Report on the Audit of the Financial Statements (continued)

Other information

Management is responsible for the other information which comprises the Chairman's Report obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and their preparation in compliance with the applicable provisions of the Articles of Association of the Company, United Arab Emirates Federal Law No. (32) of 2021, Federal Decree Law No. (48) of 2023 Regulating Insurance Activities, Central Bank of the UAE Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent Auditor's Report (continued)

To the Shareholders of Insurance House P.J.S.C. Report on the Audit of the Financial Statements (continued)

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report (continued)

**To the Shareholders of Insurance House P.J.S.C.
Report on the Audit of the Financial Statements (continued)**

Report on other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that:

- a) We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- b) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021 and Articles of Association of the Company;
- c) The Company has maintained proper books of account;
- d) The financial information included in the Chairman's report, in so far as it related to these financial statements, is consistent with the books of account of the Company;
- e) As disclosed in Note 6 to the financial statements, the Company has made investment in securities as at 31 December 2024;
- f) Note 17 to the financial statements discloses material related party transactions and balances, and the terms under which they were conducted;
- g) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has, during the financial year ended 31 December 2024, contravened any of the applicable provisions of the UAE Federal Law No. (32) of 2021, and Articles of Association of the Company, which would materially affect its activities or its financial position as at 31 December 2024;
- h) The Company has not made any social contributions during the year ended 31 December 2024.

Further, as required by the Federal Decree Law No. (48) of 2023, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

For, Crowe Mak



Umesh Narayanappa
Partner
Registered Auditor Number: 1234
Abu Dhabi, United Arab Emirates
Date: 21 March 2025



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

FINANCIAL STATEMENTS

Insurance House P.J.S.C.


Reports and financial statements
For the year ended 31 December 2024

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

Statement of financial position as at 31 December 2024

	Notes	31 December 2024 AED	31 December 2023 AED
ASSETS			
Property and equipment	4	5,360,282	7,719,510
Financial assets	6	9,685,810	11,108,035
Statutory deposits	7	6,000,000	6,000,000
Reinsurance contract assets	5	138,384,676	111,451,345
Other receivables and prepayments	8	8,567,560	43,156,606
Cash and cash equivalents	9	39,345,217	37,779,645
TOTAL ASSETS		207,343,545	217,215,141
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		(140,407,541)	(119,136,157)
Reinsurance reserve	10	1,890,669	1,181,192
Investment revaluation reserve		(275,594)	(6,069)
Statutory reserve	10	7,679,502	7,679,502
TOTAL SHAREHOLDERS' EQUITY		(1,992,782)	18,838,650
LIABILITIES			
Provision for employees' end-of-service benefits	11	2,771,332	2,531,023
Insurance contract liabilities	5	194,146,215	178,175,765
Other payables	12	12,418,780	17,669,703
TOTAL LIABILITIES		209,336,327	198,376,491
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		207,343,545	217,215,141

These financial statements were approved and authorized by the Board of Directors on 20 March 2025 and signed on their behalf by:



Mr. Mohammed Alqubaisi
Chairman

The notes from 1 to 24 form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 7.

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

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Notes	31 December 2024 AED	31 December 2023 AED
Insurance revenue	5	297,661,269	242,946,852
Insurance service expenses	5	(351,830,242)	(270,141,405)
Insurance service result before reinsurance contracts issued		(54,168,973)	(27,194,553)
Allocation of reinsurance premiums	5	(132,758,526)	(131,578,863)
Amounts recoverable from reinsurance for incurred claims	5	169,305,507	116,446,112
Net income/(expense) from reinsurance contracts held		36,546,981	(15,132,751)
Insurance service result		(17,621,992)	(42,327,304)
Investment income	13	1,692,330	3,779,514
Insurance finance expense for insurance contracts issued	5	(5,430,097)	(7,141,637)
Reinsurance finance income for reinsurance contracts held	5	2,201,765	3,089,647
Net insurance finance expenses		(3,228,332)	(4,051,990)
Net insurance and investment results		(19,157,994)	(42,599,780)
Other (expense)/income		(533,132)	625,165
Loss for the year		(19,691,126)	(41,974,615)
Basic and diluted loss per share	15	(0.17)	(0.35)

The notes from 1 to 24 form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 7.

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

**Statement of profit or loss and other comprehensive income for the year ended
31 December 2024 (continued)**

	31 December 2024 AED	31 December 2023 AED
Loss for the year	(19,691,126)	(41,974,615)
Other comprehensive (income)/loss		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Gain/ (loss) on sale from investments at fair value through other comprehensive income - equity securities	10,773	942,021
Net unrealized gain/(loss) from investments at fair value through other comprehensive income – equity securities	86,421	(55,689)
<i>Items that maybe reclassified subsequently to profit or loss</i>		
Net unrealized gain/(loss) from investments at fair value through other comprehensive income – debt securities	-	75,438
Total comprehensive loss for the year	(19,593,932)	(41,012,845)

The notes from 1 to 24 form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 7.

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

Statement of changes in equity for the year ended 31 December 2024

	Share capital AED	Tier 1 capital AED	Treasury shares AED	Accumulated losses AED	Reinsurance reserve AED	Proposed Board of Directors' remuneration AED	Investment revaluation reserve AED	Statutory reserve AED	Total shareholders' equity AED
Balance at 1 January 2024	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 year	-	-	-	(19,691,126)	-	-	-	-	(19,691,126)
Other comprehensive income for the year	-	-	-	-	-	-	97,194	-	97,194
Transfer to reinsurance reserve	-	-	-	(709,477)	709,477	-	-	-	-
Tier 1 capital accrued coupon	-	-	-	(1,237,500)	-	-	-	-	(1,237,500)
Transfer of realized gain on disposal of investment at FVTOCI – equity	-	-	-	366,719	-	-	(366,719)	-	-
Balance at 31 December 2024	118,780,500	15,000,000	(4,660,318)	(140,407,541)	1,890,669	-	(275,594)	7,679,502	(1,992,782)
Balance at January 1, 2023	118,780,500	15,000,000	(4,660,318)	1,017,186	650,848	392,248	7,198,968	7,679,502	146,058,934
Adjustment due to misstatements	-	-	-	(75,031,826)	-	-	-	-	(75,031,826)
Balance at 1 January 2023	118,780,500	15,000,000	(4,660,318)	(74,014,640)	650,848	392,248	7,198,968	7,679,502	71,027,108
Adjustment on initial application of IFRS 17	-	-	-	(9,615,607)	-	-	-	-	(9,615,607)
Restated balance at 1 January 2023	118,780,500	15,000,000	(4,660,318)	(83,630,247)	650,848	392,248	7,198,968	7,679,502	61,411,501
Net loss for the year	-	-	-	(41,974,615)	-	-	-	-	(41,974,615)
Payment of Board of Director's remuneration	-	-	-	-	-	(392,248)	-	-	(392,248)
Other comprehensive income for the year	-	-	-	-	-	-	961,770	-	961,770
Transfer to reinsurance reserve	-	-	-	(530,344)	530,344	-	-	-	-
Tier 1 capital accrued coupon	-	-	-	(1,237,509)	-	-	-	-	(1,237,509)
Transfer of realized gain on disposal of investment at FVTOCI – equity	-	-	-	8,236,558	-	-	(8,236,558)	-	-
Transfer of realized gain on disposal of investment at FVTOCI – debt	-	-	-	-	-	-	69,751	-	69,751
Balance at 31 December 2023	118,780,500	15,000,000	(4,660,318)	(119,136,157)	1,181,192	-	(6,069)	7,679,502	18,838,650

Insurance House P J S C
Abu Dhabi, United Arab Emirates

Statement of Cashflow for the year ended 31 December 2024

	Notes	31 December 2024 AED	31 December 2023 AED
OPERATING ACTIVITIES			
Loss for the year		(19,691,126)	(41,974,615)
<i>Adjustments for non-cash items:</i>			
Depreciation of property and equipment	14	2,786,224	1,580,328
Un-realised loss on investments measured at FVTPL	13	67,085	6,329
Dividends and interest income	13	(1,744,697)	(2,939,855)
Realised (gain) on sale of investments carried at FVTPL	13	(14,718)	(915,739)
Charge for employees' end-of-service benefits	11	577,861	560,255
Reclassification of unrealised loss on disposal of investment at FVTOCI	13	-	(69,751)
Cash used in operating activities		(18,019,371)	(43,753,048)
Changes in working capital			
(Increase)/decrease in reinsurance contract assets	5	(26,933,331)	5,427,265
Decrease/(increase) in other receivables and prepayments	8	34,589,043	(30,819,898)
Increase/(decrease) in insurance contract liabilities	5	15,970,450	(27,935,300)
(Decrease) in other payables	12	(5,250,922)	(207,392)
Cash generated from/(used) in operating activities		355,868	(97,288,373)
Payment for employees' end of service benefits obligation	11	(337,552)	(1,237,550)
Net cash generated from/(used) in operating activities		18,316	(98,525,923)
INVESTING ACTIVITIES			
Purchase of property and equipment	4	(426,997)	(746,009)
Proceeds from disposal of property and equipment	4	-	34,596,019
Purchase of investments carried at FVTPL	6	(1,512,381)	(3,973,624)
Proceeds from disposals of investments carried at FVTPL	6	327,600	11,765,794
Proceeds from disposals of investments carried at FVOCI	6	2,651,837	30,422,387
Proceeds from redemption of fixed deposit	9	-	14,000,000
Dividends received	13	47,627	1,551,319
Interest received	13	1,697,070	1,388,536
Net cash generated from investing activities		2,784,756	89,004,422
FINANCING ACTIVITIES			
Tier 1 capital coupon		(1,237,500)	(1,237,509)
Directors' remuneration paid		-	(392,248)
Net cash used in financing activities		(1,237,500)	(1,629,757)
Net change in cash and cash equivalents		1,565,572	(11,151,258)
Cash and cash equivalents, beginning of the year		37,779,645	41,930,903
Reclassified from financial assets (Note 6)		-	7,000,000
Cash and cash equivalents, end of the year	9	39,345,217	37,779,645

Notes to the financial statements
For the year ended 31 December 2024

1 Legal status and activities

Insurance House P.J.S.C. (the “Company”) is a public joint stock company registered and incorporated on 14 April 2011 in Abu Dhabi, United Arab Emirates by Department of Economic Development under registration number CN-1200435. The Company is subject to the regulations of the UAE Federal Law No. (48) of 2023, concerning Financial Regulations of Insurance Companies issued by the Central Bank of UAE. 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 is domiciled in the United Arab Emirates and its registered office address is Zayed I Street, Khalidiya, Al Orjowan Tower, P.O. Box: 129921, Abu Dhabi, United Arab Emirates.

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

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 December 2024, the Company’s accumulated losses are AED 140,407,541 (31 December 2023: 119,136,157) 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 CBUAE on 15 January, 2025 and awaiting approval for fulfilling the instruction requirements.

1.2 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 extra ordinary natural events like heavy rain fall, flood and fire during the year.

Notes to the financial statements
For the year ended 31 December 2024

1 Legal status and activities (continued)

1.3 Management plan to address going concern

As at 31 December 2024, the Company's accumulated losses represent 118.21% of the share capital of the Company (31 December 2023: 100.30%) 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 CBUAE 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 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

This financial Statement is for the year ended 31 December 2024 and is presented in United Arab Emirates Dirham (AED), which is also the functional currency of the Company. The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standard Board and their preparation in compliance with the applicable provisions of the Articles of Association of the Company, United Arab Emirates Federal Law No. (32) of 2021, Federal Decree Law No. (48) of 2023 Regulating Insurance Activities, Central Bank of the UAE Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies.

2.2 Basis of preparation

These financial Statements have been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income and financial assets carried at fair value through profit and loss and the provision for employees' end of service indemnity which is calculated in line with UAE labour laws.

The Company's statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, financial assets at fair value through profit and loss, other receivables, and other payables. The following balances would generally be classified as non-current: property and equipment, intangible assets, statutory deposit and provision for employees' end of service indemnity. The following balances are of mixed (including both current and non-current portions): financial assets at fair value through other comprehensive income, reinsurance contract assets, insurance contract liabilities, reinsurance contract liabilities, bank balances, fixed deposits and bank borrowings.

Notes to the financial statements For the year ended 31 December 2024

2 General information (continued)

2.3 Accounting convention

These financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, income and expense. The measurement bases are described in more detail in the accounting policies.

2.4 Standards, interpretations and amendments to existing standards

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

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in 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 IAS 1 Presentation of Financial Information - Non-current Liabilities with Covenants and classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS 16 Amendment to IFRS 16 – Lease on sale and leaseback	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2 Climate-related Disclosures	1 January 2024

New and revised IFRS in issue but not yet effective

The Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised standards	Effective date
IFRS 18 Presentation and Disclosures in Financial Information	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Amendments to the SASB standards to enhance their international applicability	1 January 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026

Management anticipates that these standards will not have any significant impact on these financial statements.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies

3.1 IFRS 17 - Insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

Insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

Insurance and re-insurance contracts classification

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policy holders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The Company's insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the premium allocation approach (PAA). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The Company applies the PAA to simplify the measurement of all of its insurance and reinsurance contracts. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for outstanding claims, the Company now discounts the future cash flows and includes an explicit risk adjustment for non-financial risk.

The insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognized once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are presented as a single net amount in profit or loss.

Insurance and reinsurance contracts accounting treatment

Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

3.1 IFRS 17 - Insurance contracts (continued)

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive - either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

Level of aggregation

IFRS 17 requires a Company to determine the level for applying its requirements. The Company previously applied aggregation levels under IFRS 4, which were significantly higher than the level required by IFRS 17. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise group of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has elected to group together those contracts that would fall into different groups only because law, regulation or internal policies specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided into groups of contracts by quarter of issue and profitability for recognition and measurement purposes. Hence, within each quarter of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any).
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any).
- A group of the remaining contracts in the portfolio (if any).

The profitability of groups of contracts is assessed by underwriting committee that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

Notes to the financial statements For the year ended 31 December 2024

3 Material accounting policies (continued)

3.1 IFRS 17 - Insurance contracts (continued)

Below are some of the relevant facts and circumstances that the Company considers:

- Evaluation of expected combine ratios;
- Pricing information;
- Results of similar contracts it has recognized; and
- Environment factors, e.g., a change in market experience or regulations.

The Company divides portfolios of reinsurance contracts held by applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date;
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous the Company recognises a group of reinsurance contracts held:
- If the reinsurance contracts provide proportionate coverage at the later of the beginning of the coverage period of the group, or the initial recognition of any underlying contract; and
- In all other cases, from the beginning of the coverage period of the group the Group adds new contracts to the group when they are issued or initiated.

Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. For insurance contract, cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with services. For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Measurement - Premium allocation approach

Insurance contracts — initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including coverage arising from all premiums within the contract boundary. or
- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and the types of its lines of business.

Notes to the financial statements For the year ended 31 December 2024

3 Material accounting policies (continued)

3.1 IFRS 17 - Insurance contracts (continued)

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with:

- The extent of future cash flows related to any derivatives embedded in the contracts.
- The length of the coverage period of the group of contracts.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed, plus or minus any amount arising from the derecognition at that date of the asset or liability recognised for insurance acquisition cash flows that the Company pays or receives before the group of insurance contracts is recognised. There is no allowance for time value of money as the premiums are mostly received within one year of the coverage period.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues, however, adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Insurance contracts — subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of period:

- Plus premiums received in the period;
- Minus capitalised insurance acquisition cash flows;
- Plus any amounts relating to the amortisation of the acquisition cash flows recognised as an expense in the reporting period for the group;
- Plus any adjustment to the financing component, where applicable;
- Minus the amount recognised as insurance revenue for the coverage period; and
- Minus any investment component paid or transferred to the liability for incurred claims.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Insurance acquisition cash flows are allocated on a straight-line basis to profit or loss.

Reinsurance contracts

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Insurance contracts — modification and derecognition

The Company derecognises insurance contracts when:

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

3.1 IFRS 17 - Insurance contracts (continued)

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired);
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of groups of insurance contracts issued that are assets, groups of insurance contracts issued that are liabilities, reinsurance contracts held that are assets and groups of reinsurance contracts held that are liabilities.

Any assets or liabilities for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts issued.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of coverage on the basis of the passage of time; but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and stances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented all revenue has been recognised on the basis of the passage of time.

Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. If at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous; the Company recognize a loss component as the excess of the fulfillment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

3.1 IFRS 17 - Insurance contracts (continued)

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company presents insurance finance income or expenses in profit or loss only.

Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

3.1 IFRS 17 - Insurance Contracts (continued)

Key Accounting Policy choices

IFRS 17 requires the Company to make various accounting policy choices. The key accounting policy choices made by the Company are described below:

Particulars	IFRS 17 Options	Adoption approach
Policy acquisition cost	Where the coverage period of each contract in the group at initial recognition is no more than one year, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cash flows when incurred or amortizing them over the contract's coverage period.	The Company amortized the insurance acquisition cost for all contracts. The Company allocates the acquisition cost to groups of insurance contracts issued or expected to be issued using a systematic and rational basis.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, the Company is not required to make an adjustment for the accretion of interest on the LRC.	For PAA model, the Company has elected not to adjust the Liability for Remaining Coverage for discounting, as it expects the time between providing each part of the coverage and the related premium due date to be one year or less
Liability for Incurred Claims ("LIC") adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The Company will discount all future incurred claim cashflows.
Insurance finance income and expenses	IFRS 17 provides an accounting policy choice to recognize the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the PL or OCI option) is applied on a portfolio basis.	Entire insurance finance income or expense for the period will be presented in the statement of profit or loss.
Disaggregation of risk adjustment	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service resultant insurance finance income or expenses.	The entire risk adjustment will be presented in insurance service results by the Company.
Presentation in the statement of income – Reinsurance	The Company may present the income or expenses from a group of reinsurance contracts held, other than insurance finance income or expenses, as a single amount; or the Company may present separately the amounts recovered from the reinsurer and an allocation of the premiums paid that together give a net amount equal to that single amount	Reinsurance cession and recoveries will be presented separately in the statement of profit or loss by the Company.
Adjustments of estimate would take place on an annual basis	The Company shall apply its choice of accounting policy to all the groups of insurance contracts it issues and groups of reinsurance contracts it holds.	Adjustments of estimate would take place on an annual basis.

Notes to the financial statements
For the year ended 31 December 2024

3 Material Accounting Policies (continued)

3.2 Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives of the property and equipment.

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 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:

	Useful lives
Computers and software	3 – 4 years
Office equipment and decoration	4 years
Motor vehicles	4 years
Building	30 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the net carrying amount of the assets and are recognised in statement of profit or loss.

3.3 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.

Notes to the financial statements
For the year ended 31 December 2024

Financial assets at amortised cost comprise statutory deposits, cash and cash equivalents, due from related parties and most other receivables.

3 Material Accounting Policies (continued)

3.3 Financial instruments (continued)

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

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 not reclassified from the equity reserve to 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 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 as at FVTPL, unless the Company designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Debt instruments that do not meet the amortised cost criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of profit or loss.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

3.3 Financial instruments (continued)

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.

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 cashflows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company expects to recover.

e) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

f) Derecognition

The requirements for derecognition of financial assets and liabilities are carried forward from IAS 39. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liability is derecognised when it is extinguished.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

3.4 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.

3.5 Foreign currency transactions

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the statement of profit or loss.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.6 Interest income and expense

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 statement of profit or loss.

3.7 Dividend income

Dividend income from investments is recognised in the 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).

3.8 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.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

3.8 Provisions, contingent liabilities and contingent assets (continued)

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.

3.9 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. Other details for reserves are mentioned in Note 10 to the financial statements. Accumulated losses include all current and prior period retained profits or losses.

Dividend payable to equity shareholders is included in other liabilities only when the dividend has been approved in a general assembly meeting prior to the reporting date.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, current accounts and fixed deposits which have original maturities of less than 3 months and are free from lien.

3.11 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognised in the statement of profit or loss. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

3.12 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.

3.13 Insurance contracts

Insurance contract is an agreement whereby one party called the insurer undertakes, for a consideration paid by the other party called the insured, promises to pay money, or its equivalent or to do some act valuable to the latter, upon happening of a loss, liability or disability arising from an unknown or contingent event.

Insurance contracts are those contracts that transfer significant insurance risk. Such risk includes the possibility of having to pay benefits on the occurrence of an insured event. The Company may also transfer insurance risk in insurance contracts through its reinsurance agreements to hedge a greater possibility of claims occurring than expected. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or have expired.

3.14 Corporate tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

3.14 Corporate tax (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. In accordance with IAS 12 - Income Taxes, a deferred tax asset shall be recognized for the carryforward of unused tax losses only to the extent that it is probable that future taxable profit will be available against which the losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

3.15 Critical accounting estimates and judgements in applying accounting policies

In the application of the Company's accounting policies, which are described above in these 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both the current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

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

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 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 cash flows, 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.

Notes to the financial statements
For the year ended 31 December 2024

3 Material accounting policies (continued)

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

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

	1 year		3 years		5 years		10 years		20 years	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Insurance contracts issued	6.08	6.66	5.04	5.72	4.82	5.35	4.77	5.02	4.78	5.36
Reinsurance contracts held	6.08	6.66	5.04	5.72	4.82	5.35	4.77	5.02	4.78	5.36

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 possible 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.
Abu Dhabi, United Arab Emirates

Notes to the financial statements
For the year ended 31 December 2024

4 Property and equipment

	Land AED	Building AED	Office equipment and decoration AED	Computers and software AED	Motor vehicles AED	Capital work in progress* AED	Total AED
Cost							
At 1 January 2023	10,390,000	28,571,039	6,152,452	3,585,846	705,638	6,920,119	56,325,094
Additions during the year	-	-	280,240	142,204	-	383,702	806,146
(Disposals) during the year	(10,390,000)	(28,571,039)	-	-	(240,000)	-	(39,201,039)
At 31 December 2023	-	-	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	-	-	6,435,466	3,873,217	465,638	7,582,877	18,357,198
Accumulated depreciation							
At 1 January 2023	-	3,650,744	6,017,899	3,301,421	344,683	-	13,314,747
Charge for the year	-	793,640	116,544	163,227	101,150	405,767	1,580,328
(Disposals) for the year	-	(4,444,384)	-	-	(240,000)	-	(4,684,384)
At 31 December 2023	-	-	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	-	-	6,241,649	3,607,636	307,255	2,840,375	12,996,915
Carrying amount							
At 31 December 2024	-	-	193,817	265,581	158,383	4,742,502	5,360,282
At 31 December 2023	-	-	298,249	263,402	259,805	6,898,054	7,719,510

* 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.

Notes to the financial statements
For the year ended 31 December 2024

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 4,742,502 (31 December 2023: AED 6,898,054) as at 31 December 2024 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 2,434,608 (31 December 2023: AED 405,767) (forming part of General and Administrative expenses) during the year.

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

Notes to the financial statements
For the year ended 31 December 2024

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:

	At 31 December 2024			At 31 December 2023		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued	-	194,146,215	194,146,215	(462,340)	178,638,105	178,175,765
Reinsurance contracts held	138,384,676	-	138,384,676	111,451,345	-	111,451,345

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.
Abu Dhabi, United Arab Emirates

Notes to the financial statements
For the year ended 31 December 2024

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

	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	
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.
Abu Dhabi, United Arab Emirates

Notes to the financial statements
For the year ended 31 December 2024

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)

2023

	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	
Insurance contract assets as at 1 January	(18,423,308)	582,921	15,689,164	198,238	(1,952,985)
Insurance contract liabilities as at 1 January	25,459,297	22,810,967	156,469,044	3,324,742	208,064,050
Net Insurance contract liabilities as at 1 January	7,035,989	23,393,888	172,158,208	3,522,980	206,111,065
Insurance revenue	(242,946,852)	-	-	-	(242,946,852)
Insurance service expenses	39,706,181	(18,500,513)	248,731,711	204,026	270,141,405
Incurred claims and other expenses	-	-	428,031,556	1,233,089	429,264,645
Changes to liabilities for incurred claims	-	-	(179,299,845)	(1,029,063)	(180,328,908)
Amortisation of insurance acquisition cash flows	39,706,181	-	-	-	39,706,181
Future service: Losses on onerous contracts and reversals of those losses	-	(18,500,513)	-	-	(18,500,513)
Insurance service result (gain) / loss	(203,240,671)	(18,500,513)	248,731,711	204,026	27,194,553
Insurance finance expenses through profit and loss	-	-	7,141,637	-	7,141,637
Total changes in statement of comprehensive income	(203,240,671)	(18,500,513)	255,873,348	204,026	34,336,190
Cash flows					
Premiums received	239,213,163	-	-	-	239,213,163
Claims paid	-	-	(290,543,009)	-	(290,543,009)
Directly attributable expense paid	-	-	-	-	-
Insurance acquisition cash flows	(10,941,644)	-	-	-	(10,941,644)
Total cash flows	228,271,519	-	(290,543,009)	-	(62,271,490)
Insurance contract assets as at 31 December	(863,546)	-	386,929	14,277	(462,340)
Insurance contract liabilities as at 31 December	32,930,382	4,893,375	137,101,618	3,712,730	178,638,105
Net insurance contract liabilities as at 31 December	32,066,836	4,893,375	137,488,547	3,727,007	178,175,765

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

Notes to the financial statements
For the year ended 31 December 2024

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

	Assets for remaining coverage		Assets 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
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 to amounts recoverable for incurred claims	-	-	(40,298,925)	(1,622,034)	(41,920,959)
Amortisation of reinsurance acquisition cash flows	17,431,212	-	-	-	17,431,212
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.
Abu Dhabi, United Arab Emirates

Notes to the financial statements
For the year ended 31 December 2024

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 (continued)
2023

	Assets for remaining coverage		Assets for incurred claims		Total AED
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	AED	AED	AED	AED	
Reinsurance contract assets as at 1 January	27,195,140	9,637,875	77,974,243	2,071,352	116,878,610
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net Reinsurance contract assets as at 1 January	27,195,140	9,637,875	77,974,243	2,071,352	116,878,610
Allocation of reinsurer premium	(121,940,988)	(9,637,875)	-	-	(131,578,863)
Net income or (expense) from reinsurance contracts held	12,621,044	-	104,274,386	(449,318)	116,446,112
Incurred claims and other expenses	-	-	185,338,276	128,040	185,466,316
Changes to amounts recoverable for incurred claims	-	-	(81,063,890)	(577,358)	(81,641,248)
Amortisation of reinsurance acquisition cash flows	12,621,044	-	-	-	12,621,044
Future service: Loss recovery on underlying contracts	-	-	-	-	-
Reinsurance service result (loss) / gain	(109,319,944)	(9,637,875)	104,274,386	(449,318)	(15,132,751)
Reinsurance finance income through profit and loss	-	-	3,089,647	-	3,089,647
Total changes in statement of comprehensive income	(109,319,944)	(9,637,875)	107,364,033	(449,318)	(12,043,104)
Cash flows					
Reinsurer premiums paid	138,548,676	-	-	-	138,548,676
Claim recoveries from reinsurance	-	-	(118,591,864)	-	(118,591,864)
Directly attributable expense paid	-	-	-	-	-
Acquisition cash flows recovered from reinsurance	(13,340,972)	-	-	-	(13,340,972)
Total cash flows	125,207,704	-	(118,591,864)	-	6,615,840
Reinsurance contract assets as at 31 December	43,082,898	-	66,746,412	1,622,035	111,451,345
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	43,082,898	-	66,746,412	1,622,035	111,451,345

Notes to the financial statements
For the year ended 31 December 2024

6 Financial assets

	31 December 2024 AED	31 December 2023 AED
Investments carried at FVTOCI		
Quoted equity securities	1,476,442	2,901,238
Quoted Tier 1 perpetual securities	-	1,190,727
Unquoted Tier 1 perpetual securities	6,950,000	6,950,000
	<u>8,426,442</u>	<u>11,041,965</u>
Investments carried at FVTPL		
Quoted equity securities	1,259,368	66,070
	<u>1,259,368</u>	<u>66,070</u>

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

	31 December 2024 AED	31 December 2023 AED
Investments carried at FVTOCI		
Fair value at 1 January	11,041,965	40,502,582
Disposals	(2,651,837)	(30,422,387)
Change in fair value	97,196	961,770
Reclassification of realized loss on disposal of investment	(60,882)	-
Fair value at the end of the reporting year	<u>8,426,442</u>	<u>11,041,965</u>
Investments carried at FVTPL		
Fair value at 1 January	66,070	13,948,829
Additions	1,512,381	3,973,624
Disposals	(327,600)	(10,850,054)
Change in fair value	(67,085)	(6,329)
Realised gain	75,601	-
Reclassified to cash and cash equivalents (Note 9)	-	(7,000,000)
Fair value at the end of the reporting year	<u>1,259,368</u>	<u>66,070</u>

The geographical distribution of investments is as follows:

	31 December 2024 AED	31 December 2023 AED
Quoted UAE equity securities	1,309,387	1,621,351
Quoted outside UAE Tier 1 Perpetual securities	-	1,190,727
Unquoted UAE Tier 1 securities	6,950,000	6,950,000
Quoted outside UAE equity securities	1,426,423	1,345,957
	<u>9,685,810</u>	<u>11,108,035</u>

Notes to the financial statements
For the year ended 31 December 2024

6.1 Fair value measurements

Management considers that the fair values of financial assets and financial liabilities that are not measured at fair value approximates to their carrying amounts as stated in the financial statements and are classified as level 3 in accordance with the IFRS 13 hierarchy.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 – fair value measurements derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – fair value measurements derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). 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.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used for the year ended 31 December 2023.

Fair value of the Company's financial assets and liabilities that are measured at fair value on recurring basis

Some of the Company's financial assets and liabilities are measured at fair value at the end of the reporting period.

	Note	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
31 December 2024					
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>
31 December 2023					
Investments at FVTOCI					
Investment in quoted securities	(a)	2,901,238	-	-	2,901,238
Quoted Tier 1 perpetual securities		1,190,727	-	-	1,190,727
Unquoted Tier 1 perpetual securities		-	-	6,950,000	6,950,000
		<u>4,091,965</u>	<u>-</u>	<u>6,950,000</u>	<u>11,041,965</u>
Investments at FVTPL					
Investment in quoted equity securities	(a)	66,070	-	-	66,070
		<u>66,070</u>	<u>-</u>	<u>-</u>	<u>66,070</u>

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

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

Notes to the financial statements
For the year ended 31 December 2024

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 December 2024 (31 December 2023: 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

	31 December	31 December
	2024	2023
	AED	AED
Prepayments	5,554,693	4,952,175
Rent receivable	133,778	873,778
Accrued interest income	1,171,410	943,301
Guarantee deposits	703,257	663,257
Other advances	1,001,429	1,128,076
Receivable from sale of land and building	-	34,596,019
Dividend receivable	2,993	-
	8,567,560	43,156,606

9 Cash and cash equivalents

	31 December	31 December
	2024	2023
	AED	AED
Cash on hand	4,910	5,000
Cash at banks - current accounts	6,964,346	10,649,456
Cash at bank - call account	20,375,961	20,125,189
Deposit in commercial paper	7,000,000	7,000,000
Fixed deposit	5,000,000	-
	39,345,217	37,779,645

- i. Cash at banks includes current accounts and call account balances amounting to AED 24,666,997 as of 31 December 2024 held with financial institutions which are related parties (call account balances are interest bearing) (31 December 2023: AED 24,311,258).
- ii. Fixed deposits as of 31 December 2024 amounting to AED 5 million (31 December 2023: AED Nil) with related party for 6 months, carry interest rate of 5.75% - 6.25% (31 December 2023: Nil).

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

Notes to the financial statements
For the year ended 31 December 2024

10 Capital and reserves

Share capital

	2024	2023
	AED	AED
Authorised, issued and fully paid:		
118,780,500 shares of AED 1 each	<u>118,780,500</u>	<u>118,780,500</u>

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 for each year 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. The Company has not made any transfer to the reserve as it has incurred loss during the year. This reserve is not available for any distribution to the shareholders.

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 for 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 01 December 2020. Accordingly, an amount of AED 1,890,669 (31 December 2023: 1,181,192) has been recorded in equity as a reinsurance default risk reserve.

Treasury Shares

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

11 Provision for employees' end-of-service benefits

	31 December	31 December
	2024	2023
	AED	AED
Balance as at 1 January	2,531,023	3,208,318
Charges during the year	577,861	560,255
Benefits paid during the year	(337,552)	(1,237,550)
Balance at the end of the year	<u>2,771,332</u>	<u>2,531,023</u>

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

Notes to the financial statements
For the year ended 31 December 2024

12 Other payables

	31 December 2024 AED	31 December 2023 AED
Payables-inside UAE	12,418,780	17,669,703
	<u>12,418,780</u>	<u>17,669,703</u>

Inside UAE:

	31 December 2024 AED	31 December 2023 AED
Related parties payables (Note 17)	8,115,932	13,487,933
VAT output tax payable (net)	305,738	272,898
Other accrued expenses*	3,997,110	3,908,872
	<u>12,418,780</u>	<u>17,669,703</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

	31 December 2024 AED	31 December 2023 AED
Dividend income on investment in financial assets	47,627	1,551,319
Interest income from fixed income securities	777,889	790,700
Interest income on fixed deposits and call account (net)	919,181	597,836
Realised gain on sale of investments carried at FVTPL	14,718	915,739
Unrealised gain/(loss) on revaluation of investments FVTPL	(67,085)	(6,329)
Reclassification of realised loss on disposal of investment at FVTOCI-debt	-	(69,751)
	<u>1,692,330</u>	<u>3,779,514</u>

Notes to the financial statements
For the year ended 31 December 2024

14 General and administrative expenses

	31 December 2024 AED	31 December 2023 AED
Salaries and related benefits	24,353,030	23,675,408
Management fees	6,128,314	6,755,796
Government fees	2,424,588	2,203,771
Depreciation of property and equipment	2,786,224	1,580,328
Telephonic and postage	767,240	678,929
Bank charges	191,041	117,583
Other expenses	5,093,750	6,365,695
	<u>41,744,187</u>	<u>41,377,510</u>

Out of the total balance, the management has considered AED 41,207,755 (31 December 2023: AED 40,227,524) directly attributable expenses to insurance business and accordingly, this has been considered under Insurance services expenses.

15 Earnings per share – Basic and diluted

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

	31 December 2024	31 December 2023
Earnings (AED):		
Loss for the year	<u>(19,691,126)</u>	<u>(41,974,615)</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>(0.17)</u>	<u>(0.35)</u>

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

16 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.

Notes to the financial statements
For the year ended 31 December 2024

16 Risk management (continued)

Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the company faces under its insurance contracts is that the actual claims and benefit payments exceed the estimated amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from 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.

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.

Underwriting strategy

The Company's underwriting strategy is to build balanced portfolios based on a large number of similar risks. This reduces the variability of the portfolio's outcome.

The underwriting strategy is set out by the Company that establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Company is prepared to underwrite. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business, territory and industry in order to ensure appropriate risk selection within the portfolio.

Reinsurance strategy

The Company reinsures a portion of the insurance risks it underwrites in order to control its exposure to losses and protect capital resources.

The Company has a Reinsurance department that is responsible for setting the minimum-security criteria for acceptable reinsurance and monitoring the purchase of reinsurance by the business units against those criteria. The department monitors developments in the reinsurance program and its ongoing adequacy.

The Company enters into a combination of proportionate and non-proportionate reinsurance treaties to reduce the net exposure to the Company. In addition, underwriters are allowed to buy facultative reinsurance in certain specified circumstances.

Notes to the financial statements
For the year ended 31 December 2024

16 Risk management (continued)

Capital risk

The Company's objectives when managing capital are:

- To comply with the insurance capital requirements required by UAE Federal Decree Law No. (48) of 2023 Regulating Insurance Activities (previously Federal Law No. (6) of 2007, as amended), concerning the formation of Insurance Authority of UAE.
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To provide an adequate return to shareholders by pricing insurance contracts 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 year. The Company is subject to local insurance solvency regulations which it has not been complied with during the year.

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

	31 December 2024 AED	31 December 2023 AED
Total capital and reserves	<u>(1,992,782)</u>	18,838,650
Minimum regulatory capital (Note 1.1)	<u>100,000,000</u>	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

Notes to the financial statements
For the year ended 31 December 2024

16 Risk management (continued)

Capital risk (continued)

	30 September 2024 AED	31 December 2023 AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	61,610,544	44,500,401
Minimum Guarantee Fund (MGF)	41,276,522	31,682,833
Own Funds		
Basic Own Funds	(32,486,588)	(16,136,096)
Ancillary Own Funds	-	-
MCR Solvency Margin- Minimum Capital Requirement (deficit)/surplus	(132,486,588)	(116,136,096)
SCR Solvency Margin- Solvency Capital Requirement (deficit)/surplus	(94,097,132)	(60,636,497)
MGF Solvency Margin- Minimum Guarantee Fund (deficit)/surplus	(73,763,110)	(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.

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

The carrying amount of financial assets recorded in the financial statements, which is net of expected credit loss, represents the Company's maximum exposure to credit risk for such receivables and liquid funds.

Notes to the financial statements
For the year ended 31 December 2024

16 Risk management (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. The Company is exposed to interest rate risk on call account, fixed deposits with bank, financial assets such as bonds. The interest rates are subject to periodic revisions.

The Company generally manages to minimize the interest rate risk by closely monitoring the market interest rates and investing in those financial assets in which such risk is expected to be minimal.

The Company is exposed to interest rate risk on:

- (I) Liability for incurred claims; and
- (li) Asset for incurred claims.

The below tables show the impact of 5% change in risk adjustment and discounting on liability for incurred claims and assets for incurred claims:

31 December 2024	<u>Impact on profit gross of reinsurance</u>	<u>Impact on profit net of reinsurance</u>	<u>Impact on equity gross of reinsurance</u>	<u>Impact on equity net of reinsurance</u>
Risk Adjustment				
5% increase	(296,806)	(113,312)	(296,806)	(113,312)
5% decrease	296,806	113,312	296,806	113,312
Discounting				
5% increase	512,120	266,529	512,120	266,529
5% decrease	(515,534)	(268,211)	(515,534)	(268,211)
31 December 2023	<u>Impact on profit gross of reinsurance</u>	<u>Impact on profit net of reinsurance</u>	<u>Impact on equity gross of reinsurance</u>	<u>Impact on equity net of reinsurance</u>
Risk Adjustment				
5% increase	(186,350)	(105,249)	(186,350)	(105,249)
5% decrease	186,350	105,249	186,350	105,249
Discounting				
5% increase	380,595	203,132	380,595	203,132
5% decrease	(380,595)	(203,132)	(380,595)	(203,132)

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for interest-bearing financial assets assuming the amount of assets at the end of the reporting period were outstanding for the whole year.

As all the interest-bearing financial assets and liabilities of the Company carry fixed interest rates, the Company is not subject to fluctuation of interest rate at the reporting date.

Notes to the financial statements
For the year ended 31 December 2024

16 Risk management (continued)

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.

Equity and debt price risk

Equity and debt price 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 security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to equity and debt price risk with respect to its quoted equity and debt investments. The Company limits equity and debt price risk by maintaining a diversified portfolio and by continuous monitoring of developments in the market. In addition, the Company actively monitors the key factors that affect stock and market movements, including analysis of the operational and financial performance of investees.

At the end of the reporting period, if the equity and debt prices are 10% higher / lower as per the assumptions mentioned below and all the other variables were held constant, the Company's other comprehensive loss for the year ended 31 December 2024 would have increased / (decreased) by AED 253,490 (year ended 31 December 2023: AED 1,110,804).

Method and assumptions for sensitivity analysis:

- The sensitivity analysis has been done based on the exposure to equity and debt price risk as at the end of the reporting period.
- As at the end of the reporting period if equity and debt prices are 10% higher / lower on the market value uniformly for all equity and debt while all other variables are held constant, the impact on profit and other comprehensive loss for the year has been shown above.
- A 10% change in equity and debt prices has been used to give a realistic assessment as a plausible event.

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year. The UAE Dirham is effectively pegged to the US Dollar, thus foreign currency risk occurs only in respect of other currencies. The company maintains policies and procedures to manage the exchange rate risk exposure.

Frequency and severity of claims

The Company manages insurance 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, as well as the use of reinsurance arrangements.

The Company has the right not to renew individual policies, re-price the risk, impose deductibles and reject the payment of a fraudulent claim for both short and long-term insurance contracts. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation).

Notes to the financial statements
For the year ended 31 December 2024

16 Risk management (continued)

Frequency and severity of claims (continued)

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Company should not suffer net insurance losses more than the limit defined in the Risk appetite statement in any one event. The risks are frequently reviewed individually and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the insured until several months, quarters & sometimes years after event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Company considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. The Company involved an independent external actuary as well if deemed necessary. Large claims are assessed on a case-by-case or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claim's exposures. However, given the uncertainty in establishing some claims provisions, it is possible that the final outcome will prove to be different from the original liability established.

The liability for these contracts comprises a provision for IBNR and a provision for reported claims not yet paid at the end of the reporting period. The amount of insurance claims is in some cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

In calculating the estimated cost of unpaid claims (both reported and not), the Company's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience where greater weight is given to actual claims experience as time passes. The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and claims inflation.

Process used to decide on assumptions

The risks associated with insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Company uses assumptions based on a mixture of internal and market data to measure its claims liabilities. Internal data is derived mostly from the Company's quarterly claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Company has reviewed the individual contracts and the actual exposure years of claims. This information is used to develop scenarios related to the latency of that are used for the projections of the ultimate number of claims.

Notes to the financial statements
For the year ended 31 December 2024

16 Risk management (continued)

Process used to decide on assumptions (continued)

The Company uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are chain-ladder and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. Selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year. Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business.

The Bornhuetter-Ferguson method uses a combination of a benchmark or marker- based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that a weighted average of different techniques have been selected for individual accident years or groups of accident years within the same class of business. The Company has an internal actuary and independent external actuaries are also involved in the valuation of technical reserves of the Company and has used historical data for the past 9 years. The Company did not change its assumptions for the valuation of the insurance contract liabilities during the year other than those disclosed.

Concentration of insurance risk

Substantially all the Company's underwriting activities are carried out in the United Arab Emirates. In common with other insurance companies, in order to minimize financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangements with other parties for reinsurance purposes.

To minimize its exposure to significant losses from reinsurer insolvencies, the Company primarily deals with reputed counter parties and monitors the receivable position from these parties on a regular basis.

Operational risk

Operational risk is the risk of loss arising from system failures, human error, fraud, or external events. Controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access, authorization, and reconciliation procedures, staff education and assessment processes.

Notes to the financial statements
For the year ended 31 December 2024

16 Risk management (continued)

Liquidity risk

The Company's Board of Directors adopted an appropriate liquidity risk management framework as the responsibility of liquidity risk management rests with the Board of Directors.

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

	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>

The following table shows the maturity dates of Company's financial assets and liabilities as at 31 December 2023:

	Less than 1 year AED	More than 1 year AED	Total AED
<u>Financial assets</u>			
Interest bearing	37,779,645	14,140,727	51,920,372
Non-interest bearing	105,486,301	-	105,486,301
	<u>143,265,946</u>	<u>14,140,727</u>	<u>157,406,673</u>
<u>Financial liabilities</u>			
Non-interest bearing	<u>55,225,289</u>	-	<u>55,225,289</u>

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

Notes to the financial statements
For the year ended 31 December 2024

17 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:

	31 December 2024 AED	31 December 2023 AED
Premium and insurance balances receivables		
<i>Shareholder</i>		
Finance House P.J.S.C.	7,588,001	3,495,990
<i>Fellow subsidiaries</i>		
Finance House L.L.C	831,257	382,833
Finance House Securities L.L.C.	238,814	240,291
	<u>8,658,072</u>	<u>4,119,114</u>
Other receivables		
<i>Shareholder</i>		
Finance House P.J.S.C.	-	34,596,019
	<u>-</u>	<u>34,596,019</u>
Insurance and other payables		
<i>Shareholder</i>		
Finance House P.J.S.C.	6,500,000	12,000,000
<i>Fellow subsidiaries</i>		
FH Capital P.S.C.	1,578,798	1,453,798
Finance House Securities L.L.C.	37,134	37,135
	<u>8,115,932</u>	<u>13,490,933</u>
Investments		
<i>Shareholder</i>		
Finance House P.J.S.C. - Sukuks	6,950,000	6,950,000
	<u>6,950,000</u>	<u>6,950,000</u>
Cash and cash equivalents		
<i>Shareholder (Finance House P.J.S.C.)</i>		
Cash at banks – current accounts	395,056	434,558
Cash at bank – call account	12,152,688	16,757,447
Cash at banks – fixed deposit	5,000,000	-
<i>Fellow subsidiaries</i>		
Finance House Securities L.L.C. – Commercial papers	7,000,000	7,000,000
Finance House L.L.C.- Cash at banks – current accounts	119,253	119,253
	<u>24,666,997</u>	<u>24,311,258</u>

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

Notes to the financial statements
For the year ended 31 December 2024

17 Related party balances and transactions (continued)

	31 December 2024 AED	31 December 2023 AED
Tier 1 capital		
Board member		
Abdulmajeed Al Fahim	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

Finance House P.J.S.C. is one of the major shareholders of the Company as of 31 December 2024. FH Capital, Finance House Securities L.L.C. and Finance House L.L.C. are subsidiaries of Finance House P. J. S.C.

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:

	31 December 2024 AED	31 December 2023 AED
Finance House P.J.S.C		
Sale of land and building	-	34,596,019
Gross premiums written	5,054,064	4,122,875
Interest on fixed deposit	504,539	185,597
Management fee	6,000,000	6,000,000
Interest on Sukuk	423,203	423,203
	<u> </u>	<u> </u>
Finance House Securities		
Purchase of shares	1,512,382	55,500
Disposal of shares	2,956,315	39,628,212
Gross premium written	529,669	438,532
Interest on investment in commercial paper	340,904	277,687
	<u> </u>	<u> </u>
Finance House L.L.C		
Gross premiums written	450,074	366,900
	<u> </u>	<u> </u>
FH Capital		
Service fees	128,314	755,796
	<u> </u>	<u> </u>

Notes to the financial statements
For the year ended 31 December 2024

18 Segment information

The Company has two reportable segments, as described below, which are the Company's strategic business units. The business units are managed separately because they require different approach technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis.

The following summary describes the two main business segments:

- Underwriting of general insurance business – incorporating all classes of general insurance such as fire, marine, motor, medical, general accident and miscellaneous.
- Investments – incorporating investments in marketable equity securities and investment funds, development bonds, term deposits with banks and other securities.

Primary segment information - business segment

	31 December 2024			31 December 2023		
	AED			AED		
	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>
Segment revenue	297,661,269	1,692,330	299,353,599	242,946,852	3,779,514	246,726,366
Segment result	(20,850,324)	1,692,330	(19,157,994)	(46,379,294)	3,779,514	(42,599,780)
Unallocated income/expense, net			(533,132)			625,165
Net loss before tax for the year			<u>(19,691,126)</u>			<u>(41,974,615)</u>

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

	31 December 2024			31 December 2023		
	AED			AED		
	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>	<u>Underwriting</u>	<u>Investments</u>	<u>Total</u>
Segment assets	158,312,518	9,685,810	167,998,328	168,327,461	11,108,035	179,435,496
Unallocated assets			39,345,217			37,779,645
Total assets			<u>207,343,545</u>			<u>217,215,141</u>
Segment liabilities	206,564,963	(275,593)	206,289,370	195,845,468	(6,069)	195,839,399
Equity			(1,717,157)			18,844,719
Unallocated liabilities			2,771,332			2,531,023
Total liabilities and equity			<u>207,343,545</u>			<u>217,215,141</u>

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

Notes to the financial statements
For the year ended 31 December 2024

18 Segment information (continued)

b) Secondary segment information – revenue from underwriting departments

The following is an analysis of the Company’s revenues classified by major underwriting department:

	31 December 2024 AED	31 December 2023 AED
Non – Marine	139,695,646	143,464,248
Medical and personal assurance	157,335,445	98,881,399
Marine	630,178	601,205
	<u>297,661,269</u>	<u>242,946,852</u>

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

Gross written premium

Details relating to gross written premium are disclosed below to comply with the requirements of CBUAE and are not calculated as per requirements of IFRS 17

31 December 2024	Non- Marine	Medical and personal assurance	Marine insurance	All types of business combined
Direct written premiums	175,009,228	169,018,794	718,352	344,746,374
Assumed business				
Local	1,225,299	-	-	1,225,299
Total assumed business	1,225,299	-	-	1,225,299
Gross written premiums	<u>176,234,527</u>	<u>169,018,794</u>	<u>718,352</u>	<u>345,971,673</u>
31 December 2023*	Non- Marine	Medical and personal assurance	Marine insurance	All types of business combined
Direct written premiums	114,302,201	113,524,047	679,052	228,505,300
Assumed business				
Foreign	223,442	-	-	223,442
Local	1,135,800	-	-	1,135,800
Total assumed business	1,359,242	-	-	1,359,242
Gross written premiums	<u>115,661,443</u>	<u>113,524,047</u>	<u>679,052</u>	<u>229,864,542</u>

*The Company has reclassified the above balances in order to comply with the requirements of CBUAE regulations.

Notes to the financial statements
For the year ended 31 December 2024

19 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 2023: AED 6.7 million).

20 Changes in reinsurance agreements

During the year, the Company discontinued its quota share reinsurance arrangements in motor business, which previously operated on a 70% cession and 30% retention basis. Subsequently, the Company entered into an excess of loss reinsurance agreement, under which losses exceeding AED 400,000 are shared with reinsurer partners as per the terms of the agreement.

21 General

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

22 Approval of financial statements

The financial statements were approved and authorized for issue by the Board of Directors on 25 March 2025.

23 Significant events

Heavy rainfall in UAE:

During the first quarter of 2024, UAE witnessed unprecedented heavy rainfall causing widespread disruption across the country which led to a significant increase in insurance claims. As the Company had adequate coverage against such huge losses through various re-insurance arrangements, this event did not cause significant impact on net insurance service results of the Company.

24 Deferred Tax assets

As of 31 December 2024, the Company has tax losses amounting to AED 19,539,561 which resulted in a deferred tax asset of AED 1,758,561. However, in accordance with IAS 12, the Company has not recognized this deferred tax asset due to the lack of reasonable certainty regarding future taxable profits. This amount remains disclosed as an off-balance sheet item and will be reassessed in subsequent periods based on future profitability projection.



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

**CORPORATE
GOVERNANCE &
ESG REPORT**



دار التآه
INSURANCE HOUSE
شركة مساهمة عامة

**CORPORATE GOVERNANCE
REPORT**

INSURANCE HOUSE PJSC

2024

دار التآه من.م.ع: ص ب (١٢٩٩٢)، أبو ظبي، ا.ع.م: هاتف: ٤٤٤ ٤٩٣٤ (٢) +٩٧١؛ فاكس: ٤٩٣٤ ٤٠٠٠ (٢) +٩٧١ Page 9 of 16

Insurance House P.J.S.C: P.O. Box 12992, Abu Dhabi, U.A.E: Tel: +971 (2) 4934 444; Fax: +971 (2) 4934 400

شركة مساهمة عامة برأس المال 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

Index

Content	Page
1. Introduction – Implementation of Corporate Governance	3
2. Statement of ownership and transactions of the members of the Board of Directors and their spouses and children in the Company's securities during 2024	4
3. Board of Directors	6
4. Board Audit Committee	13
5. Nomination and Remuneration Committee	16
6. Monitoring and Supervising the Transactions of Stakeholders	17
7. Risk Committee	17
8. Investment Committee	19
9. Statement of the BOD's Duties and Powers	20
10. Statement of the Details of Transactions Conducted with the Related Parties	21
11. Violations Committed During Financial Year 2024	21
12. Evaluation of the Board of Directors	22
13. Organizational Structure of the Company	23
14. Detailed Statement of Senior Executive Staff	24
15. External Auditor	25
16. Internal Control System	26
17. Company's contributions during 2024 toward the local community development and environmental conservation	29
18. General Information	32

دار التأمين ش.م.ع: ص.ب ١٢٩٩٢١، أبوظبي، ا.ع.م: هاتف: ٤٤٤ ٤٩٣٤ (٢) +٩٧١؛ فاكس: ٤٠٠ ٤٩٣٤ (٢) +٩٧١ Page 2 of 36

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



1. Introduction

Incorporation was announced after holding the Constitutive Assembly meeting on 03/04/2011. Afterwards, Ministerial Resolution No. 172 dated 10/04/2011 was issued and the same recorded in the Insurance Authority's registry under number 89 on 02/05/2011 accordingly the company was licensed to practice all types of insurance excluding life insurance and to become a national company incorporated in the Emirate of Abu Dhabi with a paid-up capital of AED 120 million. The Company's amended Articles of Association in Article No. 75 state the requirement to comply with the Resolutions concerning the Standards of Institutional Discipline and Governance of Joint Stock Companies for the benefit of all stakeholders including shareholders and clients to invoke the principle of transparency and justice between the company's shareholders and customers, which will reflect positively on the whole social and economic aspects.

The General Assembly resolved and approved on 14 JAN 19 the nullification of the bought back shares of the company and to reduce the capital accordingly to AED 118,780,500.

Implementation of Corporate Governance

The Company in order to abide by and implement the Articles of Association as well as Chairman of Authority's Board of Directors' Decision No. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and amendments thereof and the CBUAE regulations, took several steps to form the applicable basis and updated and approved the following documents:

#	Document Name	Document Type
1	SHORY Aber Integration Control Document IH-BUS-CD-005	Control Document
2	IH Interactive Voice Response (IVR) Functionality Process Flow Diagram and Controls IH-BUS-CD-006	Control Document
3	IH-GOV-POL-004 Reinsurance Strategy Policy (V-1)	Policy Document



2. Statement of ownership and transactions of the members of the Board of Directors and their spouses and children in the Company's securities during 2024

Board members abide by the provisions of the Decision No. (2/R) of 2001 Concerning the Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities issued by the Securities and Commodities Authority (SCA) and in accordance with the provisions of Article No. 14 of the Board of Directors Decision No. 2/2001, where:

The chairman and the members of the board of directors of a company whose Securities are listed on the Market, and its general manager, and any of its employees who have knowledge of fundamental information of the company, shall not deal by themselves or through others in Securities issued by such company, or Securities issued by a parent, subsidiary, allied or affiliate company of such company, during the following periods:

- Ten (10) business days prior to the announcement of any significant information which would result in the share price increasing or decreasing, unless the information was a result of sudden unforeseen circumstances.
- Fifteen (15) days prior to the end of each financial quarter, semi-annual or annual financial period until the publication of the Company's financial statements comprising the statement of financial position, the statement of income, the statement of cash flows, the statement of changes in the shareholders equity and the clarifications on the financial statements in accordance with the International Accounting Standards, which are issued after the External Auditor's report is drafted and are signed by the company's Board of Directors or the authorized signatory in case of being quarterly, or are approved by the General Assembly along with the Auditor's report and Board of Directors' report in case of being annual financials.

The provisions of the Decision No. (2/R) of 2001 Concerning the Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities shall be taken into consideration if any of the above-mentioned persons traded, personally or through a third party, in the stocks of the company itself, mother company, subsidiary, affiliate or sister company. Any stock trading transaction contradicting the same shall be null and void.

Board of Directors acknowledged to disclose any stock trading transaction as described above.



Accordingly, Insurance House declares that the transactions of the Board members and their spouses and children in the Company's securities during the year 2024 are as follows.

S/N	Name	Position/Kinship	Owned shares as on 31/12/2024	Total Sale Transactions	Total Purchase Transactions
1	Mr. Mohamed Abdulla Jumaa Alqubaisi	Chairman	1,577,400	0	0
2	H.E. Alia Abdulla Mohamed Almazrouei	Vice Chairman	0	0	0
3	Mr. Khaled Abdulla Jumaa Alqubaisi	Board member	0	0	0
4	Mr. Abdulmajeed Ismail Ali Abdulrahim Al Fahim	Board Member	5,000	0	0
5	Mr. Murtadha Mohamed Sharif Alhashmi	Board member	0	0	0
6	Mr. Raman Tirunelveli Kuppuswamy	Board member	0	0	0
7	Mr. Jassem Mubarak Masoud Aldhaheri	Board member	0	0	0
8	Fatima Mohamed Abdulla AlQubaisi	Daughter of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
9	Jude Mohamed Abdulla AlQubaisi	Daughter of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
10	Hamad Mohamed Abdulla AlQubaisi	Son of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
11	Eisa Mohamed Abdulla AlQubaisi	Son of Mr. Mohamed Abdulla Jumaa Alqubaisi	25,000	0	0
12	Mr. Mohamed Abdulmajeed Ismail Al Fahim	Son of Mr. Abdulmajeed Ismail Ali Abdulrahim Al Fahim	995,000	0	995,000



3. Board of Directors:

Company's Board of Directors consists of seven members, as stated in the Memorandum of Association and the Articles of Association of the Company, who are highly qualified and experienced in the financial, investment and managerial fields. They are able to follow up the company's business and implement its policies in order to ensure the company's continuous progress and development.

a. Statement of the current Board of Directors composition and membership characteristics and experience:

S/N	Name	Position & Category (executive, non-executive, independent)	Experience and Qualifications	Membership and positions in any other joint-stock companies and any other important supervisory, governmental or commercial entities	Membership Duration
1	Mr. Mohamed Abdulla Jumaa Alqubaisi	Chairman Non-executive Non-independent	Over 35 years in banking and corporate management. Bachelor of Science from the University of Austin / Texas	Finance House PJSC - Vice Chairman The National Investor Pvt.JSC – Board Member FH Capital P.J.S – Board Member Finance House LLC – Board Member Finance House Securities Company LLC – Chairman	13 years
2	H.E. Alia Abdulla Mohamed Almazrouei	Vice Chairman Non-executive Non-independent	Appointed as a Minister of State for Entrepreneurship following several executive roles, the most recent	Minister of State for Entrepreneurship	13 years



دار التأمين
INSURANCE HOUSE

P.J.S.C - ٤٣٣

			being the CEO of Khalifa Fund. Bachelor of Information Systems Management & Master of Business Administration	Finance House PJSC - Board Member	
3	Mr. Khaled Abdulla Jumaa Alqubaisi	Board member Non-executive Independent	Over 25 years in various sectors, including investment policy development, aviation industry, defense industries, information and communications technology, and clean energy. Master in Project Management from George Washington University and a Bachelor in Finance and Operations Management from Boston University, USA.	Finance House PJSC - Chairman Abu Dhabi Global Market - Board Member Finance House LLC – Vice Chairman	7 years
4	Mr. Abdulmajeed Ismail Ali Abdulrahim Al Fahim	Board Member Non-executive Non-Independent	Over 35 years' experience in senior management of large-scale and world-class investment and development projects	Finance House PJSC - Board Member FH Capital P.J.S - Chairman Emirates National Petroleum Company Pr.JSC – Vice Chairman	8 years

دار التأمين ش.م.ع: ص.ب ١٢٩٩٢١، أبوظبي، ا.ع.م: هاتف: ٤٤٤ ٤٩٣٤ (٢) +٩٧١ فاكس: ٤٩٣٤ ٤٠٠ (٢) +٩٧١ Page 7 of 86

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



			Master of Business Administration in Finance from the University of Toledo / Ohio – United States of America	Al Marjan Investments & Development LLC – Chairman SANBAN Business Commercial Investments LLC - Chairman UNii Engineering Consultancy LLC - Chairman Finance House LLC – Board Member	
5	Mr. Murtadha Mohamed Sharif Alhashmi	Board member Non-executive Independent	Bachelor's degree in Accounting and Information Systems from the United Arab Emirates University He served as Chief Financial Officer of the Abu Dhabi National Oil Company (ADNOC) and the International Petroleum Investment Company (IPIC) and held several positions on the Board of Directors of Several International Oil companies, Banks, Investment Companies, EPC	Finance House PJSC - Board Member Finance House LLC – Board Member	5.5 years



دار التأمين
INSURANCE HOUSE

P.J.S.C. - ع.ج.م.

			companies, Retail and Automotive sectors		
6	Mr. Raman Tirunelveli Kuppuswamy	Board member Non- executive Non- independent	Over 35 years of experience in banking, finance and auditing. He is currently the Chief Executive Officer of Finance House. Chartered Accountant from the Institute of Chartered Accountants of India - Cost Accountant from the Institute of Cost & Works Accountants of India - Company Secretary from the Institute of Company Secretaries of India - Professional Qualification in Bank Card Management, CIB London Institute of Banking. Advance Management Program Graduate, Wharton Business School, University of Pennsylvania.	FH Capital PJS – Vice Chairman Finance House PJSC – Chief Executive Officer Finance House Securities Company LLC - Director Finance House LLC – Chief Executive Officer Mainland Management LLC - Director The Emirates Payment Services LLC – Director	13 years

دار التأمين ش.م.ع. ص.ب. ١٢٩٩٢١، أبوظبي، ا.ع.م. هاتف: ٤٤٤ ٤٩٣٤ (٢) ٩٧١ + فاكس: ٤٠٠ ٤٩٣٤ (٢) ٩٧١ + Page 9 of 36

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



7	Mr. Jassem Mubarak Masoud Aldhaheri	Board member Non-executive Independent	Investment Advisor at Municipality of Abu Dhabi since 2009. He served as Deputy CEO of Oman & Emirates Investment Holding Company during the period from 2002 until 2009 and held various positions in Abu Dhabi Investment Company between 1992 and 2002 including Assistant General Manager of Investment Division. Master of Science in Economics from California State Polytechnic University (Pomona), USA.	Royal Capital PSC – Board Member (Current) Aram Group – Board Member (Former)	4 years
---	-------------------------------------	--	--	--	---------

b. Statement of women's representation in the Board of Directors in 2024.

The company abides by women representation in the Board of Directors with a ratio of 1 member from a total of 7 board members.

c. Statement of reasons for not nominating any woman as a board member:

The company abides by women representation in the Board of Directors with a ratio of 1 member from a total of 7 board members.



d. Fundamentals of board members' remunerations:

Articles No. 41 and 65 of the Company's Articles of Association stipulate that the remuneration for the board members shall be distributed after deducting the necessary and optional reserves and distributing the dividends to the shareholders at a rate to be determined by the General Assembly of the Company. The remuneration shall be determined at the General Assembly Meeting and shall not exceed 10% of the remaining net profits after deducting the abovementioned. Such remuneration shall be subject to the deduction of the fines which had been levied on the Company by the Securities and Commodities Authority, the Insurance Authority or the Competent Authority due to the violations committed by the Board of Directors, in accordance with the Commercial Companies Law or the Company's Articles of Association during the fiscal year. The General Assembly may not deduct (wholly or partially) such fines if they were not committed due to negligence or error by the Board of Directors. Article No. 41 of the Company's Articles of Association has been amended as approved by the Annual General Assembly Meeting held on 12th April 2022 in line with the requirements under Article 171 of Federal Law Decree no. 32 of 2021 regarding Commercial Companies.

1. Total remuneration paid to the members of the board of directors for the year 2023

The Board of Directors did not receive any remuneration for the year 2023.

2. Total proposed remuneration of the members of the board of directors for the year 2024, which will be presented at the annual general assembly meeting for approval:

There is no remuneration payable to the members of the Board of Directors for the year 2024 due to the losses for the year as well as accumulated losses as of 31 December 2024.

3. Details of the allowances for attending the sessions of committees derived from the Board which were paid to the Board members for the fiscal year 2024:

No allowances have been paid to the members of the Board of Directors for the fiscal year 2024 for attending the sessions of committees derived from the BOD.

4. Details of the additional allowances, salaries, or fees received by a Board member other than the allowances for attending to the committees:

No additional allowances, salaries, or fees have been received by the Board members.



e. Board of Directors Meetings:

The Board of Directors held the following meetings as of 31/01/2024:

Meeting number and date	Meeting 1 13/02/2024	Meeting 2 14/05/2024	Meeting 3 13/08/2024	Meeting 4 14/11/2024	Meeting 5 19/12/2024	Meeting 6 26/12/2024
Board Members						
Mr. Mohamed Abdulla Jumaa Alqubaisi	✓	✓	✓	✓	✓	✓
H.E. Alia Abdulla Almazrouei	✓ (Via Proxy)	✓ (Via Proxy)	✓ (Via Proxy)	✓	✓ (Via Proxy)	✓ (Via Proxy)
Mr. Khaled Abdulla Jumaa Alqubaisi	✓ (Via Proxy)	✓	✓ (Via Proxy)	✓ (Via Proxy)	✓	✓
Mr. Abdulmajeed Ismail Ali Al Fahim	✓	✓	✓	✓	✓	✓
Mr. Raman Tirunelveli Kuppuswamy	✓	✓	✓	✓	✓	✓
Mr. Murtadha Mohamed Sharif Alhashmi	✓	✓	✓	✓	✓	✓
Mr. Jassem Mubarak Masoud Aldhaheri	✓	✓	✓	✓	✓	✓

Absent ✗

Attended ✓

f. Number of Board resolutions by circulation issued by passing during the 2024 fiscal year, along with its meeting convention dates

N/A.



4. Board Audit Committee

a. Mr. Khaled Abdulla Jumaa Alqubaisi, Board Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness. The principal role of the Audit Committee is to oversee the effectiveness of the controls in the areas of operational and balance sheet risk, corporate governance, legal and regulatory compliance and financial reporting across the Company. The Audit Committee considered and recommended the Internal Audit charter for approval by the Chairman of the Board. The Board Audit Committee Charter was updated and approved by the Board in the BOD meeting No. 03/2023 dated 15/11/2023.

b. Board Audit Committee members:

Board Audit Committee members	Membership status in the BOD	Position in the Committee
1. Mr. Khaled Abdulla Jumaa Alqubaisi	Independent	Chairperson
2. Mr. Abdulmajeed Ismail Ali Al Fahim	Non-Independent	Member
3. Mr. Jassem Mubarak Masoud Aldhaferi	Independent	Member
4. Mr. Lyndon Magsino (Till July 2024)	Independent Specialist	Specialist Member

c. Duties of the Board Audit Committee

- Obtain reasonable assurance with respect to the company's values and ethics practices.
- Obtain reasonable assurance with respect to the company's governance process, the Board Audit Committee will review and provide advice on the governance process established and maintained within the company and the procedures in place to ensure that they are operating as intended.
- Obtain reasonable assurance with respect to the company's risk management practices.
- Obtain reasonable assurance with respect to the company's procedures for the prevention, detection, and investigation of fraud.
- Obtain reasonable assurance with respect to the adequacy and effectiveness of the company's controls in responding to risks within the company's governance, operations and information systems.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance



- Review the observations and conclusions of internal and external auditors and the findings of any regulatory agencies
- Obtain reasonable assurance with respect to the work of internal audit activity and function.
- Obtain reasonable assurance with respect to the work of external assurance providers, the Board Audit Committee will meet with the external assurance providers during the planning phase of the engagement, the presentation of the audited financial statements, and the discussion of the results of engagement and recommendation for management.
- Review the Company's financial and accounting policies and procedures.
- Review with management and the external auditors the results of audit engagements, including any difficulties encountered.
- Review Related Party Transaction is reported properly in the Company's financial statements in accordance with the applicable international accounting standards.

d. During the year 2024, three Board Audit Committee meetings were held as illustrated below:

Meeting number and date	Meeting 1 Date 07/02/2024	Meeting 2 Date 06/05/2024	Meeting 3 Date 25/12/2024
Mr. Khaled Abdulla Jumaa Alqubaisi	✓	✓	✓
Mr. Abdulmajeed Ismail Ali Al Fahim	✓	✓	✓
Mr. Jassem Mubarak Masoud Aldhaferi	✓	✓	✓
Mr. Lyndon Magsino (Till July 2024)	✓	✓	Not applicable

Absent × Attended ✓

No financial rewards or allowances are paid for attending the Board Audit Committee meetings.

e. Annual Audit Committee Report

The Audit Committee, being composed of members from the Board of Directors, diligently reviews all interim financial reports and the annual financial statements on an ongoing basis. This continuous oversight ensures that key matters related to the financial statements are thoroughly considered and appropriately addressed.

The independence and effectiveness of the external audit process are evaluated annually by the Audit Committee. This evaluation includes a review of the audit firm's performance, quality of service, and adherence to relevant regulatory standards. The Audit Committee follows a structured procedure for appointing or reappointing the external auditor, which includes assessing their qualifications, experience, and independence. The tenure of the current external auditor is 1 year, and the Audit Committee ensures that the firm meets all necessary criteria to maintain its independence and objectivity throughout the audit process. Crowe Mak was approved to be the External Auditor for auditing and reviewing the financial statements of the Company at the Annual General Assembly meeting held on 23/04/2024 until the end of the financial year 31/12/2024. Based on the



comprehensive evaluation, the Audit Committee makes a recommendation to the Board of Directors regarding the appointment, reappointment, or dismissal of the external auditor. In the event that the Board of Directors does not accept the Audit Committee's recommendation, the Committee ensures that the rationale for the Board's decision is thoroughly documented and discussed. To maintain the external auditor's independence, the Audit Committee carefully reviews and approves any non-audit services provided by the external auditor, in line with applicable regulations and best practices. The Committee ensures that the scope of such services does not impair the objectivity or independence of the external audit process.

The Internal Auditor provides a detailed summary of all outstanding and overdue issues, categorized by risk levels (Critical, High, and Medium), along with an analysis of the three primary root causes contributing to these issues. This summary is presented as a separate agenda item at each Audit Committee meeting for review, discussion, and formal acknowledgment. Additionally, corrective action plans addressing all reported audit issues are outlined and included in the Individual Internal Audit report, which is circulated to the Audit Committee for their review.

Additionally, Board Audit Committee reviews all the items mentioned as part of their duties.



5. Nomination and Remuneration Committee

a. Mr. Jassem Mubarak Masoud Aldhaheeri, Nomination and Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness.

b. The names of the Nomination and Remuneration Committee members, and a statement of its functions and duties assigned thereto:

The Board of Directors, during its meeting dated 14/05/2024, decided on the composition of the Nomination and Remuneration Committee.

The duties below were assigned to the Nomination and Remuneration Committee:

1. To continuously ensure the independence of the independent board members.
2. To prepare the policy for granting bonuses, benefits, incentives and salaries to the Company's Board of Directors and employees and to review such policy on an annual basis. The Committee shall ensure that the remuneration and benefits granted to the Company's senior executive management are reasonable and match the company's performance.
3. To identify the company's needs of competencies at senior executive management and employee levels, and to determine the bases of their selection.
4. To draft Human Resources and training policy in the company, to monitor its application, and to review it on an annual basis.
5. To organize and follow up the procedures for nomination to the Board of Directors in accordance with the applicable laws and regulations and the provisions of this resolution.

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

Committee members	Membership status in the BOD	Position in the Committee
1. Mr. Jassem Mubarak Masoud Aldhaheeri	Independent	Chairperson
2. H.E. Alia Abdulla Mohamed AlMazrouei	Non-independent	Member
3. Mr. Murtadha Mohamed Sharif Alhashmi	Independent	Member

c. Meetings of Nominations and Remuneration Committee:

Meeting number and date	Meeting 1 30/12/2024
Members	
Mr. Jassem Mubarak Masoud Aldhaheeri	✓
H.E. Alia Abdulla Mohamed AlMazrouei	✓
Mr. Murtadha Mohamed Sharif Alhashmi	✓

Absent ×

Attended ✓

No financial rewards or allowances are paid for attending the Nomination and Remuneration Committee meetings.



6. Monitoring and Supervising the Transactions of Stakeholders:

The function of supervising the insiders' is being monitored by several functions in the organization such as the Investor Relations, Legal, Human Capital, and Compliance under the supervision of the Chief Executive Officer, who shall report any significant incident to the Board.

It is ensured that the list of the Insiders is kept up to date and the regulatory authority is updated of any change.

On that note, the Board is satisfied that this mission is being carried out efficiently and hence, the need to have a separate committee is found to be not substantiated.

On 11 May 2023, the Board formed the Implementation Committee for the Insurance House Recovery Plan, with a mission to follow up on the implementation of the Recovery Plan, presided by the Chairman of the Board with the membership of Mr. Abdulmajeed Al Fahim and Mr. Raman Tirunelveli Kuppuswamy, in addition to two expert members. The meetings were held in such frequencies as needed and decided by the members to discuss with the Management and follow up on the implantation of the Recovery Plan, specifically should there be any material updates to be provided.

7. Risk Committee

a. Mr. Murtadha Mohamed Sharif Alhashmi, Risk Committee Chairperson, acknowledges his responsibility for the committee, review of its work mechanism and ensuring its effectiveness.

b. **The names of the Risk Committee members, and a statement of its functions and duties assigned thereto:**

The Board of Directors, during its meeting dated 14/05/2024, decided on the composition of the Risk Committee. The below stated duties and responsibilities were assigned to the Risk Committee:

The Committee will have the resources and necessary authority delegated by the Board of Directors to perform its duties and responsibilities as enumerated below:

1. Guide and approve risk appetite statement and strategy.
2. Oversee implementation through relevant policies, procedures and risk management tools.
3. Monitor ongoing adherence to the defined risk appetite framework.
4. Make recommendations to the Board in relation to overall risk appetite for the Company.
5. Review and approve Underwriting Risk Policy, Procedure and Framework.
6. Quarterly review of the Underwriting Risk report and update the BOD
7. Review infrastructure, tools and solutions, and their implementation across the company to ascertain its adequacy.
8. Review and approve the Company's Operational Risk Management Framework and Policies.



9. Review Operational Risk infrastructure, tools and solutions, and their implementation across the company to ascertain its adequacy.
10. Monitor the Company's Operational risk exposures through review of Operational Risk Reports as presented by the Management.
11. Review and approve the policies & procedures which form the company's Credit Risk Management Framework.
12. Review and approve Credit Risk Rating assessment of Investment Portfolio
13. Limit Monitoring & Policy Compliance
14. Review and approve credit risk profile & strategies for company's credit portfolio.
15. Review and approve Market/Investment Risk Policy and Framework.
16. Review market risk management infrastructure, tools and solutions, and their implementation across the company to ascertain its adequacy.
17. Quarterly review of Market Risk Report as presented by the Senior Management and present the same to the Board of Directors.
18. Monitor the Company's risk exposure and guide management action accordingly.

The following are the members of the Risk Committee:

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

c. Meetings of the Risk Committee:

Meeting number and date	Meeting 1 10/12/2024
Members	
Mr. Murtadha Mohamed Sharif Alhashmi	✓
Mr. Jassem Mubarak Masoud Aldhaheri	✓
Mr. Raman Tirunelveli Kuppuswamy	✓

Absent x

Attended ✓

No financial rewards or allowances are paid for attending the Risk Committee.



8. Investment Committee

a. H.E. Alia Abdulla Mohamed Almazrouei, Investment Committee Chairperson, acknowledges her responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

b. The names of the Investment Committee members, and a statement of its functions and duties assigned thereto:

The Board of Directors, during its meeting dated 14/05/2024, decided the composition of the Investment Committee.

The below stated duties and responsibilities were assigned to the Investment Committee:

1. Perform such duties and exercise such powers as may be directed or delegated to it by the Board from time to time.
2. May delegate, as deemed advisable, certain of its responsibilities to the appropriate member of the Company's management or executive officers.
3. Establish the investment strategy, policies and procedures, for approval by the Board, and oversee their implementation. The Committee has the responsibility to ensure that the investment strategy is in alignment with IH's mission.
4. Setting investment guidelines and adopting them.
5. Periodically review and revise investment policies and procedures.
6. Review and monitor investments for their compliance with company's investment policies and procedures.
7. Monitoring the performance of investment funds and investment managers in accordance with the investment policy.
8. Assist the Board in its evaluation of the adequacy and efficiency of the investment policies, procedures, practices and controls applied in the day-to-day management of its business through an audit report (either independent internal or external) that is to be submitted to the Audit Committee.
9. Ensure adequate segregation of duties between execution, recording, authorization, reconciliation and related assurance.
10. The Committee, in conjunction with the Audit Committee, has the responsibility to determine the scope of rigorous audit procedures that include full coverage of the investment activities to ensure timely identification of internal control weaknesses and operating system deficiencies.
11. Fulfill any other activities or have any other authorities as delegated to it by the Board and to the extent permitted by law.

The following are the members of the Investment Committee:

Committee members	Position in the Committee
H.E. Alia Abdulla Mohamed AlMazrouei	Chairperson
Mr. Mohamed Abdulla Jumaa Alqubaisi	Member
Mr. Raman Tirunelveli Kuppuswamy	Member



c. Meetings of Investment Committee:

No meetings were held during the year as there were no major new investments proposed in view of the accumulated losses relating to the Underwriting business and the resulting liquidity requirements of the business.

9. Statement of the BOD's duties and powers

Statement of the BOD's duties and powers exercised by the Board Members or the Executive Management during 2024 pursuant to an authorization by the BOD, stating the period and validity of the delegation according to the following schedule:

Authorized Person	Scope of Authority	Delegation Period
Mr. Mohamed Abdulla Jumaa Alqubaisi	<ul style="list-style-type: none"> - Representing the company, signing and acting on its behalf in front of all ministries, agencies and federal and local governmental departments in all matters related to its business and affairs. - Opening and managing any bank account in the name of the company and acting on behalf of the company to sign, accept, assign and settle checks and bank guarantees. - Negotiating and signing all contracts, agreements, offers, orders and purchase orders on behalf of the company. - Representing the company, signing and acting on its behalf in all its subsidiary companies or companies fully owned or partly owned by IH. - Depositing on behalf of the Company at any bank, institution or company any amount, capital, bonds or documents. - Other general powers granted to chairman of companies. 	Valid until December 2027
Mr. Issam Mouslimani	<ul style="list-style-type: none"> - Special power of attorney for managing the company's business and tax affairs, including VAT, before all ministries and governmental bodies (revoked prior to the end of the year due to resignation). - Special power of attorney for the purchase, sale, and transfer of cars damaged by accidents covered through the company's business (revoked prior to the end of the year due to resignation). - Power of attorney for handling administrative affairs with governmental departments and managing the company's business (revoked prior to the end of the year due to resignation). 	N/A (All powers revoked)
Group Head of Human Capital	<ul style="list-style-type: none"> - Special power of attorney for the purchase, sale, and transfer of cars damaged by accidents covered through the company's business. - Special power of attorney to handle the Company's Human Capital affairs with MOHRE and Federal Authority for Identity, Citizenship, Customs & Port Security. 	Valid for specific tasks as required



10. Statement of the Details of Transactions Conducted with the Related Parties

Statement of the details of transactions conducted with the related parties (stakeholders) during the year 2024:

#	Statement of the related parties	Clarifying the nature of the relationship	Type of transaction	Value of transaction in AED
1	Finance House PJSC	Affiliate Company	Management fee	6,000,000
2	Finance House PJSC	Affiliate Company	Gross premiums written	5,054,064
3	Finance House PJSC	Affiliate Company	Interest on fixed deposits	504,539
5	Finance House PJSC	Affiliate Company	Fixed deposits redeemed	5,000,000
6	Finance House Securities LLC	Affiliate Company	Disposal of shares	2,956,315
7	Finance House Securities LLC	Affiliate Company	Purchase of shares	1,512,382
8	Finance House Securities LLC	Affiliate Company	Interest on investment in commercial paper	340,904
9	Finance House Securities LLC	Affiliate Company	Gross premiums written	529,669
10	Finance House PJSC	Affiliate Company	Interests on investment in sukuks	423,204
11	Finance House LLC	Affiliate Company	Gross premiums written	450,074
12	FH Capital PJSC	Affiliate Company	Consultancy fees	128,314

11. Violations committed during financial year 2024.

No Material violations were committed during 2024.



12. Evaluation of the Board of Directors

During the annual assessment, the lifecycle of board meetings as well as the general affairs of the Board were taken into consideration.

One of the observations is to optimize the signature taking and explore appropriate methodology of collecting digital signatures. The applicable laws allow the implementation of digital signatures and regard them to be valid and have the same force as digital signatures. To that effect, it is encouraged that the Board finds an appropriate alternative to its current double signature method (one being an electronic signature sent through email) and the other being the physical signature. For the year 2025, the Board is to continue with its double signature method until a seamless digital signature pathway is decided, ideally through UAE Pass, while considering all privacy repercussions.

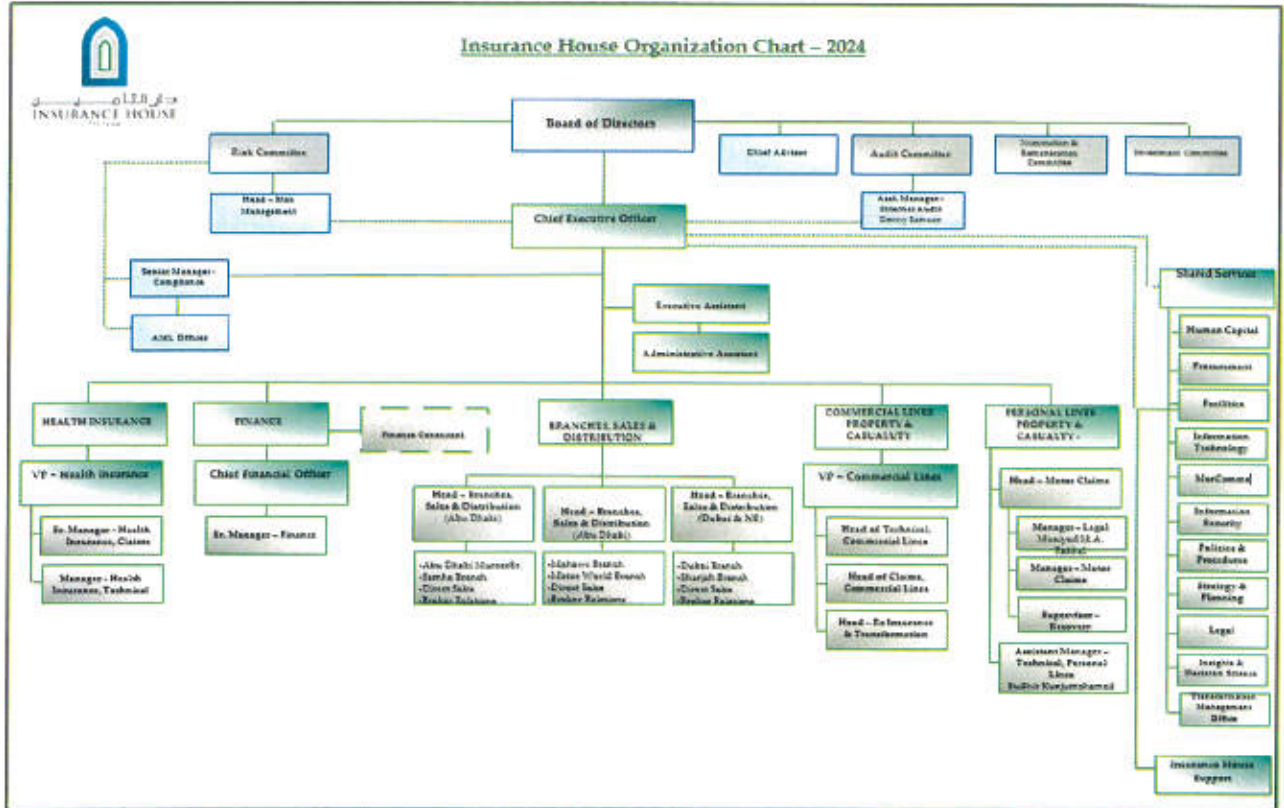
The other point of observation found is to strengthen the knowledge of the Board Members by providing in-house training on various industry-related topics. Such niche trainings are to be conducted by the heads of the departments where necessary, and over and above any regulatory mandated training.

Our External Evaluator, M/s Allied Accounting & Auditing, Chartered Accountant Rashid Alsheikh, & Associates provided their feedback on the performance of the Board, and its effectiveness, as per the requirements of Article 12.2 of the SCA Resolution on Corporate Governance as amended. The external evaluator provided its report by classifying the practices implemented by the Board as mature in most aspects, which is a positive indication. A room for growth exists, as the evaluator provided feedback on having structured training for the Board members over and above the regulatory ones being conducted. Further the evaluators emphasized to incorporate optimized meeting practices such as including the end time of a meeting over and above the regulatory disclosures. The Board shall take note of the full report in its upcoming board meetings and will ensure to implement where needed the feedback of the evaluator.



13. Organizational Structure of the Company

The complete organizational structure of the Company, which shall clarify managing director, the general manager and / or CEO, and the managers working in the company such as the financial manager.





14. Detailed Statement of Senior Executive Staff

Detailed statement of senior executive staff in the first and second levels according to the Company's Organizational Chart:

S/N	Position	Date of appointment	Total salaries and allowances paid in 2024(AED)	Total bonuses paid in 2024 (AED)	Any other cash/in-kind benefits for 2024 or payable in the future	Qualification
1	CEO (until 11/05/2023)	25-Aug-22		-	-	
2	CFO (until 02/08/2023)	7-Nov-22		-	-	
3	Chief Advisor (from 12/05/2023 to 10/10/2024)	10-Apr-23	1,398,676.33			
4	VP - Health Insurance	1-Jun-16	529,049.92	-	-	Bachelor's degree
5	VP – Commercial Lines	23-Oct-12	501,175.00	-	-	Bachelor's degree
6	Head - Motor Claims	10-Jul-23	605,624.66	-	-	Bachelor's degree
7	Ahmad Alsayed Ali Imira Head – Reinsurance	11-Jul-23	412,920.02	-	-	Bachelor's degree
8	Head – Commercial Claims	22-Dec-19	373,508.00	-	-	Bachelor's degree
9	Head of Technical - Commercial Lines (until 29/10/2024)	09-Oct-23	396,313.87	-	-	Bachelor's degree
10	Head of Branches, Sales & Distribution (Abu Dhabi)	22-Feb-16	349,150.08	-	-	Bachelor's degree
11	Head of Branches, Sales & Distribution (Abu Dhabi)	06-Dec-20	349,456.20	-	-	Bachelor's degree
12	Head of Branches, Sales & Distribution (Sharjah)	04-Sep-11	404,500.04	-	-	Bachelor's degree
13	Head of Risk Management	19-Mar-2024	286,095.41	-	-	Bachelor's degree



15. External Auditor

a. External Auditor:

Crowe Mak reviews and audits the company's accounts and is deemed among the leading auditing firms worldwide.

b. External Auditor Fees:

Crowe Mak was approved to be the external auditor for auditing and reviewing the financial statements of the Company at the Annual General Assembly meeting held on 23/04/2024 at a total fees of AED 197,250 per annum until the end of the financial year 2024.

Name of the audit office and the name of the partner auditor	Crowe Mak – Umesh Narayanappa
Number of years served as an external auditor for the Company	2
The number of years that the partner auditor spent auditing the company's accounts	2
Total fees for auditing the financial statements of 2024 (AED)	AED 197,250
Fees and costs of the special services other than auditing the financial statements for 2024 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	In the country valuation Certificate (ICV certificate) and other services AED 32,000
Details and nature of other services provided by the external auditor of the company (if any). If there are no other services, this matter shall be stated expressly.	In country valuation Certificate (ICV certificate) for 2024
Statement of the other services performed by an external auditor other than the Company's auditor in 2024 (if any). In the absence of another external auditor, this matter is explicitly stated.	In country valuation Certificate (ICV certificate) for 2024

c. Annual financial statements for 2024 contain one Emphasis of Matter with a note on uncertainty related to going concern.



16. Internal Control System

The Board of Directors is responsible for the internal control system within Insurance House and has established a number of processes and procedures that are designed to ensure the effectiveness of the internal control system. The internal control assesses on an ongoing basis whether the controls are effective or not and whether they are operating as planned and monitors if the Management has taken action to address any deficiencies or weaknesses that are detected.

The Board of Directors, during its meeting No. 01/2012 dated 30/01/2012, decided to set up the Internal Control Department which is granted sufficient independence to perform its duties and shall report to the Board of Directors through the Board Audit Committee.

The Internal Control Function deals with any significant issue in the company with independence and objectivity through informing the Board Audit Committee and the senior management of the company about the issue and potential risks and recommending the necessary steps to address the issue and prevent it from repeating. The Board Audit Committee makes the necessary decisions to address the issue and avoid its repetition in the future. The Internal Control Department shall follow up with the senior management and the departments to ensure that the procedures and decisions taken are implemented.

1. Internal Control Functions Overview:

At Insurance House, our Internal Control System is a robust framework designed to ensure the integrity of our operations and safeguard stakeholder interests. It is comprised of three distinct but interrelated lines of defense:

1. First Line of Defense – Operational Management (Business Units):

The first line of defense is comprised of our operational management teams, responsible for managing risks within their respective areas and ensuring adherence to established policies and procedures. This includes daily risk oversight and operational controls to mitigate risks effectively.

2. Second Line of Defense – Compliance and Risk Management:

The second line consists of our Compliance and Risk Management functions, which play a critical role in monitoring enterprise-wide risk exposures and compliance with regulatory requirements. Key responsibilities include:

- **Compliance Monitoring:** Ensuring that all company operations align with relevant laws, regulations, and internal policies. This function involves regular assessments and audits of compliance processes, alongside training programs to enhance employee awareness of compliance requirements.
- **Risk Management:** Identifying, assessing, and mitigating risks across the organization. This function establishes a risk appetite framework and develops risk management strategies that align with our corporate objectives. Our approach to risk management is proactive, involving continuous risk assessment and reporting to ensure timely intervention when necessary.



3. Third Line of Defense – Internal Audit:

The third line provides independent assurance regarding the effectiveness of governance, risk management practices, and internal controls. The internal audit function conducts regular reviews and audits of departmental activities, ensuring compliance with regulations and internal policies while offering recommendations for enhancements to improve overall control effectiveness. Insurance House's internal audit function is managed by Mr. Denny Samson, who was appointed as Assistant Manager - Internal Audit in November 2023. He holds a bachelor's degree in accounting from Mumbai University, India, a Chartered Accountant from ICAI, a CIA certificate, and is a member of IIA. Mr. Denny Samson is responsible for reporting the internal audit function's findings to Senior Management and to the Audit Committee on a regular basis.

2. Internal controls units' objectives:

Management has established internal control objectives in order to effectively assess areas of potential risk. The following key internal control objectives apply to IH:

- ✓ Accuracy of financial statements
- ✓ Validity of transactions
- ✓ Timeliness and completeness in processing transactions
- ✓ Compliance with applicable regulations, laws and policies & procedures

3. Internal control units' activities:

The following internal control activities are the tools used in accomplishing these objectives:

a. Establishing a Control Conscious Environment:

IH has implemented the Code of conduct to set a tone within the departments which is essential in developing sound internal controls. IH management ensures that employees are properly trained, and are knowledgeable of rules, regulations, applicable laws, policies and procedures. They receive feedback on a regular basis; all these factors are key attributes of a good control conscious environment at IH.

b. Segregation of duties:

The separation of certain functions such as initiating, authorizing, recording and reconciling transactions is an important control activity. The amount of segregation possible within a department depends on the size and structure of the department. However, every effort is made by business managers to ensure that one person does not have control over all parts of a transaction.

c. Authorization / Approval Processes:

Approving and authorizing responsibilities within IH are limited to a few people. Any delegated authority is clearly documented and approved by the BOD, system passwords and access privileges are controlled and monitored. All supportive documentation is reviewed for validity, completeness and accuracy.



d. Physical Control of Assets:

Managers are responsible for the physical control of assets within the departments. Safeguards are implemented to ensure proper accountability of assets. Security gadgets have been installed and inspected.

e. Monitoring:

Monitoring activities include review of financial statements, department feedback sessions, internal evaluations, MIS reports and Internal/External Audits. This framework is subject to annual review or as situation warrants for necessary modification(s).

4. How the Internal Control functions handle any significant issues in the company, or issues disclosed in the annual reports and accounts:

The Internal Control units deal with any significant issue in the company with independence and objectivity through informing the Board Audit and/or Risk Committees and the senior management of the company about the issue and potential risks and recommending the necessary steps to address the issue and prevent it from repeating. The Board Audit Committee takes the necessary decisions to address the issue and avoid its repetition in the future. The Internal Control units shall follow up with the senior management and the departments to ensure that the procedures and decisions taken are implemented.

The Board of Directors of the Insurance House acknowledges its responsibility for the Internal Control system in the Company and its review of the functioning mechanism of internal control and ensuring its effectiveness through the Board Audit Committee in accordance with the Chairman of Authority's Board of Directors' Decision No. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide.

In addition, an independent compliance function is established to ensure the compliance with all applicable laws and regulations. The compliance officer was appointed by the Board of Directors and is granted sufficient independence to perform the duties in relation to the following:

- A. Regulatory Compliance,
- B. Financial Crime Compliance, and
- C. Relationship with Regulators and Stakeholders.

Ms. Reem Almarzooqi, Anti-Money Laundering Officer, joined in December 2024. She has over 4 years of experience, having previously worked as Assistant Manager in legal and compliance within the UAE insurance sector. She holds a degree in E-business Management and multiple certifications, including ICA International Diploma in AML.

5. Number of reports issued by the Internal Control Functions to the Company's Board of Directors.

5 reports were issued by the Internal Control Department during the year 2024.



17. Company's contributions during 2024 toward the local community development and environmental conservation

Driven by a firm conviction that growth can only be sustained if shared, Insurance House, in 2024 as every year, contributed to the development of the community and to protecting our precious environment. As part of its social responsibility commitments, the company participated in a number of social activities dedicated to building a better quality of life.

Observing Earth Hour, Insurance House proudly joined millions worldwide in observing Earth Hour, an annual event that symbolizes our shared responsibility to protect the planet. By turning off our lights for one hour, we demonstrated solidarity in the fight against climate change and reinforced the need for sustainable actions.

Clean-Up Campaign with Ras Al Khaimah's Public Services Department, In support of sustainability initiatives, Insurance House collaborated with Ras Al Khaimah's Public Services Department on a Clean-Up Campaign. This collaboration reflects our dedication to environmental sustainability and fostering meaningful partnerships for a healthier, more sustainable future.

Advancing Sustainability & Community Well-Being, By working together, we aim to support projects that advance sustainability, reduce environmental impact, and enhance community well-being. At Insurance House, we believe that creating a greener future begins with collective action and a unified commitment to sustainability.

International Mother Earth Day: Raising Awareness on Plastic Waste, In line with our ESG commitment to environmental sustainability, Insurance House celebrates International Mother Earth Day by raising awareness about the urgent need to address plastic waste. The increasing volume of plastic in our oceans harms vulnerable ecosystems and marine life, posing a significant threat to our planet. By promoting small actions such as using reusable bags and bottles, we aim to inspire change and support eco-friendly initiatives for a cleaner, healthier environment. Every action count, and together we can make a positive impact on the world we call home.

Annual Blood Donation Event, As part of our ESG commitment, Insurance House participated in the annual Blood Donation Event in collaboration with Abu Dhabi Blood Bank. This initiative provided employees and stakeholders with an opportunity to give back to the community, supporting emergency blood supplies and raising awareness about the importance of blood donation under the theme of "Love Flows in Every Drop". The success of this event reflects our dedication to fostering a culture of care and making a positive impact within our workplace and beyond.

Health Awareness Initiatives, Insurance House supported the initiative of Dubai Health Insurance Corporation about Basmah and Hepatitis Awareness. Promoted the campaign to its social media pages to raise awareness to its customers and to the public audience in general.

Celebrating Women and Empowering Inclusion, In alignment with our ESG commitment to gender equality, Insurance House celebrated both International Women's Day 2024 and Mother's Day. These



occasions were an opportunity to honour the strength, resilience, and achievements of women worldwide. We also acknowledge all the mothers out there, whose unwavering love and devotion enrich our lives. At Insurance House, we remain committed to empowering women and fostering gender equality, recognizing the vital role they play in shaping a more inclusive and equitable society.

Employee Engagement & Team Building, We recognize that our employees are the heart of our success. Our Employee Winter Gathering was a celebration of teamwork, camaraderie, and appreciation, bringing our people together to create lasting memories. This event reflects our commitment to fostering a positive, inclusive workplace culture where employees feel valued, connected, and motivated. By prioritizing employee well-being and engagement, we continue to strengthen our organizational spirit, aligning with our ESG principles that promote social responsibility and a thriving work environment.

Ensuring Customer Safety with Proactive Weather Alerts, At Insurance House, our commitment to Environmental, Social, and Governance (ESG) principles drives us to prioritize the well-being and safety of our customers. As part of our social responsibility, we proactively provided timely weather alerts for our customers to ensure their safety and preparedness during last year's adverse weather conditions. This initiative reflects our dedication to risk mitigation, community welfare, and responsible corporate governance.

Ramadan Giving: Iftar Meal Box Distribution, Insurance House partnered with Beit Al Khair Society for the Iftar Meal Box Distribution. This initiative reflects our dedication to giving back to the community during the blessed month of Ramadan. By providing meals to those in need, we offer not just sustenance but also hope and support, embodying the values of compassion, unity, and generosity. Together, we continue to make a meaningful impact on the lives of others.

Enhancing Operational Resilience, At Insurance House, our ESG commitment extends beyond customer safety to optimizing business operations for long-term sustainability. During our 2024 management meeting, we focused on key areas such as cost efficiency, customer experience, and profitable growth. By streamlining our processes and adopting innovative strategies, we aim to enhance operational resilience while maintaining our high standards of service.

Leadership Summit: Shaping a Sustainable Future, Our approach to cost efficiency ensures that we continue delivering exceptional value to customers while reinforcing financial sustainability. Enhancing customer experience remains a top priority, with initiatives designed to exceed expectations and build stronger relationships. Strategic planning for profitable growth enables us to drive longterm success while aligning with ESG principles, ensuring that our impact remains positive and sustainable. Together, we are on a path to excellence, fostering a future built on innovation, responsibility, and lasting success. The Senior Leadership Summit at Insurance House reinforced our ESG-focused vision for 2024, emphasizing innovation, customer-centric growth, and sustainable business practices. Our leadership team engaged in dynamic discussions on industry challenges and opportunities, ensuring resilience and adaptability in a rapidly evolving landscape. By integrating ESG principles into our strategy, we aim to drive responsible growth while ESG Report 2024 24 strengthening governance, operational efficiency, and corporate transparency. The collaborative spirit showcased during the summit underscores our commitment to long-term value creation, fostering a sustainable and successful future for our company and stakeholders.



Supporting Emiratization and Workforce Development, Insurance House is proud to have successfully achieved our Emiratization target. This accomplishment highlights our dedication to fostering the professional growth of Emirati nationals within the organization. By providing opportunities for development, mentorship, and career advancement, we continue to support the empowerment of local talent and contribute to the growth of the UAE's economy and workforce.

Consumer Protection & Financial Fraud Awareness, As part of our ESG commitment to ethical governance and consumer protection, Insurance House actively participated in International Fraud Awareness Week to educate customers about financial fraud risks. Not all insurance offers are legitimate, and fraudulent policies that demand upfront payments or seem too good to be true pose serious risks to consumers. To combat fraud, we implemented awareness campaigns across multiple platforms, warning customers about potential scams and providing guidance on verifying legitimate insurance providers. By promoting transparency and financial literacy, we reinforce trust in our services and uphold our responsibility to safeguard customers against deceptive practices. Together, we continue to foster a secure and trustworthy insurance ecosystem.

Honoring UAE Heritage & Cultural Celebrations UAE National Day Celebrations, In a lively celebration of community and employee engagement, Insurance House marked UAE National Day with a traditional event. The occasion was enriched by a captivating traditional dance performance, showcasing the cultural vibrancy of the UAE. Employees enjoyed the atmosphere in beautifully arranged tents, where they had the chance to explore Emirati arts and crafts, along with savouring delicious delicacies like "Reqaq" and "Luqaimat," catered by a local Emirati entrepreneur.

Nurturing UAE National Talent Through Internships, In 2024, we took significant steps toward fostering the growth and development of UAE national talent, aligning with our commitment to diversity, inclusion, and the sustainable development of the local workforce. As part of this effort, we welcomed five young UAE nationals for internships lasting between 4 and 16 weeks, offering them practical, hands-on experience that aligns with their graduation requirements. These internships provided valuable exposure to the financial sector, enabling the interns to gain insight into the industry while developing essential skills for their future careers.

Partnering for Preventive Healthcare, As part of our ESG commitment to employee well-being, Insurance House collaborated with Al Mushrif Children's Specialty Center (SEHA) to host the "IFHAS" comprehensive periodic testing for our UAE national employees and "Flu Vaccination Day" for all staff. This initiative reflects our dedication to employee well-being, fostering a healthier workplace, and promoting preventive healthcare. By prioritizing health and safety, we enhance productivity, reduce absenteeism, and contribute to a resilient and thriving workforce, reinforcing our corporate responsibility towards sustainable and socially responsible business practices.

Enhancing Internal Audit Excellence, At Insurance House, we are dedicated to advancing governance excellence as part of our ESG principles. Our Internal Audit Team participated in an insightful training session on the newly released Global Internal Audit Standards (GIAS), conducted by our Group Head – Internal Audit. The session provided an in-depth exploration of the 15 guiding



principles and their implementation, ensuring our auditors are equipped to enhance quality, excellence, and conformity in their practices. This initiative reflects our commitment to continuous professional development and strengthening governance across our organization.

Advancing Information Security & Risk Management, Information Security remains a cornerstone of Insurance House's commitment to cybersecurity, risk management, and regulatory compliance. By safeguarding the organization's digital landscape, Insurance House ensures the integrity, confidentiality, and availability of critical systems and data across its group. Throughout the year, significant milestones were achieved in strengthening IH's security posture and aligning with global and regional regulatory requirements.

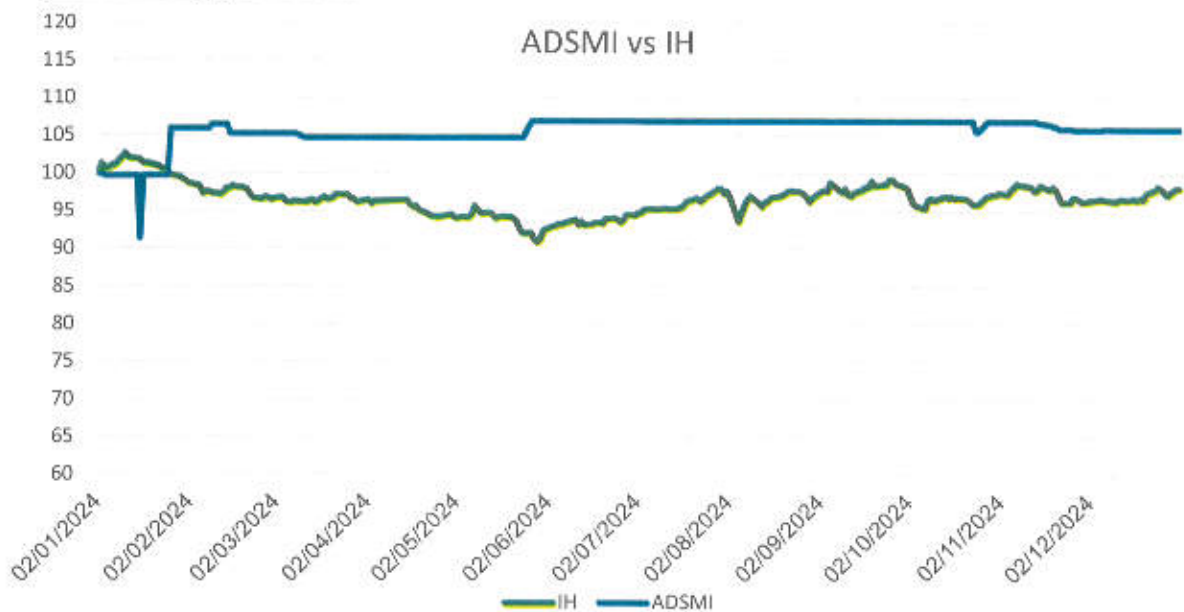
18. General Information

a. Statement of the Company shares price movements in AED in the end of each month during 2024.

Month	Highest	Lowest	Closing
January	0.95	0.82	0.95
February	0.96	0.94	0.94
March	0.94	0.94	0.94
April	0.94	0.94	0.94
May	0.96	0.94	0.96
June	0.96	0.96	0.96
July	0.96	0.96	0.96
August	0.96	0.96	0.96
September	0.96	0.96	0.96
October	0.96	0.95	0.96
November	0.96	0.95	0.95
December	0.96	0.95	0.95



b. Statement of the comparative performance of the Company's shares with the market index during year 2024.



c. Statement of Company's shareholding distribution in ADX as of 31/12/2024

S/N	Shareholder Category	Percentage of Shares Held			
		Individual	Companies	Government	Total
1	Local	5.86%	93.76%	0%	99.62%
2	Arab	0.08%	0.08%	0%	0.16%
3	Foreign	0.04%	0.18%	0%	0.22%
	Total	5.98%	94.02%	0%	100.00%

d. Statement of the shareholders who hold 5% or more of the Company's capital as of 31/12/2024 according to the following schedule:

S/N	Name	Number of Shares Held	% of the Shares Held of the Company's Capital		
			Individual	Companies	Government
1	Finance House PJSC	54,175,000	0.00%	45.61%	0.00%
2	Al Mazroui Investment LLC	35,000,000	0.00%	29.47%	0.00%
	Total	89,175,000	0.00%	75.08%	0.00%



e. Statement of shareholders' distribution by the size of equity as of 31/12/2024:

S/N	Share(s) Owned	Number of Shareholders	Number of Share Held	% of the Shares Held of the Capital
1	Less than 50,000	48.0	815,366	0.69%
2	From 50,000 to less than 500,000	16.0	2,166,265	1.82%
3	From 500,000 to less than 5,000,000	12.0	15,591,762	13.13%
4	More than 5,000,000	4.0	100,207,107	84.36%
Total		80.0	118,780,500	100.00%

f. Statement of procedures taken with respect to the controls of investors' relations:

- The Company has complied with regulatory requirements on controls of investors' relations.
- Appointment of an Investor Relations Officer.

Name and contact details of Investor Relations Officer:

- Ms. Nada Mahmoud Elgindi
- Insurance House PJSC, Orjowan Building, Zayed 1st Street, Al Khalidiya PO Box: 129921 Abu Dhabi, United Arab Emirates.
- Telephone : +97124934809
- Mobile : +971561238842
- E-mail : nada.elgindi@insurancehouse.ae
- Fax No : +97124934400

- Creating a section specialized for investor relations on the Company's website. Investor Relations webpage link:

<https://www.insurancehouse.ae/investor-relations/investor-relationcontact-us/>

g. A statement of the special resolutions presented in the General Assembly held in 2024 and the procedures taken with respect thereto.

- Nil



h. The Board Secretary.

Miss Fatima Jamaluddin

Date of appointment: 09/08/2022 to date

i. Detailed statements of the major events and important disclosures that the company encountered during the year 2024.

No major events occurred during 2024 other than the normal course of business.

j. Statement of the details of transactions conducted with the related parties during the year 2024 which equal to 5% or more of the share capital:

#	Statement of the related parties	Clarifying the nature of the relationship	Type of transaction	Value of transaction in AED
1	Finance House PJSC	Affiliate Company	Management fee	6,000,000

k. Statement of Emiratization percentage in the Company at the end of 2020, 2021, 2022, 2023 and 2024:

In support of the Emiratization initiatives of the government, Insurance House announced launching new job opportunities to attract national cadres to represent its commitment to support the development initiatives and complementing its support of the Emiratization policies. Accordingly, Insurance House have recruited and trained national talents to enable them to assume managerial positions in the Company.

- The Emiratization rate has reached 16% for the year 2020,
- The Emiratization rate has reached 15% for the year 2021,
- The Emiratization rate has reached 17% for the year 2022,
- The Emiratization rate has reached 17.65% for the year 2023
- The Emiratization rate has reached 23.44% for the year 2024, and the Company is in the process of increasing this percentage.



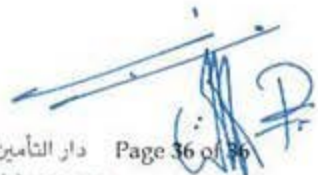
I. Statement of the innovative projects and initiatives carried out by the Company, or which were under development during 2024.

The Company did not carry out innovative initiatives or projects during 2024; however, the Company carried out cultural awareness for insurance, health, and safety on the roads through its various social media means.

The Corporate Governance Report will be available to shareholders, stakeholders and stock market customers through the Company's website, the Securities and Commodities Authority (SCA) and Abu Dhabi Securities Exchange (ADX) websites, in compliance with disclosure and transparency and in accordance with the requirements of corporate governance. The management is ready to answer any queries.

Mr. Mohamed Abdulla Jumaa Alqubaisi	Mr. Khaled Abdulla Jumaa Alqubaisi	Mr. Jassem Mubarak Masoud Aldhaheri	Denny Samson
The Chairman of the Board of Directors	The Audit Committee Chairman	The Nomination and Remuneration Committee Chairman	Assistant Manager - Internal Audit
			
Date: 28/03/2025	Date: 28/03/2025	Date: 28/03/2025	Date: 28/03/2025







دار التأمين
INSURANCE HOUSE
شركة - P.J.S.C



ENVIRONMENTAL SOCIAL GOVERNANCE REPORT 2024



TABLE OF CONTENTS

4	Executive Summary
5	IH Overview
6	Stakeholder Engagement
11	IH Approach To ESG Sustainability Goals And Objectives
12	Sustainable Business Operations
13	Financial & Operational Highlights - Year 2024
14	Business Ethics
14	Code of Conduct
15	Data Privacy and Security
16	Workplace Safety
17	Anti Money Laundering
19	Employee Culture
20	Employee Engagement
27	Our ESG Integration Objectives
28	Governance
29	Our ESG Achievements: A Year In Review
30	Key Achievements
31	Impact on IH's Strategic Objectives
32	Market Conduct Compliance: Upholding Consumer Protection & Ethical Standards
32	Scope & Commitment To Compliance
33	Insurance House ESG Strategy: Driving Sustainability & Responsible Growth
34	Sustainability In Action: Aligning ESG With Business Excellence



EXECUTIVE SUMMARY

At Insurance House, we are committed to integrating Environmental, Social, and Governance (ESG) principles into the core of our operations, reflecting our dedication to sustainable growth and responsible business practices. As we present our 2024 ESG Report, we highlight our ongoing efforts to align with global sustainability standards while addressing the unique needs of our stakeholders and the communities we serve.

Throughout 2024, we have made significant strides in advancing our ESG initiatives. **Environmentally**, we have focused on reducing our carbon footprint, enhancing energy efficiency, and promoting sustainable practices across our operations. **Socially**, we have prioritized employee well-being, diversity and inclusion, and community engagement, ensuring that our impact extends beyond business to foster positive societal change.

From a governance perspective, we have strengthened our ethical frameworks, risk management processes, and transparency measures to uphold the highest standards of corporate integrity.

This report underscores our commitment to creating long-term value for our shareholders, customers, employees, and partners. It also reflects our proactive approach to addressing emerging ESG challenges and opportunities, ensuring that we remain a trusted and forward-thinking leader in the insurance industry.

As we look ahead, Insurance House remains steadfast in its mission to drive sustainable innovation, foster resilience, and contribute to the well-being of society. We invite our stakeholders to join us on this journey as we continue to build a more sustainable and inclusive future.



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

IH OVERVIEW

Insurance House PJSC operates in the insurance sector, providing non-life insurance solutions. It operates through two business segments: underwriting of general insurance business and investments. The company was founded in 2010 and is headquartered in Abu Dhabi, the United Arab Emirates.

Offering a diverse portfolio of consumer and corporate insurance products and services that are in compliance with local requirements and up to par with international standards. Our primary goal is to meet the growing demand for insurance policies by offering tailored coverage solutions. We take pride in offering a range of customized covers that encompass both conventional and specialized insurance classes.

MISSION

To be alert to our clients' needs by providing out-of-the-box insurance solutions through experienced and dedicated staff members.

VISION

Insurance House aspires to be a leader in its domain by providing superior insurance solutions to its clients within the UAE market.



STAKEHOLDER ENGAGEMENT

The success of our IH ESG strategy is dependent on our ability to effectively engage with these stakeholders to better understand and more successfully address the ESG challenges and accelerate progress on our social and environmental initiatives. We actively listen to our stakeholders through open, two-way communication, fostering transparency and accountability.



CLIENTS & PARTNERS

Frequent communication with our clients & partners as they provide innovative solutions in our products and service offerings.

- Welcome calls
- Customer surveys
- Feedback from customer buy, service, claim transactions
- Innovative and solutions



COLLEAGUES

Internal communications & feedback networks are fundamental to IH performance fair place to work development goals and sustainable growth.

- Conferences, training, and other talent development programs
- Employee Resource events and programming, and
- Employee surveys



COMMUNITY

Engagement and knowledge sharing, IH is a partnership and corporate volunteering and employee donations in CSR for positive change.

- Social media interactions
- Corporate website and other correspondence
- Knowledge sharing, corporate volunteering



INVESTORS

We are committed to building investor trust and creating long-term value through a disciplined approach to business growth. Our engagement efforts ensure transparency and regular communication regarding ESG progress.

- Annual General Meeting (AGM)
- Quarterly financial reports
- Benchmarking, ratings, and rankings
- Investor conferences, meetings, and calls



GOVERNMENTS AND REGULATORS

IH actively communicates with government agencies and regulators to enhance sustainable business operations and ensure compliance with evolving regulatory requirements.

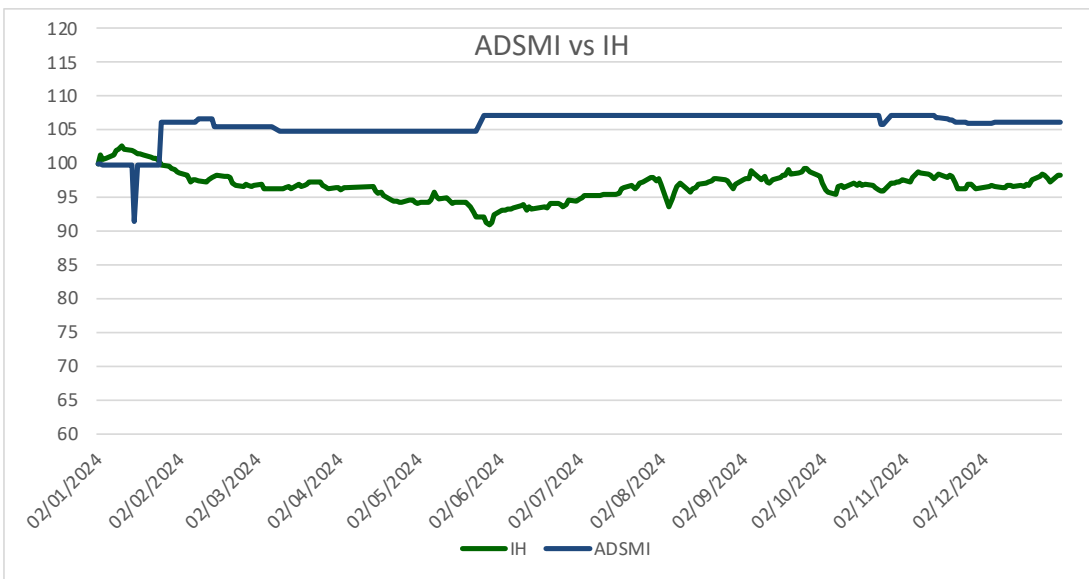
- Regulatory and other reporting
- New regulatory requirements and other dialogue
- Panel discussions and roundtables in workshop



STAKEHOLDER ENGAGEMENT

The achievement of our IH ESG strategy is dependent on our ability to effectively engage with stakeholders to better understand and more successfully address the ESG challenges and accelerate progress on our social and environmental initiatives. However, we listen to our stakeholders' views through two-way conversation and believe this positive transparency and accountability.

A statement of the comparative performance of the Company's shares with the market index during year 2024.



STAKEHOLDER ENGAGEMENT

A statement of Company's shareholding distribution in ADX as of 31/12/2024:

S/N	Shareholder Category	Percentage of Shares Held			
		Individual	Companies	Government	Total
1	Local	5.86%	93.76%	0%	99.62%
2	Arab	0.08%	0.08%	0%	0.16%
3	Foreign	0.04%	0.18%	0%	0.22%
	Total	5.98%	94.02%	0%	100.00%

A statement of the shareholders who hold 5% or more of the Company's capital as of 31/12/2024 according to the following schedule:

S/N	Name	Number of Shares Held	% of the Shares Held of the Company's Capital		
			Individual	Companies	Government
1	Finance House PJSC	54,175,000	0.00%	45.61%	0.00%
2	Al Mazroui Investment LLC	35,000,000	0.00%	29.47%	0.00%
	Total	89,175,000	0.00%	75.08%	0.00%

A statement of shareholders' distribution by the size of equity as of 31/12/2024:

S/N	Share(s) Owned	Number of Shareholders	Number of Shares Held	% of the Shares Held of the Capital
1	Less than 50,000	48.0	815,366	0.69%
2	From 50,000 to less than 500,000	16.0	2,166,265	1.82%
3	From 500,000 to less than 5,000,000	12.0	15,591,762	13.13%
4	More than 5,000,000	4.0	100,207,107	84.36%
	Total	80.0	118,780,500	100.00%

STAKEHOLDER ENGAGEMENT

Statement of procedures taken with respect to the controls of investors' relations:

- The Company has complied with regulatory requirements on controls of investors' relations.
- Appointment of an Investor Relations Officer.

- Name and contact details of Investor Relations Officer:
 - Ms. Nada Mahmoud Elgindi
 - Insurance House PJSC, Orjowan Building, Zayed 1st Street
Al Khalidiya PO Box: 129921 Abu Dhabi, United Arab Emirates.
 - Telephone : +97124934809
 - Mobile : +971561238842
 - E-mail : nada.elgindi@insurancehouse.ae
 - Fax No : +97124934400

- Creating a section specialized for investor relations on the Company's website.
Investor Relations webpage link:
<https://www.insurancehouse.ae/investor-relations/investor-relationcontact-us/>

A statement of the special resolutions presented in the General Assembly held in 2024 and the procedures taken with respect thereto.

Nil



IH APPROACH TO ESG SUSTAINABILITY GOALS AND OBJECTIVES

IH is committed to integrating ESG principles across all aspects of our operations, ensuring we uphold the promises made to our customers. By addressing sustainability challenges within our business, we are able to manage four key areas that impact our operations:

- Sustainable Business Operations
- Employee and Culture
- Community and Responsibility
- Governance and Business Ethics



SUSTAINABLE BUSINESS OPERATIONS

Built on a solid foundation of stability, trust and enduring values, our goal is to bring essential features such as speed, care and added value into the insurance industry. We are committed to addressing our clients' most intricate needs by offering comprehensive range of policies, including but not limited to:

- Motor Insurance,
- Engineering Insurance,
- Fire Insurance,
- Liability Insurance,
- Marine Insurance,
- Medical Insurance,
- Personal Insurance,
- Aviation Insurance,
- Energy Insurance, and more

FINANCIAL & OPERATIONAL HIGHLIGHTS

YEAR 2024

REGULAR DIVIDEND PAYOUT TO SHAREHOLDERS	
YEAR	IN '000' AED
2018	1,188
2019	4,751
2020	4,751
2021	4,751

OPERATIONAL PERFORMANCE	IN '000' AED
Insurance Revenue	297,661
Insurance Service Expense	-351,830
Insurance Service Result	-17,622

FINANCIALS PERFORMANCE	IN '000' AED
Net Profit/(Loss)	-19,691
Investment Income	1,692
Total Asset	207,344

WEALTH CREATION FOR SHAREHOLDERS	IN '000' AED
Earning Per Share	-0.17
Dividend Per Share	N/A

	IN '000' AED
Retained Earning	-140,408
Shareholders Equity	-1,993



BUSINESS ETHICS

In line with our commitment to upholding the highest standards of corporate governance and ethics, Insurance House remained focused on prioritizing the well-being of its stakeholders in 2024. Our Board of Directors (BOD) and management team are dedicated to creating value for our shareholders, customers, employees, and the wider community by emphasizing:

- a. Enhanced shareholder value
- b. Stakeholder engagement
- c. Corporate social responsibility (CSR)
- d. Compliance and governance



CODE OF CONDUCT

The Insurance House Code of Conduct outlines our policies and procedures for conducting business in a legally and ethically responsible manner. It serves as a fundamental part of our personnel policies, ensuring that all employees uphold the company's values and ethical standards.

The Code provides specific guidance on the following key areas:

- a. Insurance House values
- b. The role of Insurance House supervision
- c. Conflicts of interest
- d. Protecting Insurance House information and assets
- e. Compliance with laws and regulations
- f. Violations of policy: reporting obligations and discipline measures

Insurance House Board of Directors has charged all the company's employees with the responsibility of enforcing the compliance program and ensuring that the code and Insurance House related policies govern the business activities of all company employees. However, this responsibility does not diminish each employee's obligation to understand and comply with the Code and Insurance House policies.

Likewise, supervisors remain accountable for ensuring that their teams adhere to the Code and all relevant company policies, including but not limited to:

- Contract Policy
- Security Policy
- Purchasing Policy
- Travel and Entertainment Policy
- Accounting Policy and Procedures
- Privacy Policy
- Immigration Policy
- Equal Employment Opportunity Policy
- Other employment-related policies



DATA PRIVACY AND SECURITY

Insurance House implemented a **Data Leakage Prevention (DLP)** system across its network in order to ensure appropriate preservation of data confidentiality, secure data and ensure applicable compliance standards are met. DLP consistently monitors and identifies sensitive data on the network where intentional/ unintentional leakage is happening, however, the risk to the company is substantial. A DLP system has the ability to locate (Discover) confidential electronic data within Insurance House's core system and determine if there is a potential data leakage. The system has the ability to monitor and detect data leakages happening at:

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

On Cybersecurity Preparedness, the increasing complexity of the Insurance House environment requires the creation of a Cybersecurity Incident Respond Plan (CSIRP) to efficiently handle cybersecurity incidents, while further protecting Insurance House's sensitive and critical information damage and/ or exposure due to any security breach. To reinforce trust with customers, employees, and business partners, Insurance House has established a **Data Privacy and Cybersecurity Policy** that ensures the protection of business and customer data while maintaining compliance with data protection regulations.

This Policy is communicated via classroom sessions and e-learning to all employees when they join Insurance House and_ are regularly given refresher training and awareness activities focusing on topics such as proper data handling, breach reporting and phishing.



WORKPLACE SAFETY

Insurance House, we take measures to ensure a healthy, safe, and secure environment for all our employees, agents, and customers. Our admin team is responsible for conducting fire drills at all premises. IH actively supports and protects the well-being of its staff, communities, service providers, and clients. The core business moved to remote or flexible working in a safe working environment, to understand how senior management was adapting to the new sustainable business operations.

ANTI MONEY LAUNDERING

Insurance House is committed to the efforts of the Government of UAE, Central Bank of UAE, and Global efforts in combating Money Laundering & Terrorist Financing. These operational policies are primarily derived from the UAE Federal Law. This applies to Insurance House businesses (or business units), business under IH's management control, and staff in all departments and subsidiaries.

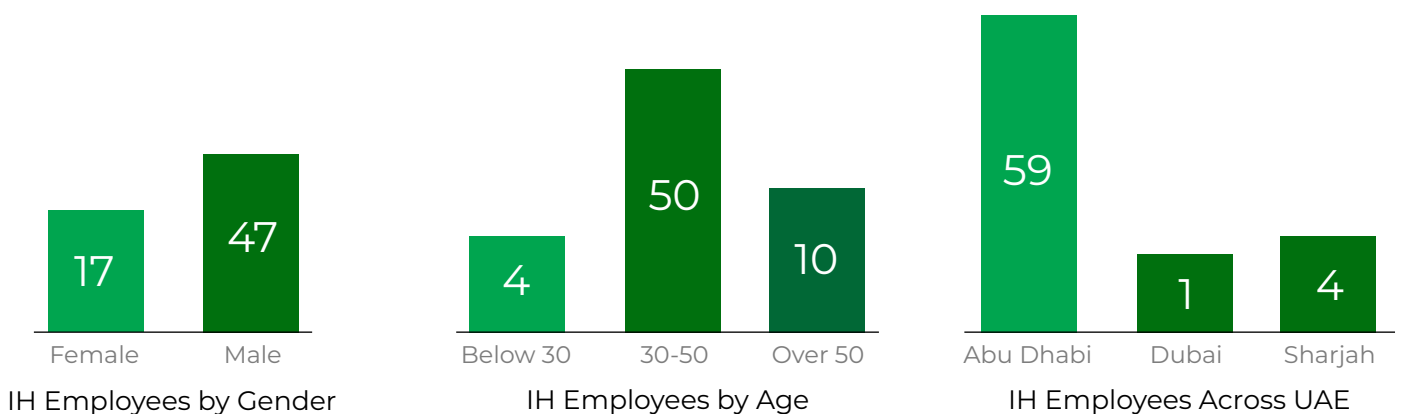
These policies include a risk-based approach to conducting customer due diligence, ongoing monitoring, suspicious activity reporting, training, and record keeping. Insurance House uses comprehensive AML/CTF monitoring software/online tool to screen, risk profile, and monitor customer activity. In addition, all Insurance House employees have completed AML and CTF training.



EMPLOYEE CULTURE

Insurance House employees are one of the vital resources of our organization. The company believes in the effective management of Human Capital in order to achieve the organization’s objectives. Hence, the company aspires to recruit the right people, develop and retain the best talent, and create robust policies and procedure on Human Capital engagement that will enable the company to achieve its objectives and aspirations.

Total Head Count of IH Employees on 31 December 2024

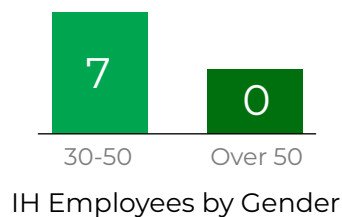
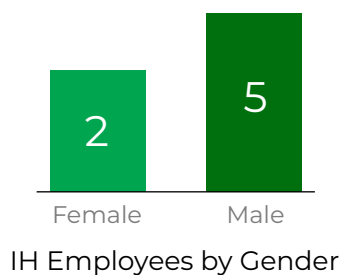




EMPLOYEE ENGAGEMENT

Insurance House creates and maintains a positive work environment, Whereby all new employees are required to complete the company orientation program in addition to a set of e-learning modules centered on the learning and development framework Our Code of Conduct includes the professional services that we offer our customers and all external stakeholders. It provides clear guidance on how to conduct business at all times, and it is protected by the risk management matrix Employees are encouraged to resolve issues by talking to and working with their direct line managers and the Human Resources department (open door policy). This builds a collaborative and inclusive workplace which prioritizes employee engagement.

Employee Turnover





CHARTING THE COURSE: OUR ESG INTEGRATION OBJECTIVES

Environmental



Resource Efficiency and Waste Management

This objective encompasses our efforts to reduce waste, conserve energy, and uphold the “Reduce, Reuse, Recycle” principle.

Key initiatives include optimizing natural lighting, sorting biodegradable and non-biodegradable waste, and implementing other sustainable practices.



Community Environmental Engagement

Through initiatives such as the “Clean-up campaign” this objective aims to involve both employees and the wider community in environmental sustainability.

Social Responsibility and Community Engagement



Employee Well-being and Stakeholder Engagement

Incorporating health-check-up initiatives, staff reward programs to encourage sustainable practices and enhance the overall well-being of our employees and stakeholders.



Social Equity and Inclusion

Insurance House focuses on diversity and inclusion efforts, aiming to increase female representation in management roles and promote social equity through partnerships in community service.

Community Initiatives



Aligned with charitable donations and community service, this objective focuses on resource allocation for societal betterment through contributions and community involvement.

Governance Initiatives



Insurance House governance initiative aligned with Environmental, Social, and Governance (ESG) principles focuses on promoting transparency, accountability, ethical business practices, and regulatory compliance.

Economic Responsibility



Local Economic Development

Our investments covers local entrepreneurship and focuses to economic growth, incorporating responsible investment practices and considers ESG factors in company investment decisions.



GOVERNANCE

Environmental, Social, and Governance (ESG) issues are integral to our business strategy, as they have a significant impact on long-term business performance and sustainability. At Insurance House, we recognize that every employee plays a vital role in advancing our ESG priorities, which are deeply embedded in our corporate identity and operational ethos.

The **Insurance House ESG Team** is tasked with overseeing the governance framework for ESG initiatives. This includes integrating ESG considerations into our business processes, addressing emerging ESG challenges, and providing strategic guidance on our ESG approach. The team is also responsible for setting environmental targets, managing submissions to global sustainability indices, and ensuring the accuracy and completeness of this Report.

To ensure our ESG strategy remains aligned with global best practices and stakeholder expectations, the ESG Team actively monitors the latest ESG research and incorporates feedback from key stakeholders.

This enables us to identify and address ESG issues that are most relevant to Insurance House's operations, ensuring we continue to deliver value to our stakeholders while maintaining our commitment to sustainable growth.

ESG issues have the potential to impact business performance. All Insurance House employees are responsible for contributing to the realization of our ESG priorities. This is core to who we are and how we operate. The Insurance House ESG team is responsible for overseeing governance around ESG, in addition to integrating and addressing ESG issues within our business and providing input on our ESG approach, environmental targets, submissions to sustainability indices, and in reviewing this Report. The Insurance House ESG team also considers the latest ESG research and feedback raised by key stakeholders in order to provide input on specific ESG issues relevant to the Insurance House operations.



OUR ESG ACHIEVEMENTS: A YEAR IN REVIEW

Driven by a firm conviction that growth can only be sustained if shared, Insurance House, in 2024 as every year, contributed to the development of the community and to protecting our precious environment. As part of its social responsibility commitments, the company participated in a number of social activities dedicated to building a better quality of life.

Environmental Initiatives



Observing Earth Hour

Insurance House proudly joined millions worldwide in observing Earth Hour, an annual event that symbolizes our shared responsibility to protect the planet. By turning off our lights for one hour, we demonstrated solidarity in the fight against climate change and reinforced the need for sustainable actions.



Clean-Up Campaign with Ras Al Khaimah's Public Services Department

In support of sustainability initiatives, Insurance House collaborated with Ras Al Khaimah's Public Services Department on a **Clean-Up Campaign**. This collaboration reflects our dedication to environmental sustainability and fostering meaningful partnerships for a healthier, more sustainable future.



Advancing Sustainability & Community Well-Being

By working together, we aim to support projects that advance sustainability, reduce environmental impact, and enhance community well-being. At Insurance House, we believe that creating a greener future begins with collective action and a unified commitment to sustainability.



International Mother Earth Day: Raising Awareness on Plastic Waste

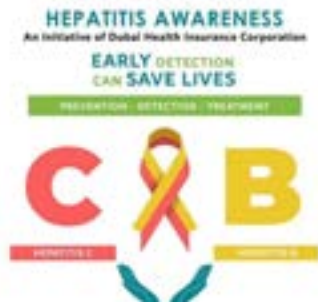
In line with our ESG commitment to environmental sustainability, Insurance House celebrates International Mother Earth Day by raising awareness about the urgent need to address plastic waste. The increasing volume of plastic in our oceans harms vulnerable ecosystems and marine life, posing a significant threat to our planet. By promoting small actions such as using reusable bags and bottles, we aim to inspire change and support eco-friendly initiatives for a cleaner, healthier environment. Every action counts, and together we can make a positive impact on the world we call home.

Social Responsibility and Community Engagement Fostering a Culture of Care and Giving



Annual Blood Donation Event

As part of our ESG commitment, Insurance House participated in the annual Blood Donation Event in collaboration with **Abu Dhabi Blood Bank**. This initiative provided employees and stakeholders with an opportunity to give back to the community, supporting emergency blood supplies and raising awareness about the importance of blood donation under the theme of **“Love Flows in Every Drop”**. The success of this event reflects our dedication to fostering a culture of care and making a positive impact within our workplace and beyond.



Health Awareness Initiatives

Insurance House supported the initiative of **Dubai Health Insurance Corporation about Basmah and Hepatitis Awareness**. Promoted the campaign to its social media pages to raise awareness to its customers and to the public audience in general.



Celebrating Women and Empowering Inclusion

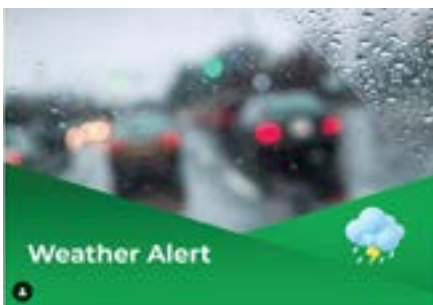
In alignment with our ESG commitment to gender equality, Insurance House celebrated both **International Women's Day 2024** and **Mother's Day**. These occasions were an opportunity to honour the strength, resilience, and achievements of women worldwide. We also acknowledge all the mothers out there, whose unwavering love and devotion enrich our lives. At Insurance House, we remain committed to empowering women and fostering gender equality, recognizing the vital role they play in shaping a more inclusive and equitable society.



Employee Engagement & Team Building

We recognize that our employees are the heart of our success. Our **Employee Winter Gathering** was a celebration of teamwork, camaraderie, and appreciation, bringing our people together to create lasting memories. This event reflects our commitment to fostering a positive, inclusive workplace culture where employees feel valued, connected, and motivated.

By prioritizing employee well-being and engagement, we continue to strengthen our organizational spirit, aligning with our ESG principles that promote social responsibility and a thriving work environment.



Ensuring Customer Safety with Proactive Weather Alerts

At Insurance House, our commitment to Environmental, Social, and Governance (ESG) principles drives us to **prioritize the well-being and safety of our customers**. As part of our social responsibility, we proactively **provided timely weather alerts** to our customers to ensure their safety and preparedness **during last year's adverse weather conditions**. This initiative reflects our dedication to risk mitigation, community welfare, and responsible corporate governance.



Ramadan Giving: Iftar Meal Box Distribution

Insurance House partnered with **Beit Al Khair Society for the Iftar Meal Box Distribution**. This initiative reflects our dedication to giving back to the community during the blessed month of Ramadan. By providing meals to those in need, we offer not just sustenance but also hope and support, embodying the values of compassion, unity, and generosity. Together, we continue to make a meaningful impact in the lives of others.

Driving ESG-Focused Business Excellence



Enhancing Operational Resilience

At Insurance House, our ESG commitment extends beyond customer safety to optimizing business operations for long-term sustainability. During our **2024 management meeting**, we focused on key areas such as cost efficiency, customer experience, and profitable growth. By streamlining our processes and adopting innovative strategies, we aim to enhance operational resilience while maintaining our high standards of service.



Leadership Summit: Shaping a Sustainable Future

Our approach to cost efficiency ensures that we continue delivering exceptional value to customers while reinforcing financial sustainability. **Enhancing customer experience remains a top priority**, with initiatives designed to exceed expectations and build stronger relationships. Strategic planning for profitable growth enables us to drive long-term success while aligning with ESG principles, ensuring that our impact remains positive and sustainable. Together, we are on a path to excellence, fostering a future built on innovation, responsibility, and lasting success.

The Senior Leadership Summit at Insurance House reinforced our ESG-focused vision for 2024, emphasizing innovation, customer-centric growth, and sustainable business practices. Our leadership team engaged in dynamic discussions on industry challenges and opportunities, ensuring resilience and adaptability in a rapidly evolving landscape. By integrating ESG principles into our strategy, we aim to drive responsible growth while

strengthening governance, operational efficiency, and corporate transparency. The collaborative spirit showcased during the summit underscores our commitment to long-term value creation, fostering a sustainable and successful future for our company and stakeholders.



Supporting Emiratization and Workforce Development

Insurance House is proud to have successfully achieved our Emiratization target. This accomplishment highlights our dedication to fostering the professional growth of Emirati nationals within the organization. By providing opportunities for development, mentorship, and career advancement, we continue to support the empowerment of local talent and contribute to the growth of the UAE's economy and workforce.



Consumer Protection & Financial Fraud Awareness

As part of our ESG commitment to ethical governance and consumer protection, Insurance House actively participated in **International Fraud Awareness Week** to educate customers about financial fraud risks. Not all insurance offers are legitimate, and fraudulent policies that demand upfront payments or seem too good to be true pose serious risks to consumers. To combat fraud, we implemented awareness campaigns across multiple platforms, warning customers about potential scams and providing guidance on verifying legitimate insurance providers. By promoting transparency and financial literacy, we reinforce trust in our services and uphold our responsibility to safeguard customers against deceptive practices. Together, we continue to foster a secure and trustworthy insurance ecosystem.



Honoring UAE Heritage & Cultural Celebrations UAE National Day Celebrations

In a lively celebration of community and employee engagement, Insurance House marked **UAE National Day** with a traditional event. The occasion was enriched by a captivating traditional dance performance, showcasing the cultural vibrancy of the UAE. Employees enjoyed the atmosphere in beautifully arranged tents, where they had the chance to explore Emirati arts and crafts, along with savouring delicious delicacies like “Reqaq” and “Luqaimat,” catered by a local Emirati entrepreneur.



Nurturing UAE National Talent Through Internships

In 2024, we took significant steps toward fostering the growth and development of UAE national talent, aligning with our commitment to diversity, inclusion, and the sustainable development of the local workforce. As part of this effort, we welcomed five young UAE nationals for **internships** lasting between 4 and 16 weeks, offering them practical, hands-on experience that aligns with their graduation requirements.

These internships provided valuable exposure to the financial sector, enabling the interns to gain insight into the industry while developing essential skills for their future careers.

Advancing Employee Health & Well-being



Partnering for Preventive Healthcare

As part of our **ESG commitment** to employee well-being, Insurance House collaborated with Al Mushrif Children’s Speciality Center (SEHA) to host the “**IFHAS**” **comprehensive periodic testing for our UAE national employees** and “**Flu Vaccination Day**” for all staff. This initiative reflects our dedication to employee well-being, fostering a healthier workplace, and promoting preventive healthcare. By prioritizing health and safety, we enhance productivity, reduce absenteeism, and contribute to a resilient and thriving workforce, reinforcing our corporate responsibility towards sustainable and socially responsible business practices.

Governance Initiatives



Enhancing Internal Audit Excellence

At Insurance House, we are dedicated to advancing governance excellence as part of our ESG principles. Our Internal Audit Team participated in an insightful **training session on the newly released *Global Internal Audit Standards (GIAS)***, conducted by our Group Head – Internal Audit. The session provided an in-depth exploration of the 15 guiding principles and their implementation, ensuring our auditors are equipped to enhance quality, excellence, and conformity in their practices. This initiative reflects our commitment to continuous professional development and strengthening governance across our organization.



Advancing Information Security & Risk Management

Information Security remains a cornerstone of Insurance House's commitment to cybersecurity, risk management, and regulatory compliance. By safeguarding the organization's digital landscape, Insurance House ensures the integrity, confidentiality, and availability of critical systems and data across its group. Throughout the year, significant milestones were achieved in strengthening IH's security posture and aligning with global and regional regulatory requirements.

KEY ACHIEVEMENTS



Risk Management & Threat Mitigation

- Conducted proactive risk assessments to identify emerging cybersecurity threats and implemented robust mitigation strategies to enhance resilience.
- Strengthened access controls, encryption protocols, and endpoint security measures to minimize vulnerabilities and reduce the risk of data breaches.
- Enhanced security awareness programs to educate employees on best practices, phishing detection, and cyber hygiene.



Regulatory Compliance & Industry Standards

- Successfully maintained **PCI DSS (Payment Card Industry Data Security Standard) compliance**, ensuring the secure processing of financial transactions and protecting customer data.
- Ensured ongoing adherence to **ISO 27001**, the internationally recognized standard for Information Security Management Systems, reinforcing IH's commitment to a structured and secure approach to data protection.
- Achieved a **high score in the ADHICS (Abu Dhabi Healthcare Information and Cyber Security Standard) certification** for Insurance House, demonstrating compliance with stringent healthcare data protection requirements.



Governance & Strengthening Security Frameworks

- Revamped internal security policies, standards, and guidelines, introducing enhanced controls to ensure compliance and prevent regulatory violations.
- Aligned security practices with ADGM (Abu Dhabi Global Market) and FSRA (Financial Services Regulatory Authority) requirements, successfully meeting all obligations.
- Implemented enhanced security monitoring and incident response capabilities, ensuring swift detection and remediation of potential threats.



IMPACT ON IH'S STRATEGIC OBJECTIVES

These initiatives directly contribute to IH's broader business goals by:

- Strengthening **governance** and regulatory compliance to protect stakeholders.
- Enhancing **operational resilience** by mitigating cybersecurity risks.
- Fostering a **secure and trustworthy digital environment** for customers and partners.

Through continuous improvements in security frameworks, risk management, and compliance, Information Security plays a pivotal role in supporting IH's mission and long-term success in an increasingly complex cyber landscape.

MARKET CONDUCT COMPLIANCE: UPHOLDING CONSUMER PROTECTION & ETHICAL STANDARDS

The Central Bank of the United Arab Emirates (CBUAE) mandates that Licensed Financial Institutions (LFIs) establish a comprehensive **Market Conduct Compliance Policy** to ensure adherence to regulatory principles and promote fair treatment of consumers as part of implementing the **Consumer Protection Regulations and Standards** issued in year 2020. In this respect, Insurance House has taken the required initiative for its implementation and ensures that its Market Conduct Compliance Policy encompasses the following Key requirements:

1. Board and Senior Management Oversight:

- The Board should formally approve the Market Conduct Compliance Policy, detailing how IH will comply with regulatory principles.
- An annual report on Consumer Protection & Conduct Risk Management should be submitted to the Board, along with documented responses.
- The governance framework clearly defines the roles and responsibilities for all business, control, and assurance functions, ensuring effective oversight of retail operations.

2. Governance Framework Objectives:

- Minimize potential harm to consumers.
- Prevent conflicts of interest with consumers.
- Ensure that the best interests and well-being of consumers are appropriately addressed.

3. Promoting a Consumer-Centric Culture:

- The Board and Senior Management foster a culture emphasizing consumer service, fairness, transparency, and disclosure.
- The Board and Senior Management hold accountability for aligning business practices with consumer protection regulatory requirements.

4. Ensuring Responsible Market Conduct:

- Insurance House must conduct itself with integrity and in a fair, honest, competent, and transparent manner at all times.
- Insurance House has to ensure that staff are appropriately qualified, fit, and proper to fulfil their duties.
- Insurance House must monitor its marketplace behaviour, including sales, marketing, financing/lending, and advisory services, and implement controls to prevent inappropriate conduct and risks towards consumers.



SCOPE & COMMITMENT TO COMPLIANCE

The scope of this policy applies to all employees, contracted personnel, and outsourced employees thereby establishing behavioral standards for individuals representing Insurance House in the financial marketplace. By adhering to these guidelines, Insurance House can ensure compliance with CBUAE's regulatory principles and promote a fair and transparent financial marketplace in the UAE.

Furthermore, in line with our commitment to regulatory compliance, the Board of Directors has actively participated in the annual regulatory training facilitated by the Compliance Department. This comprehensive training covered critical matters surrounding Anti-Money Laundering (AML) practices, ensuring that our directors remain well-versed in the latest regulatory updates and evolving best practices. The training included in-depth discussions on relevant reports and regulatory changes, reinforcing our dedication to maintaining the highest standards of compliance and governance across the organization.

INSURANCE HOUSE ESG STRATEGY: DRIVING SUSTAINABILITY & RESPONSIBLE GROWTH

At Insurance House, our ESG Strategy is designed to position us as a leader in sustainability within the insurance sector. This strategy provides a clear roadmap for embedding the principles of environmental responsibility, social equity, and strong governance into every facet of our operations. These pillars are not just aspirational goals but urgent priorities that drive our decision-making and define our corporate identity.

Our approach is rooted in creating long-term value for all stakeholders while aligning with both the UAE's national sustainability agenda and global initiatives. By integrating ESG principles into our business model, we aim to foster environmental stewardship, promote social well-being, and uphold the highest standards of governance. This strategy serves as the foundation for our commitment to sustainable growth, ensuring that we not only meet the needs of today but also contribute to a more resilient and equitable future.



SUSTAINABILITY IN ACTION: ALIGNING ESG WITH BUSINESS EXCELLENCE

Insurance House Economic Sustainability Governance (ESG) Strategy sets the direction to lead in sustainability within the insurance sector. Our strategy aims to systemically integrate the principles of environmental care, social equity, and good governance into our business model. These imperatives are not mere policies but rather pressing calls for action. They inform our corporate ethos, shaping not just our business models but also the values we want to represent and propagate. Our objectives and tactical plans are built to create long-term value for stakeholders and contribute to both national and global sustainability initiatives. It serves as our blueprint to contribute positively to environmental stewardship, social well-being, and robust governance.



دار التأمين
INSURANCE HOUSE

ش.م.ع - P.J.S.C