دبـــــي للتـــــأمـــين
DUBAI INSURANCE
CARE & COMMITMENT SINCE 1970

The Integrated Report of 2022

Dubai Insurance Company

Dubai Insurance Company is delighted to disclose its Integrated Report of 2022 which contains the following:

1. Board of Director's Report
2. Auditor's Report
3. Financial Statement of 2021
4. Corporate Governance Report
5. Sustainability Report

Abdellatif Abuqurah

Chief Executive Officer

دبي للتأمين
DUBAI INSURANCE
CARE & COMMITMENT SINCE 1970

Board of Directors' Report of 2022

Dear valued Shareholders,

Peace and Blessing upon you

The Board of Directors have pleasure in presenting the Fifty two Report on the business of your Company during 2022.

Firstly, I would like to provide an outline of the most important figures and results in the General Balance Sheet:

1. Written Premiums amounted to AED 1,469 Billion against AED 1,226 Billion in 2021 with an increase of 20%.
2. Paid and under-settlement claims amounted AED 518 million against AED 511 million in 2021 , with an increase of 1%
3. The Company achieved technical profits of AED 78 million against AED 75 million in 2021 with an increase of 4%.
4. The Company achieved net profits of AED 92 million against AED 80.5 million in 2021 with an increase of 15%.
5. The assets of the Company amounted to AED 2,686 Billion against AED 2,108 Billion in 2021 with an increase of 27 %
6. Shareholders' equity amounted AED 684 million against AED 630 million in 2021 with an increase of 9 %

Dear Valued Shareholders:

A high growth rates were achieved and we were able – Al Hamdullah - to become the fourth largest national company at the state level by income & profit as per the figures of the third quarter, and we are expected to maintain this position.

We are also proud that we were able to achieve Emiratization rates in various jobs, whether administrative or technical, and the Emiratization rates has become 30% of the total workforce, which might be the highest within the insurance sector of the state.

The percentage of female employees in the company reached 50%.

Action Plan for 2022:

We are looking to improve our ranking between the leading companies by increasing the income and profit where we target an increase of income of 15 % and increase in profits of 20%.

Management and Analysis Report

List of main figures	(in ‘000)	
	2021	2022
Total written premiums	1,226,465	1,469,142
Net paid premium	258,372	410,392
Net claims	(54,397)	(95,520)
Net of underwriting profits	75,066	78,123
Net of investment profit	18,826	27,253
Other expenses	(13,319)	(13,218)
Net profit	80,573	92,159
Unrealized gain	63,633	6,207
Total assets	2,108,248	2,686,957
Shareholders’ equity	630,490	684,127

1- Important Events and Developments:

- Renewal of Worker Protection Program for five years, and we are working on adding new free zones to the program.
- Dubai Insurance Company was granted a license from Dubai Health Authority to provide Medical coverage to workers who are gaining a salary less than 4,000 Dhs (Participating Insurer).
- Dubai Insurance Company was ranked among the first category in the Ministry of Human Resources and Emiratization for its active contribution to support Emiratization goals and was honored along with 16 other companies from private sector at the state level.

- The percentage of income received through digitization in insurance policies is about 54 % of the total income.

2- Expected Capital expenses:

Development of computer systems and digitization.

Dears:

The Board of Directors make the following recommendations, looking for your kind approval:

1. Listen to and approve the Board of Directors' Report on the Company's activity and its financial position for the fiscal year ended on 31/12/2022
2. Listen to and approve the Auditor's Report for the fiscal year ended on 31/12/2022
3. Discuss and approve the Company's balance sheet and profit and loss account for the fiscal year ended on 31/12/2022
4. Consider the Board of Directors' proposals concerning the distribution of cash dividends of 50% of capital in equal to 50 fills per share & 50 million Dhs in total.
5. Approve a proposal to distribute 4,500,000 Dhs as remuneration of the members of the Board of Directors.
6. Discharge the members of the Board of Directors for the fiscal year ended on 31/12/2022, or remove them and file a liability action against them, as the case may be.
7. Discharge the auditors for the fiscal year ended on 31/12/2022, or remove them and file a liability action against them, as the case may be.
8. Appoint or reappoint the auditors for 2023 and determine their fees.

Finally, the Board of Directors would like to submit its thanks and appreciation to all clients, staff and management of the Company for all their efforts throughout the last year, and also extend their thanks and appreciation to the Auditor's continuous cooperation.

Greetings,

Buti Obaid Al Mulla

Chairman of the Board

Dubai Insurance Company (P.S.C.) and its subsidiary

Consolidated financial statements

For the year ended 31 December 2022

Grant Thornton

Grant Thornton Audit and Accounting Limited (Dubai Branch)

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Independent Auditor's Report

To the Shareholders of Dubai Insurance Company (P.S.C.) and its subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Dubai Insurance Company (P.S.C.) (the "Company") and its subsidiary (the "Group"), which comprise the consolidated income statement, and the consolidated statement of financial position as at 31 December 2022, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the requirements of IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter on the next page, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters on the next page, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Independent Auditor's Report
To the Shareholders of Dubai Insurance Company (P.S.C.) and its subsidiary (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

i) Valuation of technical provisions

The estimation of liabilities arising from insurance contracts such as unearned premium reserve, outstanding claims reserve, incurred but not reported reserve and unallocated loss adjustment expense reserve as disclosed in note 22 to these consolidated financial statements, involves a significant degree of judgement. These liabilities are based on the pattern of risk distributions over coverage period, the best-estimated ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs, mortality and persistency (including consideration of policyholder behaviour). Actuarial computations have been used to determine these provisions. Underlying these computations are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. Since the determination of such a provision requires the expertise of an external valuation expert who incorporates significant assumptions, judgements and estimations, the valuation of these liabilities was significant to our audit.

We assessed management's calculations of the technical reserves by performing the following procedures:

- Understood the governance process in place to determine the insurance contract liabilities;
- Tested the underlying Group data to source documentation on sample basis;
- Evaluated competence, capabilities and objectivity of management's actuarial specialist;
- Using our actuarial specialist team members, we applied our industry knowledge and experience, and compared the methodology, models and assumptions used against recognised actuarial practices; and
- Using our actuarial specialist team members, we checked the mathematical accuracy of the methodology applied on selected classes of business, particularly focusing on the largest and most uncertain reserves.

ii) Impairment losses on insurance receivables including third party recoveries

The Group has insurance receivables that are overdue and not impaired (as disclosed in note 13 to these consolidated financial statements). The key associated risk is the recoverability of receivables. Management's related allowance for expected credit losses (ECL) is subjective and is influenced by assumptions concerning the probability of default and probable losses in the event of default.

The work that we performed to address this key audit matter included the following procedures:

- Obtained an understanding of the Group's process for estimating ECL and assessed the appropriateness of ECL methodology against the requirements of IFRS 9;
- Assessed the reasonableness of managements' key assumptions and judgements made in determining the allowance for ECL, segmenting of receivables and macroeconomic factors; and
- We tested the key inputs of model such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to historical data. We also assessed reasonableness of forward-looking factors used by the Group by corroborating with publicly available information.

Independent Auditor's Report

To the Shareholders of Dubai Insurance Company (P.S.C.) and its subsidiary (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for The Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of the Group's Articles of Association and of the UAE Federal Law No. (32) of 2021 (as amended) and the UAE Federal Law No. (6) of 2007 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for The Audit of The Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, 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 in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 the 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

To the Shareholders of Dubai Insurance Company (P.S.C.) and its subsidiary (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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.

Report on other legal and regulatory requirements

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

i) the Group has maintained proper books of account;

ii) we have obtained all the information we considered necessary for the purposes of our audit;

iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. (32) of 2021;

iv) investments in shares and stocks during the year ended 31 December 2022, are disclosed in note 11 to these consolidated financial statements;

v) notes 24 and 25 reflect material related party transactions and the terms under which they were conducted;

vi) note 7 to the consolidated financial statements reflects the social contributions made during the year; and

Independent Auditor's Report

To the Shareholders of Dubai Insurance Company (P.S.C.) and its subsidiary (continued)

Report on other legal and regulatory requirements (continued)

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2022 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or its Articles of Association which would have a material impact on its activities or its consolidated financial position. Further, as required by the UAE Federal Law No. (6) of 2007, we report that we have obtained all the information and explanation we considered necessary for the purpose of our audit.

GRANT THORNTON

P.O. Box: 1620
DUBAI-U.A.E.
Public Accountants

GRANT THORNTON

Dr. Osama El-Bakry
Registration No. 935
Dubai, United Arab Emirates

Dubai, 7 February 2023

Consolidated income statement
For the year ended 31 December 2022

	Notes	**2022** **AED'000**	2021 AED'000
UNDERWRITING INCOME			
Gross premium	3	**1,469,142**	1,226,465
Movement in unearned premium	3	**(172,128)**	(154,688)
Insurance premium revenue	3	**1,297,014**	1,071,777
Reinsurance share of premium	3	**(1,043,154)**	(928,028)
Movement in reinsurance share of unearned premium	3	**156,531**	114,622
Reinsurance premium revenue	3	**(886,623)**	(813,406)
Net insurance premium revenue	3	**410,391**	258,371
Reinsurance commission income		**94,130**	80,418
Other underwriting income		**19,420**	17,532
Total underwriting income		**523,941**	356,321
UNDERWRITING EXPENSES			
Claims incurred	4	**(518,663)**	(511,552)
Reinsurers' share of claims incurred	4	**423,143**	457,155
Net claims incurred	4	**(95,520)**	(54,397)
Commission expenses		**(88,857)**	(61,827)
Other direct expenses		**(212,004)**	(126,711)
General and administration expenses relating to underwriting activities		**(49,437)**	(38,320)
Total underwriting expenses		**(445,818)**	(281,255)
NET UNDERWRITING INCOME		**78,123**	75,066
INVESTMENT INCOME			
Realised loss on disposal of investments in debt instruments at amortised cost		**(3)**	(103)
Fair value (loss) /gain on financial assets at fair value through profit or loss		**(117)**	241
Other investment income	6	**27,779**	18,799
Other investment costs		**(406)**	(111)
		27,253	18,826
OTHER INCOME AND EXPENSES			
General and administration expenses not allocated		**(13,274)**	(12,961)
Other income/(expense)		**57**	(358)
		(13,217)	(13,319)
PROFIT FOR THE YEAR		**92,159**	80,573
Basic and diluted earnings per share (AED)	8	**0.87**	0.77

The attached explanatory notes 1 to 28 form part of these consolidated financial statements.

Consolidated statement of comprehensive income
For the year ended 31 December 2022

	Note	**2022** **AED'000**	2021 AED'000
Profit for the year		**92,159**	80,573
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Gain on sale of investments designated at fair value through other comprehensive income		**481**	3,128
Net unrealised gain on financial assets at FVTOCI	11 (b)	**6,207**	63,633
Other comprehensive income for the year		**6,688**	66,761
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**98,847**	147,334

The attached explanatory notes 1 to 28 form part of these consolidated financial statements.

Consolidated statement of financial position
As at 31 December 2022

	Notes	2022 AED'000	2021 AED'000
ASSETS			
Property and equipment	9	**48,898**	49,015
Investment properties	10	**64,273**	65,016
Financial instruments	11	**705,640**	566,415
Reinsurance assets	22	**1,152,114**	943,982
Insurance receivables	13	**364,353**	267,332
Prepayments and other receivables	14	**29,954**	28,422
Statutory deposits	15	**10,000**	10,000
Cash and cash equivalents	16	**311,725**	178,066
TOTAL ASSETS		**2,686,957**	2,108,248
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**100,000**	100,000
Statutory reserve	18	**50,000**	50,000
General reserve	18	**50,000**	50,000
Reinsurance reserve	18	**13,812**	8,596
Retained earnings		**245,253**	203,039
Cumulative changes in fair value of investments	18	**225,062**	218,855
Total equity		684,127	630,490
Liabilities			
Bank loan	20	**-**	11,039
Employees' end of service benefits	21	**5,809**	5,537
Insurance contract liabilities	22	**1,292,238**	1,060,013
Amounts held under reinsurance treaties		**41,133**	27,284
Reinsurance balances payable	23 (a)	**177,277**	136,255
Insurance and other payables	23 (b)	**486,373**	237,630
Total liabilities		**2,002,830**	1,477,758
TOTAL EQUITY AND LIABILITIES		**2,686,957**	2,108,248

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 7 February 2023.

Buti Obaid Almulla
Chairman

Marwan Abdulla Al Rostamani
Vice Chairman

The attached explanatory notes 1 to 28 form part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2022

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Reinsurance reserve AED'000	Retained earnings AED'000	Cumulative changes in fair value of investments AED'000	Total equity AED'000
Balance at 1 January 2022	**100,000**	**50,000**	**50,000**	**8,596**	**203,039**	**218,855**	**630,490**
Profit for the year	**-**	**-**	**-**	**-**	**92,159**	**-**	**92,159**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**6,688**	**6,688**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**92,159**	**6,688**	**98,847**
Transfer to retained earnings on sale of investments at FVTOCI	**-**	**-**	**-**	**-**	**481**	**(481)**	**-**
Directors' fees (note 25)	**-**	**-**	**-**	**-**	**(5,210)**	**-**	**(5,210)**
Cash dividend paid (note 19)	**-**	**-**	**-**	**-**	**(40,000)**	**-**	**(40,000)**
Transfer to reinsurance reserve (note 18)	**-**	**-**	**-**	**5,216**	**(5,216)**	**-**	**-**
Balance at 31 December 2022	**100,000**	**50,000**	**50,000**	**13,812**	**245,253**	**225,062**	**684,127**
Balance at 1 January 2021	100,000	50,000	50,000	3,956	162,790	155,222	521,968
Profit for the year	-	-	-	-	80,573	-	80,573
Other comprehensive income	-	-	-	-	-	66,761	66,761
Total comprehensive income for the year	-	-	-	-	80,573	66,761	147,334
Transfer to retained earnings on sale of investments at FVTOCI	-	-	-	-	3,128	(3,128)	-
Directors' fees (note 25)	-	-	-	-	(3,812)	-	(3,812)
Cash dividend paid (note 19)	-	-	-	-	(35,000)	-	(35,000)
Transfer to reinsurance reserve (note 18)	-	-	-	4,640	(4,640)	-	-
Balance at 31 December 2021	100,000	50,000	50,000	8,596	203,039	218,855	630,490

The attached explanatory notes 1 to 28 form part of these consolidated financial statements.

Consolidated statement of cash flows
For the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
OPERATING ACTIVITIES			
Profit for the year		**92,159**	80,573
Adjustments for:			
Depreciation on property and equipment	9	**2,037**	1,531
Depreciation on investment property	10	**743**	372
Provision for employees' end of service benefits	21	**927**	675
Investment income	6	**(27,779)**	(18,799)
Change in fair value of investments at FVTPL		**117**	(241)
Expected credit losses	13	**741**	1,726
Loss on sale of investments in debt instruments at amortised cost		**3**	103
		68,948	65,940
Changes in operating assets and liabilities:			
Reinsurance assets		**(208,132)**	(115,577)
Insurance receivables		**(97,762)**	(89,823)
Prepayments and other assets		**(1,453)**	(3,067)
Insurance contract liabilities		**232,224**	158,385
Amounts held under reinsurance treaties		**13,852**	(8,578)
Reinsurance balances payable		**41,022**	49,726
Insurance and other payables		**248,742**	76,720
Cash generated from operations		**297,441**	133,726
Employees' end of service benefits paid	21	**(655)**	(347)
Net cash generated from operating activities		**296,786**	133,379
INVESTING ACTIVITIES			
Interest received	6	**5,783**	3,617
Dividend income received	6	**22,103**	15,915
Expenses on investment property – net	6	**(107)**	(733)
Proceeds from maturity of investments at FVTPL		**-**	69,788
Proceeds from disposal of investments at amortised cost		**-**	3,572
Proceeds from sales of investment at FVTOCI		**481**	9,022
Purchase of investment at FVTOCI		**(34,355)**	(101,320)
Purchase of investment at FVTPL		**(107,985)**	-
Purchase/(disposal) of investments held at amortised cost		**(9,124)**	5,566
Purchase of investment property	10	**-**	(15,260)
Purchase of property and equipment	9	**(1,920)**	(1,956)
Net cash used in investing activities		**(106,876)**	(22,921)
FINANCING ACTIVITIES			
Dividends paid	19	**(40,000)**	(35,000)
Net repayment of bank loan		**(11,039)**	9,827
Directors' fees paid		**(5,212)**	(3,812)
Net cash used in financing activities		**(56,251)**	(28,985)
INCREASE IN CASH AND CASH EQUIVALENTS		**133,659**	81,473
Cash and cash equivalents at 1 January		**178,066**	96,593
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	16	**311,725**	178,066

The attached explanatory notes 1 to 28 form part of these consolidated financial statements.

1 CORPORATE INFORMATION

Dubai Insurance Company (P.S.C.) (the "Company") is a public shareholding Company registered under the UAE Federal Law No. (32) of 2021 and the UAE Federal Law No. (6) of 2007 relating to commercial companies in the UAE. The Company mainly issues short term insurance contracts in connection with worker protection fund, motor, marine, fire, engineering and general accident (collectively known as general insurance) and group life and medical risks (collectively referred to as medical and life insurance). The Company also invests its funds in investment securities and properties. The registered address of the Company is P.O. Box 3027, Dubai, United Arab Emirates. The Company operates in the United Arab Emirates and most of the insurance policies are issued in the United Arab Emirates. The shares of the Company are listed on the Dubai Financial Market.

Federal Law by Decree No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 with an effective date of 2 January 2022 and will entirely replace Federal Law No. (32) of 2021 on Commercial Companies, as amended. The Company has twelve months from the effective date to comply with the provisions of the New Companies Law.

The Company established a new subsidiary for communication and consultation purposes. These consolidated financial statements incorporate the financial statements of the Company and its subsidiary (collectively referred to as the "Group").

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a 9% Federal Corporate Tax rate effective for fiscal years commencing on or after 1 June 2023. There is no impact of this announcement on the financial statements of the Company for the year ended 31 December 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of U.A.E Federal Law No. (32) of 2021 relating to commercial companies, and of UAE Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organisation of the Insurance Operations, concerning insurance companies and agents. These consolidated financial statements are prepared in UAE Dirhams ("AED").

2.2 BASIS OF CONSOLIDATION

The Group comprises of the Company and the under-mentioned subsidiary company.

Subsidiary	Principal activity	Country of incorporation	Ownership
Insurance Pool For Communication And Consulting Services L.L.C	Human Resources Consultancy	United Arab Emirates	100%

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 December 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 BASIS OF PREPARATION

The consolidated financial statements are prepared under the historical cost convention except for the measurement at fair value of financial assets carried at fair value.

The Group presents its consolidated statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current), presented in the notes.

2.4 STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE FROM 1 JANUARY 2022

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

Standard number	Title	Effective date
IFRS 3	Reference to the Conceptual Framework (Amendments to IFRS 3	1 January 2022
IAS 16	Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
IAS 37	Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018–2020	1 January 2022

These standards have been adopted by the Group and did not have a material impact on these consolidated financial statements.

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts (1 January 2023): Once effective IFRS 17 will replace IFRS 4 the current insurance contracts standard and it is expected to significantly change the way the Group measures and reports its insurance contracts. The overall objective of the new standard is to provide an accounting model for insurance contracts that is more useful and consistent for users. IFRS 17 applies to insurance contracts (including reinsurance contracts) an entity issues, reinsurance contracts an entity holds and investment contracts with discretionary participation features an entity issues provided it also issues insurance contracts.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied)

The scope of IFRS 17 for the Group is materially consistent with that of IFRS 4. Investment contracts will be measured under IFRS 9. IFRS 17 requires that contracts are divided into groups for the purposes of recognition and measurement. Portfolios of contracts are identified by grouping together contracts which have similar risks and are managed together. These groups are then further divided into groups based on their expected profitability.

Contracts which are onerous at inception cannot be grouped with contracts which are profitable at inception. Contracts which are issued more than one year apart are not permitted to be included within the same group, although there is some relief from this requirement for business in-force at the date of transition under the transitional arrangements.

The standard introduces three measurement approaches, of which one, the general model and the premium allocation approach, are applicable to the Group's business. The main features of these models are the measurement of an insurance contract as the present value of expected future cash flows including acquisition costs, plus an explicit risk adjustment, remeasured at each reporting period using current assumptions, and a contractual service margin ('CSM').

The risk adjustment represents the compensation the Group requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the obligations under the insurance contract are fulfilled.

The CSM represents the unearned profit of a group of insurance contracts and is recognised in profit or loss as the insurance service is provided to the customer using coverage units. Coverage units are a measurement of the quantum of service provided across the life of the contract and are used to measure the service provided in the reporting period and release a corresponding amount of profit to the income statement. If a group of contracts becomes loss-making after inception the loss is recognised immediately in the income statement. This treatment of profits and losses in respect of services is broadly consistent with the principles of IFRS 15 and IAS 37 applicable to other industries.

Under the general model the CSM is adjusted for non-economic assumption changes relating to future periods. For certain contracts with participating features the variable fee approach is applied, this allows changes in economic assumptions and experience to adjust the CSM as well as non-economic assumptions, reflecting the variable nature of the entity's earnings driven by investment returns. IFRS 17 requires the standard to be applied retrospectively. Where this is assessed as impracticable the standard allows the application of a simplified retrospective approach or a fair value approach to determine the contractual service margin. The measurement principles set out in IFRS 17 will significantly change the way in which the Group/company measures its insurance contracts and associated reinsurance contracts.

These changes will impact the pattern in which profit emerges when compared to IFRS 4 and add complexity to valuation processes, data requirements and assumption setting. The introduction of IFRS 17 will simplify the presentation of the statement of financial position. It requires the presentation of groups of insurance (or reinsurance) contracts that are in an asset position separately from those in a liability position. The presentation of the income statement will change more significantly with IFRS 17 setting out how components of the profitability of contracts are disaggregated into an insurance service result and insurance finance income/expenses. IFRS 17 also requires extensive disclosures on the amounts recognised from insurance contracts and the nature and extent of risks arising from them.

Premium allocation approach: The Premium allocation approach is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

The Group expects that it will apply the PAA to all contracts in the Non-life segment because the following criteria are expected to be met at inception.

- Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the Group is one year or less.

Risk-attaching reinsurance contracts: The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Group expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Under IFRS 17 insurance acquisition cash flows are allocated to groups of contracts using systematic and rational methods based on the total premiums for each group.

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

Impact assessment – Non-Life Insurance

Although the PAA is similar to the Group's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for Non-life contracts.

Changes from IFRS 4	**Impact on equity on transition to IFRS 17**
Under IFRS 17, the Group will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The Group does not currently discount such future cash flows.	Increase
IFRS 17 requires the fulfilment cash flows to include a risk adjustment for non-financial risk. This is not explicitly allowed for currently.	Decrease
The Group's accounting policy under IFRS 17 to expense eligible insurance acquisition cash flows when they are incurred differs from the current practice under which these amounts are recognised separately as deferred acquisition costs.	Decrease

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

The group implementation project continued through 2022 with a focus on finalising methodologies and developing the operational capabilities required to implement the standard including data, systems and business processes. The current focus is on embedding the operational capabilities and determining the transition balance sheet and comparatives required for 2023 reporting.

Since the implementation project is currently ongoing, management believes that it is impractical to determine the amount of the effect of IFRS 17 in the current period.

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below:

Revenue recognition

Gross premiums

Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy commences. Gross premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written. Premiums on insurance policies are accounted for on the date of writing of policies except premium income on marine cargo policies which is accounted for on the expected date of voyage. Premiums are adjusted for unearned premium.

Reinsurance premiums

Gross general reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into during the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

Gross reinsurance premiums on life are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

Commissions earned

Commissions earned are recognised at the time policies are written.

Other investment income

(i) Interest income is recognised on a time proportion basis.
(ii) Dividend income is accounted for when the right to receive payment is established.
(iii) Rental income is recognised as income over the period to which it relates.

Claims and expenses recognition

Claims, comprising amounts payable to contract holders and third parties and related loss adjustment expenses, net of salvage and other recoveries, are charged to income as incurred.

The Group generally estimates its claims based on previous experience. Independent loss adjusters normally estimate property claims. Any difference between the provisions at the reporting date and settlements and provisions for the following year is included in the underwriting account for that year.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Finance cost

Interest paid is recognised in the consolidated statement of income as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

Policy acquisition costs

Commissions and other costs directly related to the acquisition and renewal of insurance contracts are charged to the consolidated statement of income when incurred.

General and administration expenses

Direct expenses of general insurance business are charged to respective departmental revenue accounts. Indirect expenses of the general insurance business are allocated to departmental revenue accounts on the basis of gross retained premiums of each department. Other administration expenses are charged to the consolidated statement of income.

Leases

The Group has no finance leases. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of income on a straight-line basis over the lease term.

Liability adequacy test

At each consolidated statement of financial position date the Group assesses whether its recognised insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in light of estimated future cash flows, the entire deficiency is immediately recognised in income and an unexpired risk provision is created.

The Group does not discount its liability for unpaid claims as substantially all claims are expected to be paid within one year of the consolidated statement of financial position date.

Foreign currency translation

The presentation currency is UAE Dirhams (AED). This is also the functional currency of the Group. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All foreign exchange differences are taken to the consolidated statement of income, except when it relates to items when gains or losses are recognised directly in equity, the gain or loss is then recognised net of the exchange component in the consolidated statement of comprehensive income.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Segment reporting

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

a) The medical and life insurance segment offers short term group health and life insurance. Revenue from this segment is derived primarily from insurance premium, fees and commission income.
b) The general insurance segment comprises insurance to individuals and businesses. General insurance products offered include motor, marine, fire, engineering, general accident and miscellaneous. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident, e.g., employee liability claims and asbestos. Revenue in this segment is derived primarily from insurance premiums.
c) The investment segment includes investment in equity, fixed income securities such as bonds and fixed deposits and net rental income from investment properties. Income from this segment is primarily from investment income and fair value gains and losses on investments.

No operating segments have been aggregated to form the above reportable operating segments. Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the consolidated financial statements. Unallocated administrative expenses are managed on a group basis and are not allocated to individual operating segments.

No inter-segment transactions occurred in 2021 and 20. If any transaction were to occur, transfer prices between operating segments would be set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expenses and results will include those transfers between business segments which will then be eliminated on consolidation.

Product classification

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that transfer significant financial risk. Financial risk is the risk of

a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of price or rates, a credit rating or credit index or other variable.

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 expire. Investment contracts can however be reclassified as insurance contracts after inception, if insurance risk becomes significant.

The Group does not have any investment contracts or any insurance contracts with Discretionary Participation Features (DPF).

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of property and equipment as follows:

Furniture and equipment	4 – 10 years
Motor vehicles	4 years

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

No depreciation is charged on land.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their value less costs to sell and their value in use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognised.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

Investment properties

The Group has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Building	40 years

No depreciation is charged on freehold land.

Fair value measurement

The Group measures financial instruments, such as, equity instruments, and non-financial assets such as investment properties (for disclosure purposes), at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 11.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described in note 12, based on the lowest level input that is significant to the fair value measurement as a whole.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in these consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial instruments

Recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

A financial asset and financial liability is offset and the net amount is reported in the financial statements only when there is legally enforceable right to set off the recognised amount and the Group intends either to settle on a net basis or realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification and initial measurement of financial assets

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32 Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Financial assets at amortised cost and the effective interest method

Debt instruments are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified 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. Discounting is omitted where the effect of discounting is immaterial. The Group may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents, which include cash on hand and current accounts with banks, are classified as financial assets at amortised cost.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Insurance and other receivables, deposits and statutory deposits

Insurance and other receivables (excluding prepayments), deposits and statutory deposits are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading. The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Dividends on these investments in equity instruments at FVTOCI are recognised in income statement when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The fair value is determined in line with the requirements of IFRS 9 'Financial Instruments', which does not allow for measurement at cost. Fair value is determined in the manner described in note 12. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

IFRS 9's impairment requirements use forward looking information under Expected credit loss (ECL) model for the financial assets measured at amortised cost which consist of insurance and other receivables (excluding prepayments), cash and cash equivalents, investments at amortised cost and due from related parties.

Measurement of ECLs

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Measurement of ECLs (continued)

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of "investment grade".

'12-month expected credit losses' are recognised for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e. Stage 2). Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Insurance and other receivables

The Group makes use of a simplified approach in accounting for insurance and other and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of insurance receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due. Refer to note 26B for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Financial liabilities

Group's financial liabilities include bank loan and insurance and reinsurance payables.

Classification and initial measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

Derecognition of financial instruments

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement
- The Group has transferred its rights to receive cash flows from the asset and either:
    - has transferred substantially all the risks and rewards of the asset, or
    - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using discount rates that reflect current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in the statement of profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Reinsurance contracts held

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the consolidated statement of income. Gains or losses on buying reinsurance are recognised in the income statement immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes reinsurance risk in the normal course of business for life insurance and general insurance contracts where applicable. Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party. Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the consolidated statement of financial position. These are deposit assets or financial liabilities that are recognised based on the consideration paid or received less any explicit identified premiums or fees to be retained by the reinsured.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Insurance receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the consolidated statement of income.

Insurance receivables are derecognised when the derecognition criteria for financial assets have been met.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the consolidated statement of financial position.

Insurance contract liabilities

(i) Unearned premium reserve

At the end of each year a proportion of net retained premiums of the general insurance, medical and group life business is provided to cover portions of risks which have not expired at the reporting date. The reserves are calculated in accordance with the requirements of the Insurance Law relating to insurance companies at 1/365 of annual premiums earned net of reinsurance for all classes of insurance, except marine which is calculated at 25%. Unearned premium reserves for medical and group life business are calculated on a time proportion basis.

(ii) Incurred but not reported reserve

A provision is made for the estimated excess of potential claims over unearned premiums and for claims incurred but not reported at the financial position date.

The reserves represent the management's best estimates on the basis of:

a) claims reported during the year
b) delay in reporting these claims
c) claim handling provision

(iii) Unexpired risk reserve

A provision is made for the claims expected to be incurred after the reporting date in respect of current insurance contracts that will, together with any deferred expenses, exceed the premium to be earned on those contracts after the reporting date.

(iv) Outstanding claims

Insurance contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are known as the outstanding claims provision, which are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, after reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of claims cannot be known with certainty at the reporting date. The liability is not discounted for the time value of money. No provision for equalisation or catastrophic reserves is recognised. The liability is derecognised when the contract expires, is discharged or is cancelled.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its UAE national employees, the Group makes contributions to a pension fund established by the General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

2.7 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors could include:

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification of properties

Management decides whether a property under construction will be used upon completion as owner-occupied property or for renting out to third parties. If used as owner-occupied property, the value in use of the property is determined as part of the cash generating unit to which it belongs. Otherwise, the asset is classified as investment property and its fair value is determined on an individual asset basis.

Outstanding claims, IBNR, ULAE, UPR and URR

The estimation of the ultimate liability (outstanding claims, IBNR and ULAE) arising from claims, UPR and URR made under insurance contracts is the Group's most critical accounting estimate. These estimates are continually reviewed and updated, and adjustments resulting from this review are reflected in the consolidated statement of profit or loss. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends (including actuarial calculations), is an appropriate basis for predicting future events.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimation uncertainty (continued)

Provision for outstanding claims, whether reported or not

Considerable judgement by management is required in the estimation of amounts due to contract holders 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.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using past claim settlement trends to predict future claim settlement trends.

Claims requiring court or arbitration decisions are estimated individually. Independent loss adjusters normally estimate property claims. Management reviews its provisions for claims incurred, and claims incurred but not reported, on a quarterly basis.

Impairment losses on insurance receivables

The Group reviews its insurance receivables on a regular basis to assess whether a provision for impairment should be recorded in the consolidated statement of income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about the probability of default and probable losses in the event of default, the value of the underlying security, and realisation costs.

Impairment losses on insurance receivables (continued)

In addition to specific provisions against individually significant insurance receivables, the Group also makes a collective impairment provision against insurance receivables which, although not specifically identified as requiring a specific provision, have a greater risk of default than when originally granted. The amount of the provision is based on the historical loss pattern for insurance receivables within each grade and is adjusted to reflect current economic changes.

Reinsurance

The Group is exposed to disputes with, and possibility of defaults by, its reinsurers. The Group monitors on a regular basis the evolution of disputes with and the strength of its reinsurers.

3 INSURANCE PREMIUM REVENUE

2022	General insurance			Life insurance			Total		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Gross premium	1,466,518	(1,040,978)	425,540	2,624	(2,176)	448	1,469,142	(1,043,154)	425,988
Movement in provision for unearned premium	(172,043)	156,475	(15,568)	(85)	56	(29)	(172,128)	156,531	(15,597)
Insurance premium revenue	1,294,475	(884,503)	409,972	2,539	(2,120)	419	1,297,014	(886,623)	410,391
Unearned premium as of 31 December (note 22)	916,572	(824,909)	91,663	1,163	(1,099)	64	917,735	(826,008)	91,727

2021	General insurance			Life insurance			Total		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Gross premium	1,224,224	(926,023)	298,201	2,241	(2,005)	236	1,226,465	(928,028)	298,437
Movement in provision for unearned premium	(154,306)	114,249	(40,057)	(382)	373	(9)	(154,688)	114,622	(40,066)
Insurance premium revenue	1,069,918	(811,774)	258,144	1,859	(1,632)	227	1,071,777	(813,406)	258,371
Unearned premium as of 31 December (note 22)	744,530	(668,434)	76,096	1,078	(1,043)	35	745,608	(669,477)	76,131

Insurance contracts premium includes AED 168,317 (2021: AED 189,797 thousand) of reinsurance premium accepted.

4 CLAIMS INCURRED

	General Insurance			Life insurance			Total		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
Year 2022	**AED'000**	**AED'000**	**AED'000**	**AED'000**	**AED'000**	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Claims paid	456,530	(369,710)	86,820	2,036	(1,832)	204	458,566	(371,542)	87,024
Changes in provision for outstanding claim (note 22(c))	34,200	(27,669)	6,531	(1,166)	1,050	(116)	33,034	(26,619)	6,415
Movement in incurred but not reported reserve (note 22(a))	25,584	(25,015)	569	(30)	33	3	25,554	(24,982)	572
Movement in loss adjustment expense reserve (note 22(b))	1,509	-	1,509	0.45	-	0.45	1,509	-	1,509
	517,823	(422,394)	95,429	840	(749)	91	518,663	(423,143)	95,520

	General Insurance			Life insurance			Total		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
Year 2021	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Claims paid	506,768	(455,175)	51,593	1,087	(1,025)	62	507,855	(456,200)	51,655
Changes in provision for outstanding claim (note 22(c))	6,391	(7,558)	(1,167)	(749)	673	(76)	5,642	(6,885)	(1,243)
Movement in incurred but not reported reserve (note 22(a))	(1,816)	5,937	4,121	3	(7)	(4)	(1,813)	5,930	4,117
Movement in loss adjustment expense reserve (note 22(b))	(106)	-	(106)	(26)	-	(26)	(132)	-	(132)
	511,237	(456,796)	54,441	315	(359)	(44)	511,552	(457,155)	54,397

5 SEGMENTAL INFORMATION

Identification of reportable segments

Primary segment information

For management purposes, the Group is organised into business units based on its products and services and has three reportable operating segments as follows:

- The general insurance segment, comprises motor, marine, fire, engineering and general accident.

5 SEGMENTAL INFORMATION (continued)

- The medical and life segment includes medical and group life.
- Investment comprises investment and cash management for the Group's own account.

Transactions between operating segments are conducted at estimated market rates on an arm's length basis. Operating segment information is presented below:

	General insurance		Medical and life insurance		Investments		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	AED'000	AED'000	**AED'000**	AED'000	**AED'000**	AED'000	**AED'000**	AED'000
UNDERWRITING INCOME								
Gross premium	**1,037,371**	875,000	**431,771**	351,465	**-**	-	**1,469,142**	1,226,465
Reinsurers' share of premium	**(787,305)**	(704,278)	**(255,849)**	(223,750)	**-**	-	**(1,043,154)**	(928,028)
Net movement in unearned premium	**2,438**	(23,906)	**(18,035)**	(16,160)	**-**	-	**(15,597)**	(40,066)
Net insurance premium revenue	**252,504**	146,816	**157,887**	111,555	**-**	-	**410,391**	258,371
Reinsurance commission income	**93,795**	80,371	**335**	47	**-**	-	**94,130**	80,418
Other income	**19,420**	17,532	**-**	-	**-**	-	**19,420**	17,532
	365,719	244,719	**158,222**	111,602	**-**	-	**523,941**	356,321
UNDERWRITING EXPENSES					**-**	-		
Claims incurred	**(214,906)**	(236,414)	**(303,757)**	(275,138)	**-**	-	**(518,663)**	(511,552)
Reinsurers' share of claims incurred	**180,149**	222,496	**242,994**	234,659	**-**	-	**423,143**	457,155
Net claims incurred	**(34,757)**	(13,918)	**(60,763)**	(40,479)	**-**	-	**(95,520)**	(54,397)
Commission expenses	**(53,373)**	(33,102)	**(35,484)**	(28,725)	**-**	-	**(88,857)**	(61,827)
Other direct expenses	**(174,782)**	(103,219)	**(37,222)**	(23,492)	**-**	-	**(212,004)**	(126,711)
General and administration expenses relating to underwriting activities	**(37,470)**	(28,622)	**(11,967)**	(9,698)	**-**	-	**(49,437)**	(38,320)
	(300,382)	(178,861)	**(145,436)**	(102,394)	**-**	-	**(445,818)**	(281,255)
NET UNDERWRITING INCOME	**65,337**	65,858	**12,786**	9,208	**-**	-	**78,123**	75,066
Total investment income	**-**	-	**-**	-	**27,253**	18,826	**27,253**	18,826
Unallocated other expenses	**-**	-	**-**	-	**-**	-	**(13,217)**	(13,319)
PROFIT FOR THE YEAR							**92,159**	80,573

For operational and management reporting purposes, the Group is organised as one geographical segment.

5 SEGMENTAL INFORMATION (continued)

OTHER INFORMATION

	General insurance		Medical and life insurance		Investment		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	AED'000	AED'000	**AED'000**	AED'000	**AED'000**	AED'000	**AED'000**	AED'000
Segment assets	**1,554,205**	1,187,752	**362,840**	289,065	**769,912**	631,431	**2,686,957**	2,108,248
Segment liabilities	**1,636,868**	1,152,070	**365,962**	314,649	**-**	11,039	**2,002,830**	1,477,758
Capital expenditure	**1,920**	1,956	**-**	-	**-**	-	**1,920**	1,956
Depreciation	**2,037**	1,531	**-**	-	**-**	-	**2,037**	1,531

The Group's operations are primarily conducted in the United Arab Emirates. General insurance figures reported above include certain assets and liabilities that are common for all three reportable segments. These amounts are not significant and are not reported separately to the chief decision maker.

6 OTHER INVESTMENT INCOME

	2022	2021
	AED'000	AED'000
Rental income from investment properties	**2,191**	1,031
Investment property expenses	**(2,298)**	(1,764)
	(107)	(733)
Dividend income received on financial assets at FVTOCI	**22,103**	15,915
Interest income from bonds and fixed deposits	**3,166**	2,612
Interest income from cash and cash equivalents and statutory deposits	**2,617**	1,005
	27,779	18,799

7 GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses allocable to the underwriting and non-underwriting activities include mainly the following:

	2022	2021
	AED'000	AED'000
Staff costs	**29,158**	27,133
Rental costs – short term operating leases*	**995**	1,235
Social contributions**	**800**	500

* The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) and for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

** Both the years social contributions were paid to Islamic affairs & Charitable Activities Department.

8 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year, net of directors' fees, by the weighted average number of shares outstanding during the year as follows:

	2022	2021
Profit for the year (AED'000)	**92,159**	80,573
Directors' fees (AED'000)	**(5,212)**	(3,812)
Net (AED'000)	**86,947**	76,761
Weighted average number of shares outstanding during the year ('000)	**100,000**	100,000
Earnings per share (AED)	**0.87**	0.77

No figures for diluted earnings per share are presented as the Group has not issued any instruments which would have an impact on earnings per share when exercised.

9 PROPERTY AND EQUIPMENT

	Land AED'000	**Furniture and equipment AED'000**	**Motor vehicles AED'000**	**Total AED'000**
Cost:				
At 1 January 2022	**44,173**	**20,704**	**850**	**65,727**
Additions during the year	**-**	**1,920**	**-**	**1,920**
At 31 December 2022	**44,173**	**22,624**	**850**	**67,647**
Depreciation:				
At 1 January 2022	**-**	**(15,904)**	**(808)**	**(16,712)**
Charge for the year	**-**	**(2,021)**	**(16)**	**(2,037)**
At 31 December 2022	**-**	**(17,925)**	**(824)**	**(18,749)**
Net carrying amount:				
At 31 December 2022	**44,173**	**4,699**	**26**	**48,898**

	Land AED'000	Furniture and equipment AED'000	Motor vehicles AED'000	Total AED'000
Cost:				
At 1 January 2021	44,173	18,783	815	63,771
Additions during the year	-	1,921	35	1,956
At 31 December 2021	44,173	20,704	850	65,727
Depreciation:				
At 1 January 2021	-	(14,493)	(688)	(15,181)
Charge for the year	-	(1,411)	(120)	(1,531)
At 31 December 2021	-	(15,904)	(808)	(16,712)
Net carrying amount:				
At 31 December 2021	44,173	4,800	42	49,015

9 PROPERTY AND EQUIPMENT (continued)

The depreciation charge for the year of AED 2,037 (2021: AED 1,531 thousand) has been allocated as follows:

	2022 AED'000	2021 AED'000
Underwriting expenses	**1,528**	1,148
Non-underwriting expenses	**509**	383
	2,037	1,531

Included in property and equipment is land situated in the Emirate of Dubai, United Arab Emirates with a carrying value of AED 44,173 thousand (2021: AED 44,173 thousand). The Group's Board of Directors has resolved to construct the Group's head office on the land in the foreseeable future.

10 INVESTMENT PROPERTIES

	Freehold land AED'000	**Building AED'000**	**Total AED'000**
Cost:			
At 1 January 2022	**17,296**	**66,484**	**83,780**
At 31 December 2022	**17,296**	**66,484**	**83,780**
Depreciation:			
At 1 January 2022	**-**	**(18,764)**	**(18,764)**
Charge for the year	**-**	**(743)**	**(743)**
At 31 December 2022	**-**	**(19,507)**	**(19,507)**
Net carrying amount:			
At 31 December 2022	**17,296**	**46,977**	**64,273**

	Freehold Land AED'000	Building AED'000	Total AED'000
Cost:			
At 1 January 2021	50,128	18,392	68,520
Additions during the year	-	15,260	15,260
Transferred to building	(32,832)	32,832	-
At 31 December 2021	17,296	66,484	83,780
Depreciation:			
At 1 January 2021	-	(18,392)	(18,392)
Charge for the year	-	(372)	(372)
At 31 December 2021	-	(18,764)	(18,764)
Net carrying amount:			
At 31 December 2021	17,296	47,720	65,016

Investment properties comprise of properties as mentioned below:

Lands at Nad Al Shiba First, Dubai

These properties are carried at cost and the fair value of the investment properties as of 31 December 2022, based on a valuation undertaken by an independent qualified valuer, amounted to AED 7,508 thousand each.

10 INVESTMENT PROPERTIES (continued)

Land and Building at Deira, Dubai

The property is carried at cost and the fair value of the investment property as of 31 December 2022, based on an average of valuation undertaken by independent qualified valuers, amounted to AED 34,875 thousand (2021: AED 29,860 thousand).

Land and Building at Satwa, Dubai

The property which is carried at cost and the fair value of the investment property as of 31 December 2022, based on an average of valuation undertaken by independent qualified valuers, amounted to AED 31,100 thousand.

The fair value of investment properties has been determined using level 2 fair value hierarchy.

11 FINANCIAL INSTRUMENTS

	Carrying value		Fair value	
	2022 **AED'000**	2021 AED'000	**2022** **AED'000**	2021 AED'000
Financial instruments				
At fair value through profit or loss (note 11(a))	**152,649**	44,781	**152,649**	44,781
At fair value through other comprehensive income (note 11(b))	**523,858**	483,375	**523,858**	483,375
Investments held at amortised cost (note 11 (c))	**29,133**	38,259	**29,940**	38,229
	705,640	566,415	**706,447**	566,385

11(a) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2022 **AED'000**	2021 AED'000
a)	**Shares – quoted**	**3,858**	3,975
b)	**Designated upon initial recognition**		
	Bank deposits – unquoted	**148,791**	40,806
		152,649	44,781

The entire shares and bank deposits are within the United Arab Emirates. Bank deposits include deposits amounting to AED 148,791 thousand (2021: AED 40,806 thousand) with maturity over three months as at the reporting date.

11(b) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022 **AED'000**	2021 AED'000
Shares – quoted (within UAE)	**372,257**	350,885
Shares – unquoted (outside UAE)	**143,561**	125,700
Shares – unquoted (within UAE)	**8,040**	6,790
	523,858	483,375

The fair value gain amounting to AED 6,207 thousand (2021: AED 63,633 thousand) has been recognised in the consolidated statement of comprehensive income.

Investments amounting to AED 20,921 thousand are pledged against bank loan (note 20). The investments carry interest at an effective interest rate 6.68% per annum.

11 FINANCIAL INSTRUMENTS (continued)

11(c) DEBT INSTRUMENTS AT AMORTISED COST

	2022 **AED'000**	2021 AED'000
Amortised cost		
Debt securities (within UAE)	**20,984**	10,960
Debt securities (outside UAE)	**8,149**	27,299
	29,133	38,259

Debt securities amounting to AED 20,921 thousand were pledged in 2021 against bank loan (note 20). The investments carry interest at an effective interest rate 6.68% per annum. The maturity profile of these debt instruments is shown below:

	31 December 2022		
	Less than 5 years AED'000	**More than 5 years AED'000**	**Total AED'000**
Debt securities (within UAE)	**1,797**	**19,187**	**20,984**
Debt securities (outside UAE)	**7,232**	**917**	**8,149**
	9,029	**20,104**	**29,133**

	31 December 2021		
	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
Debt securities (within UAE)	6,361	4,599	10,960
Debt securities (outside UAE)	9,944	17,355	27,299
	16,305	21,954	38,259

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value and fair values hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair values hierarchy (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 AED'000	**Level 2 AED'000**	**Level 3 AED'000**	**Total fair value AED'000**
At 31 December 2022				
Financial instruments				
At fair value through profit or loss:				
Bank deposits	-	148,791	-	148,791
Quoted equity securities	3,858	-	-	3,858
	3,858	148,791	-	152,649
At fair value through other comprehensive income:				
Quoted equity securities	372,257	-	-	372,257
Unquoted equity securities	-	-	151,601	151,601
	372,257	-	151,601	523,858
	376,115	148,791	151,601	676,507

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total fair value AED'000
At 31 December 2021				
Financial instruments				
At fair value through profit or loss:				
Bank deposits	-	40,806	-	40,806
Quoted equity securities	3,975	-	-	3,975
	3,975	40,806	-	44,781
At fair value through other comprehensive income:				
Quoted equity securities	350,885	-	-	350,885
Unquoted equity securities	-	-	132,490	132,490
	350,885	-	132,490	483,375
	354,860	40,806	132,490	528,156

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Movements in level 3 financial instruments measured at fair value

31 December 2022

	At 1 January 2022 AED'000	Purchases AED'000	Sales AED'000	Total gain/(loss) recorded in OCI AED'000	Transfers AED'000	At 31 December 2022 AED'000
Financial instruments						
At fair value through other comprehensive income						
Unquoted investments	132,490	22,801	(3,965)	275	-	151,601
Total level 3 financial assets	132,490	22,801	(3,965)	275	-	151,601

31 December 2021

	At 1 January 2021 AED'000	Purchases AED'000	Sales AED'000	Total loss recorded in OCI AED'000	Transfers AED'000	At 31 December 2021 AED'000
Financial instruments						
At fair value through other comprehensive income						
Unquoted investments	36,889	100,811	(6,676)	1,466	-	132,490
Total level 3 financial assets	36,889	100,811	(6,676)	1,466	-	132,490

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Asset for which fair value approximates carrying value

For financial assets and financial liabilities that have short term maturities (less than three months) it is assumed that the carrying amounts approximate their fair values. This assumption is also applied to insurance receivables, reinsurance payables, demand deposits and savings accounts without specific maturity. Fair value of quoted bonds is based on price quotations at the reporting date. Long term bank loan and bank deposits designated at FVTPL are evaluated by the Group based on Level 2 input parameters such as interest rates.

13 INSURANCE RECEIVABLES

	2022 **AED'000**	2021 AED'000
Due from policyholders	**209,736**	139,574
Due from insurance companies	**24,071**	54,264
Due from insurance brokers	**46,389**	28,550
Other insurance receivables	**3,360**	298
Due from re-insurance companies in respect of settled claims	**94,706**	57,814
Less: Allowance for expected credit losses	**(13,909)**	(13,168)
	364,353	267,332

All of the above amounts are due within twelve months of the reporting date. The amounts due from reinsurers are normally settled on a quarterly basis. Movements in the allowance for expected credit losses were as follows:

	2022 **AED'000**	2021 AED'000
Loss allowance as at 1 January	**13,168**	11,442
Loss allowance provided during the year	**741**	1,726
Loss allowance as at 31 December	**13,909**	13,168

The following table shows analysis of insurance receivables by class of business:

	General		**Life**	
	2022 **AED'000**	2021 AED'000	**2022** **AED'000**	2021 AED'000
Due from policyholders	**208,854**	138,570	**882**	1,004
Due from insurance companies	**24,061**	54,264	**-**	-
Due from insurance brokers	**46,232**	28,402	**158**	148
Other insurance receivables	**3,370**	298	**-**	-
Due from re-insurance companies	**94,205**	56,432	**500**	1,382
Less: Allowance for expected credit losses	**(13,909)**	(13,168)	**-**	-
	362,813	264,798	**1,540**	2,534

13 INSURANCE RECEIVABLES (continued)

Inside UAE:

	General		Life	
	2022	2021	2022	2021
	AED'000	AED'000	**AED'000**	AED'000
Due from policyholders	**208,854**	138,469	**882**	1,004
Due from insurance companies	**24,061**	54,264	**-**	-
Due from insurance brokers	**46,232**	28,402	**157**	148
Other insurance receivables	**3,371**	298	**-**	-
Due from re-insurance companies	**2,989**	4,933	**91**	-
Less: Allowance for expected credit losses	**(13,909)**	(13,168)	**-**	-
	271,598	213,198	**1,130**	1,152
Outside UAE:				
Due from policyholders	**-**	101	**-**	-
Due from re-insurance companies	**91,216**	51,499	**409**	1,382
	91,216	51,600	**409**	1,382

The following table provides an ageing analysis of insurance receivables:

31 December 2022

	Less than 30 days AED'000	***30-90 days AED'000***	***91 to 180 days AED'000***	***181 to 270 days AED'000***	***271 to 365 days AED'000***	***> 365 days AED'000***	***Total AED'000***
Inside UAE:							
Due from:							
Policyholders	**181,492**	**6,187**	**8,765**	**1,736**	**1,841**	**(4,194)**	**195,827**
Insurance companies	**241**	**4,395**	**5,560**	**3,093**	**2,499**	**8,273**	**24,061**
Insurance brokers	**33,610**	**1,718**	**4,769**	**372**	**2,598**	**3,322**	**46,389**
Other receivables	**3,371**	**-**	**-**	**-**	**-**	**-**	**3,371**
Re-insurance companies	**2,652**	**247**	**10**	**-**	**-**	**171**	**3,080**
Total	**221,366**	**12,547**	**19,104**	**5,201**	**6,938**	**7,572**	**272,728**
Outside UAE:							
Due from:							
Re-insurance companies	**48,488**	**29,826**	**11,206**	**1,707**	**341**	**57**	**91,625**

13 INSURANCE RECEIVABLES (continued)

31 December 2021

	Less than 30 days AED'000	*30-90 days AED'000*	*91 to 180 days AED'000*	*181 to 270 days AED'000*	*271 to 365 days AED'000*	*Above 365 days AED'000*	*Total AED'000*
Inside UAE:							
Due from:							
Policyholders	108,034	2,287	2,224	5,024	3,891	4,844	126,304
Insurance companies	32,931	2,553	2,934	3,259	4,533	8,054	54,264
Insurance brokers	20,021	1,514	2,396	460	221	3,939	28,551
Other receivables	166	-	-	-	-	132	298
Re-insurance companies	4,427	94	180	4	30	198	4,933
Total	165,579	6,448	7,734	8,747	8,675	17,167	214,350
Outside UAE:							
Due from:							
Policyholders	89	-	33	37	11	-	170
Re-insurance companies	25,958	11,951	11,453	2,767	458	225	52,812
Total	26,047	11,951	11,486	2,804	469	225	52,982

14 PREPAYMENTS AND OTHER RECEIVABLES

	2022 AED'000	2021 AED'000
Accrued interest receivable	**2,295**	1,470
Prepayments	**4,623**	2,884
Staff debtors and advances	**335**	99
VAT receivable	**4,915**	8,404
Other receivables	**17,786**	16,434
	29,954	28,422

15 STATUTORY DEPOSITS

	2022 AED'000	2021 AED'000
Bank deposits:		
Amounts that cannot be withdrawn without the prior approval of the Ministry of Economy in accordance with Article 42 of Federal Law No. 6 of 2007	**10,000**	10,000

The bank deposit expires after one year and is renewable every year and earns an interest of 2.10% per annum (2021: 2.30%) per annum.

16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts:

	2022 **AED'000**	2021 AED'000
Bank balances and cash	**311,725**	178,066

Cash and cash equivalents are within United Arab Emirates, Europe and GCC. The cash and cash equivalents include e-Dirham account amounting to AED 31 thousand (2021: AED 233thousand).

17 SHARE CAPITAL

	2022 **AED'000**	2021 AED'000
Issued and fully paid 100,000,000 shares of AED 1 each (2021: 100,000,000 shares of AED 1 each)	**100,000**	100,000

18 RESERVES

NATURE AND PURPOSE OF RESERVES

Statutory reserve

In accordance with UAE Commercial Companies Law and the Group's Articles of Association, the Group has resolved to discontinue the annual transfer of 10% of the profit for the year since the statutory reserve reached 50% of the paid-up share capital. The reserve is not available for distribution, except in the circumstances stipulated by the UAE Commercial Companies Law.

General reserve

Transfers to the general reserve are made on the recommendation of the Board of Directors. During the year, no transfer was made (31 December 2021: nil) was transferred to the general reserve from retained earnings. This reserve may be used for such purposes as deemed appropriate by the Board of Directors.

Reinsurance reserve

In accordance with Central Bank of the United Arab Emirates' Board of Directors' Decision No. 23, Article 34, an amount of AED 5,216 thousand (31 December 2021: AED 4,640 thousand) based on the reinsurance share of premium at a rate of 0.5% was transferred from retained earnings to reinsurance reserve. The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of the United Arab Emirates.

Cumulative changes in fair value of investments

This reserve records fair value changes on financial instruments held at fair value through other comprehensive income.

19 DIVIDENDS

For the year ended 31 December 2021, the shareholders at the annual general meeting dated 10 March 2022 approved a cash dividend of 40% (AED 0.40 per share) totalling AED 40 million. For the year ended 31 December 2020, the shareholders at the annual general meeting dated 28 February 2021 approved a cash dividend of 35% (AED 0.35 per share) totalling AED 35 million.

20 BANK LOAN

	2022	2021
	AED'000	AED'000
	-	11,039
Loan	**-**	11,039

Loan

During the year 2021, the Group entered into credit facility agreement with an international bank. The loan facilities are secured against investments in fixed income funds held at FVTOCI amounting to AED 20,921 thousand for the Group's investment operations and carry interest at 1-month USD LIBOR plus 0.75% per annum.

21 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2022	2021
	AED'000	AED'000
Provision as at 1 January	**5,537**	5,209
Provided during the year	**927**	675
End of service benefits paid	**(655)**	(347)
Provision as at 31 December	**5,809**	5,537

22 INSURANCE CONTRACT ASSETS AND LIABILITIES

	Gross		Reinsurers' share		Net	
	2022	2021	**2022**	2021	**2022**	2021
	AED'000	AED'000	**AED'000**	AED'000	**AED'000**	AED'000
Incurred but not reported reserve (note 22(a))	**180,014**	154,460	**(151,663)**	(126,681)	**28,351**	27,779
Unallocated loss adjustment expense reserve (note 22(b))	**4,890**	3,380	**-**	-	**4,890**	3,380
Outstanding claims (note 22(c))	**189,599**	156,565	**(174,443)**	(147,824)	**15,156**	8,741
Unearned premium reserve (note 22(d))	**917,735**	745,608	**(826,008)**	(669,477)	**91,727**	76,131
	1,292,238	1,060,013	**(1,152,114)**	(943,982)	**140,124**	116,031

22 INSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

22 (a) Incurred but not reported reserve

	General insurance AED'000	Life insurance AED'000	Total AED'000
31 December 2022			
Gross	**179,682**	**332**	**180,014**
Reinsurers' share	**(151,364)**	**(299)**	**(151,663)**
	28,318	**33**	**28,351**
31 December 2021			
Gross	154,098	362	154,460
Reinsurers' share	(126,349)	(332)	(126,681)
	27,749	30	27,779

Incurred but not reported reserve of AED 8,624 thousand (2021: AED 9,624 thousand) has been provided by the Group in General insurance segment compared to the Group's actuary's report.

22 (b) Unallocated loss adjustment expense reserve

	General insurance AED'000	Life insurance AED'000	Total AED'000
At 31 December 2021	**3,369**	**11**	**3,380**
Movement during the year	**1,509**	**1**	**1,510**
At 31 December 2022	**4,878**	**12**	**4,890**

22 (c) Outstanding claims

	General insurance AED'000	Life insurance AED'000	Total AED'000
At 31 December 2022			
Gross	**189,212**	**387**	**189,599**
Reinsurers' share	**(174,094)**	**(349)**	**(174,443)**
	15,118	**38**	**15,156**
At 31 December 2021			
Gross	155,011	1,554	156,565
Reinsurers' share	(146,424)	(1,400)	(147,824)
	8,587	154	8,741

22 (d) Unearned premium reserve

	General insurance AED'000	Life insurance AED'000	Total AED'000
At 31 December 2022			
Gross	**916,572**	**1,163**	**917,735**
Reinsurers' share	**(824,909)**	**(1,099)**	**(826,008)**
	91,663	**64**	**91,727**
At 31 December 2021			
Gross	744,530	1,078	745,608
Reinsurers' share	(668,434)	(1,043)	(669,477)
	76,096	35	76,131

23 (a) REINSURANCE BALANCES PAYABLE

	2022 AED'000	2021 AED'000
Reinsurance balances payable	**177,277**	136,255

The following table shows analysis of reinsurance balances payable by class of business:

	General		Life	
	2022 **AED'000**	2021 AED'000	**2022** **AED'000**	2021 AED'000
Inside UAE	**21,184**	15,295	-	-
Outside UAE	**156,073**	120,581	**20**	379
	177,257	135,876	**20**	379

23 (b) INSURANCE AND OTHER PAYABLES

	2022 AED'000	2021 AED'000
Insurance and other payables	**486,373**	237,630

The following table shows analysis of payables by class of business:

	General		Life	
	2022 **AED'000**	2021 AED'000	**2022** **AED'000**	2021 AED'000
Payables-Inside UAE	**473,245**	230,163	**400**	257
Payables-Outside UAE	**12,728**	7,210	-	-
	485,973	237,373	**400**	257

Inside UAE:

	General		Life	
	2022 **AED'000**	2021 AED'000	**2022** **AED'000**	2021 AED'000
Payable to policy holders	**164,782**	100,028	**162**	87
Payable to insurance companies	**38,569**	31,888	-	-
Payable to brokers	**19,034**	12,743	**230**	163
Payable to TPAs	**55,266**	34,967	-	-
Other payables	**195,594**	50,537	**8**	7
	473,245	230,163	**400**	257

Outside UAE:

	General		Life	
	2022 **AED'000**	2021 AED'000	**2022** **AED'000**	2021 AED'000
Other payables	**12,728**	7,210	-	-

24 RELATED PARTY TRANSACTIONS

Related parties represent, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Group's management.

The significant balances outstanding at 31 December in respect of related parties included in the consolidated financial statements are as follows:

	2022 **AED'000**	2021 AED'000
Affiliates of major shareholders:		
Due from policyholders	**45,392**	28,867
Outstanding claims	**32,160**	17,195

The income and expenses in respect of related parties included in the consolidated financial statements are as follows:

	2022 **AED'000**	2021 AED'000
Affiliates of major shareholders:		
Premiums	**36,101**	14,640
Claims paid	**(1,246)**	(10,830)
Commission expenses	**(4,858)**	(5,031)
Rent received	**58**	59
Rent paid	**(542)**	(748)

Compensation of the key management personnel is as follows:

	2022 **AED'000**	2021 AED'000
Short term employee benefits	**7,344**	6,936
End of service benefits	**270**	199
	7,614	7,135

Outstanding balances at the year-end arise in the normal course of business. For the years ended 31 December 2022 and 31 December 2021, the Group has reversed and recorded expected credit losses of AED 345 thousand and AED 189 thousand on balances owed by related parties respectively.

25 DIRECTORS' FEES

Directors' fees have been included as an appropriation of net profit for the year as agreed by the Group's management.

26 RISK MANAGEMENT

(a) Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Group's risk management function is carried out by the board of directors, with its associated committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to the Chief Executive Officer and senior managers.

26 RISK MANAGEMENT (continued)

(a) Governance framework (continued)

The board of directors meets regularly to approve any commercial, regulatory and organisational decisions. The Chief Executive Officer under the authority delegated from the board of directors defines the Group's risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

The Group's enterprise risk management framework is established to identify and analyse the key risks faced by the Group to set appropriate controls and manage those risks. As part of the risks identification process, the Group uses risk based capital model to assess the capital requirement and uses stress analysis to apply changes to capital. The Group's risk appetite is derived from the changes to capital.

(b) Capital management framework

The primary objective of the Group's capital management is to comply with the regulatory requirements in the UAE and to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group fully complied with the externally imposed capital requirements and no changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

(c) Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are also subject to regulatory requirements within the jurisdiction where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

(d) Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Group manages these positions to achieve long-term investment returns in excess of its obligations under insurance contracts. The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders.

The Chief Executive Officer actively monitors the ALM to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance contracts.

The Chief Executive Officer regularly monitors the financial risks associated with the Group's other financial assets and liabilities not directly associated with insurance liabilities.

(e) Disclosure as per the circular no.33 of 2016 of Central Bank of the United Arab Emirates

For the purpose of disclosure as per the circular no.33 of 2016 of Central Bank of the United Arab Emirates, the Group's financial information is grouped into business units based on its products and services as follows:

- The general insurance segment, comprises motor, marine, fire, engineering, medical and general accident.
- The life class includes group life.

26 RISK MANAGEMENT (continued)

(e) Disclosure as per the circular no.33 of 2016 of Central Bank of the United Arab Emirates (continued)

The table below summarises the operating activities of the general and life insurance class of business of the Group.

		General insurance		Life insurance	
		2022	2021	**2022**	2021
	Notes	**AED'000**	AED'000	**AED'000**	AED'000
UNDERWRITING INCOME					
Gross premium	3	**1,466,518**	1,224,224	**2,624**	2,241
Reinsurers' share of premium	3	**(1,040,978)**	(926,023)	**(2,176)**	(2,005)
Net movement in unearned premium	3	**(15,568)**	(40,057)	**(29)**	(9)
Net insurance premium revenue	3	**409,972**	258,144	**419**	227
Reinsurance commission income		**94,081**	80,371	**49**	47
Other income		**19,420**	17,532	**-**	-
		523,473	356,047	**468**	274
UNDERWRITING EXPENSES					
Claims incurred	4	**(517,823)**	(511,237)	**(840)**	(315)
Reinsurers' share of claims incurred	4	**422,394**	456,796	**749**	359
Net claims incurred	4	**(95,429)**	(54,441)	**(91)**	44
Commission expenses		**(88,775)**	(61,785)	**(82)**	(42)
Other direct expenses		**(212,002)**	(126,711)	**(2)**	-
General and administration expenses relating to underwriting activities*		**(49,300)**	(38,218)	**(137)**	(102)
		(445,506)	(281,155)	**(312)**	(100)
NET UNDERWRITING INCOME		**77,967**	74,892	**156**	174
Total investment income		**24,152**	16,545	**3,101**	2,281
Other operating expenses		**(13,218)**	(13,308)	**-**	(11)
PROFIT FOR THE YEAR		**88,901**	78,129	**3,257**	2,444
Net gain/(loss) on revaluation of investments through other comprehensive income		**6,550**	54,647	**138**	12,114
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**94,451**	132,776	**3,395**	14,558

*General and administration expenses are allocated between both classes of business in proportion with the gross written premiums in respective classes of business as agreed by the management.

26 RISK MANAGEMENT (continued)

(e) Disclosure as per the circular no.33 of 2016 of Central Bank of the United Arab Emirates (continued)

The table below summarises the assets and liabilities of the general and life insurance class of business of the Group.

		General insurance		Life insurance	
		2022	2021	**2022**	2021
	Notes	**AED'000**	AED'000	**AED'000**	AED'000
ASSETS					
Property and equipment		**48,898**	49,015	**-**	-
Investment properties		**64,273**	65,016	**-**	-
Financial instruments		**639,942**	500,855	**65,698**	65,560
Reinsurance assets		**1,150,367**	941,209	**1,747**	2,773
Insurance receivables	13	**362,813**	264,798	**1,540**	2,534
Prepayments and other receivables		**29,954**	28,422	**-**	-
Statutory deposits		**6,000**	6,000	**4,000**	4,000
Cash and cash equivalents		**310,449**	176,994	**1,276**	1,072
TOTAL ASSETS		**2,612,696**	2,032,309	**74,261**	75,939
EQUITY AND LIABILITIES					
Equity					
Share capital		**100,000**	100,000	**-**	-
Statutory reserve		**50,000**	50,000	**-**	-
General reserve		**50,000**	50,000	**-**	-
Reinsurance reserve		**13,780**	8,576	**31**	20
Retained earnings		**245,253**	203,039		-
Cumulative changes in fair value of investments		**180,852**	174,782	**44,211**	44,073
Reserve for life segment		**(27,705)**	(28,207)	**27,705**	28,207
Total equity		**612,180**	558,190	**71,947**	72,300
Liabilities					
Bank loan		**-**	11,039	**-**	-
Employees' end of service benefits		**5,809**	5,537	**-**	-
Insurance contract liabilities		**1,290,344**	1,057,010	**1,894**	3,003
Amounts held under reinsurance treaties		**41,133**	27,284		-
Reinsurance balances payable		**177,257**	135,876	**20**	379
Insurance and other payables	23	**485,973**	237,373	**400**	257
Total liabilities		**2,000,516**	1,474,119	**2,314**	3,639
TOTAL EQUITY AND LIABILITIES		**2,612,696**	2,032,309	**74,261**	75,939

The risks faced by the Group and the way these risks are mitigated by management are summarised below.

26A 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. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

26 RISK MANAGEMENT (continued)

26A Insurance risk (continued)

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group 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 year to year 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 Group 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 Group 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.

Frequency and severity of claims

The Group has the right not to renew individual policies, to re-price the risk, to impose deductibles and to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation). Furthermore, the Group's strategy limits the total exposure to any one territory and the exposure to any one industry.

Property insurance contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The insurance risk arising from insurance contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles. The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims. For marine insurance the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes. The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered. For medical insurance, the main risks are illness and related healthcare costs. For group life and personal accident, the main risks are claims from death and permanent or partial disability. The Group generally does not offer medical insurance to walk-in customers. Medical, group life and personal accident insurance are generally offered to corporate customers with large population to be covered under the policy.

Reinsurance risk

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Group, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess of loss reinsurance contracts.

To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers. The Group deals with reinsurers approved by the Board of Directors.

26 RISK MANAGEMENT (continued)

26A Insurance risk (continued)

Reinsurance risk (continued)

The five largest reinsurers account for 71% of amounts due from reinsurance companies at 31 December 2022 (2021: 66%). The maximum theoretical credit risk exposure in this connection is mainly in Europe.

Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Group 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. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR). 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 Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the 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 Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis 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 Group takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The amount of insurance claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Insurance contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formulae 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 historical claims inflation.

The initial estimate of the loss ratios used for the current year before and after reinsurance are analysed below by type of risk where the insured operates for current and prior year premium earned.

	Year ended 31 December 2022		Year ended 31 December 2021	
Type of risk	**Gross loss ratio**	**Net loss ratio**	Gross loss ratio	Net loss ratio
Life insurance	**33%**	**22%**	17%	-
General insurance	**40%**	**23%**	48%	21%

26 RISK MANAGEMENT (continued)

26A Insurance risk (continued)

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. Internal data is derived mostly from the Group'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 Group uses assumptions based on a mixture of internal and market data to measure its claims liabilities. The Group has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

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 different techniques or combinations of techniques have been selected for individual accident years or groups of accident years within the same class of business.

Claims development process

Claims development tables are disclosed in order to put the unpaid claims estimates included in the financial statements into a context, allowing comparison of the development claims provisions with those seen in previous years.

In effect, the table highlights the Group's ability to provide an estimate of the total value of claims. This table provides a review of current estimates of cumulative claims and demonstrates how the estimated claims have changed at subsequent reporting or accident year ends. The estimate is increased or decreased as losses are paid and more information becomes known about the frequency and severity of unpaid claims. Data in the table related to acquired businesses is included from the acquisition date onwards.

26 RISK MANAGEMENT (continued)

26A Insurance risk (continued)

Claims development process (continued)

The Group believes that the estimates of total claims outstanding as of the end of 2022 are adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate. Following table shows the development of gross general outstanding claims (excluding life and medical) reflecting cumulative incurred claims including both notified and incurred but not reported for each successive accident year:

31 December 2022 **Incurred claims** Accident year	**2014** **AED' 000**	**2015** **AED' 000**	**2016** **AED' 000**	**2017** **AED' 000**	**2018** **AED' 000**	**2019** **AED'000**	**2020** **AED'000**	**2021** **AED'000**	**2022** **AED'000**	**Total** **AED' 000**
At the end of accident year	108,488	169,288	224,778	181,936	224,281	232,339	333,209	262,094	274,012	
One year later	114,658	324,572	245,384	192,973	233,454	238,533	396,250	275,224	-	
Two years later	113,497	325,722	245,027	187,726	237,409	236,469	401,624	-	-	
Three years later	112,309	288,727	243,306	183,963	232,023	233,214	-	-	-	
Four years later	111,596	137,200	243,356	183,715	232,069	-	-	-	-	
Five years later	111,715	136,960	243,078	183,532	-	-	-	-	-	
Six years later	111,738	137,032	243,077	-	-	-	-	-	-	
Seven years later	111,527	137,769	-	-	-	-	-	-	-	
Eight year later	111,486	-	-	-	-	-	-	-	-	
Cumulative estimate of incurred claims	111,486	137,769	243,077	183,532	232,069	233,214	401,624	275,224	274,012	2,092,007
At the end of accident year	(84,771)	(94,966)	(177,216)	(145,493)	(188,026)	(168,400)	(210,925)	(209,237)	(198,721)	
One year later	(108,004)	(125,589)	(229,366)	(178,537)	(220,881)	(202,969)	(278,001)	(237,981)	-	
Two years later	(110,160)	(130,481)	(240,079)	(181,669)	(223,186)	(221,379)	(286,833)	-	-	
Three years later	(110,626)	(132,715)	(242,698)	(183,049)	(224,268)	(223,540)	-	-	-	
Four years later	(110,961)	(135,688)	(242,851)	(183,280)	(224,306)	-	-	-	-	
Five years later	(111,332)	(136,365)	(242,904)	(183,372)	-	-	-	-		
Six years later	(111,413)	(136,530)	(242,911)	-	-	-	-			
Seven years later	(111,424)	(137,254)	-	-	-	-	-	-		
Eight years later	(111,430)	-	-	-	-	-	-	-		
Cumulative claims paid	**(111,430)**	**(137,254)**	**(242,911)**	**(183,372)**	**(224,306)**	**(223,540)**	**(286,833)**	**(237,981)**	**(198,721)**	**(1,846,348)**
Total gross outstanding claims estimate	**56**	**515**	**166**	**160**	**7,763**	**9,674**	**114,791**	**37,243**	**75,291**	**245,659**

26 RISK MANAGEMENT (continued)

26A Insurance risk (continued)

Sensitivity of underwriting profit

The Group does not foresee any adverse change in the contribution of insurance profit due to the following reasons:

- The Group has an overall risk retention level of 29% for the year ended 31 December 2022 (2021: 24%). This is mainly due to low retention levels in general lines of business, the Group is adequately covered by reinsurance programs to guard against major financial impact.
- The Group has commission income of AED 94,130 in 2022 (2021: AED 80,418 thousand) predominantly from the reinsurance placement which remains a comfortable source of income.
- Because of low risk retention, 29% during the year, (2021: 24%) of the volume of the business and limited exposure in high retention areas such as motor, the Group is comfortable to maintain an overall net loss ratio of 23% (2021: 21%) and does not foresee any serious financial impact in the net underwriting profit.

26B Financial risk

The Group's principal financial instruments include financial assets and financial liabilities which comprise financial investments (at fair value through profit or loss and other comprehensive income), receivables arising from insurance and reinsurance contracts, statutory deposits, cash and cash equivalents, trade and other payables, and re-insurance balance payables.

The Group does not enter into derivative transactions.

The main risks arising from the Group's financial instruments are credit risk, geographical risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Group, the maximum exposure to credit risk to the Group is the carrying value as disclosed in the consolidated statement of financial position.

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- The Group only enters into insurance and reinsurance contracts with recognised, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Group's exposure to bad debts.
- The Group seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- The Group's investments at fair value through profit or loss or OCI are managed by the Chief Executive Officer in accordance with the guidance of the Chairman and the supervision of the Board of Directors.
- The Group's bank balances are maintained with a range of international and local banks in accordance with limits set by the management.

26 RISK MANAGEMENT (continued)

26B Financial risk (continued)

Credit risk **(continued)**

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position:

	Notes	2022 **AED'000**	2021 AED'000
Financial instruments – deposits and debt instruments	11	**177,924**	79,065
Reinsurance assets	22	**1,152,114**	943,982
Insurance receivables	13	**364,353**	267,332
Other receivables (excluding prepayments)	14	**25,331**	25,538
Statutory deposits	15	**10,000**	10,000
Cash and cash equivalents	16	**311,725**	178,066
Total credit risk exposure		**2,041,447**	1,503,983

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in value.

All the Group's investments in bonds measured at amortised cost are considered to have low credit risk and the loss allowance recognised is based on the 12 months expected loss. Management considers "low credit risk" for bonds to be those with high quality external credit ratings (investment grade). The credit risk in respect of deposits with banks (including statutory deposits) and cash and cash equivalent held with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions. Reinsurance assets and the associated risks including Group's appropriate measure have been discussed in detail in the "Reinsurance risk" section. Other receivables (excluding prepayments) have been determined by management not to have a material credit risk hence no allowance for expected credit losses has been recognized as at 31 December 2022 (2021: Nil).

Insurance receivables comprise a large number of customers and insurance companies mainly within the United Arab Emirates. Reinsurance assets are from reinsurance companies based mainly in Europe and the Middle East.

The Group's financial position can be analysed by the following geographical regions:

	2022			2021		
	Assets	**Liabilities and equity**	**Contingent liabilities and commitments**	Assets	Liabilities and equity	Contingent liabilities and commitments
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
United Arab Emirates	**1,682,094**	**2,471,914**	**10,105**	1,337,008	1,953,141	10,105
Europe	**414,545**	**140,436**	**-**	275,507	98,961	-
Rest of the world	**590,318**	**74,607**	**-**	495,733	56,146	-
Total	**2,686,957**	**2,686,957**	**10,105**	2,108,248	2,108,248	10,105

26 RISK MANAGEMENT (continued)

26B Financial risk (continued)

Credit risk **(continued)**

The table below provides information regarding the credit risk exposure of the Group by classifying financial assets according to the Group's credit rating of counterparties.

31 December 2022

	Neither past due nor impaired				
	High grade AED'000	**Standard grade AED'000**	**Sub-standard grade AED'000**	**Past due and impaired AED'000**	**Total AED'000**
Financial instruments	-	**177,924**	-	-	**177,924**
Reinsurance assets	-	**1,152,114**	-	-	**1,152,114**
Insurance receivables	-	**364,353**	-	**13,909**	**378,262**
Other receivables (excluding prepayments)	**25,332**	-	-	-	**25,332**
Statutory deposits	**10,000**	-	-	-	**10,000**
Cash and cash equivalents	**311,725**	-	-	-	**311,725**
	347,057	**1,694,391**	-	**13,909**	**2,055,357**
Less: expected credit losses					**(13,909)**
					2,041,448

31 December 2021

	Neither past due nor impaired				
	High grade AED'000	Standard grade AED'000	Sub-standard grade AED'000	Past due and impaired AED'000	Total AED'000
Financial instruments	-	79,065	-	-	79,065
Reinsurance assets	-	943,982	-	-	943,982
Insurance receivables	-	267,332	-	13,168	280,500
Other receivables (excluding prepayments)	25,538	-	-	-	25,538
Statutory deposits	10,000	-	-	-	10,000
Cash and cash equivalents	178,066	-	-	-	178,066
	213,604	1,290,379	-	13,168	1,517,151
Less: expected credit losses					(13,168)
					1,503,983

26 RISK MANAGEMENT (continued)

26B Financial risk (continued)

Credit risk **(continued)**

The following table provides an ageing analysis of insurance receivables arising from insurance and reinsurance contracts past due but not impaired:

		Past due but not impaired							
	Neither past due nor impaired	*90 days*	*91 to 180 days*	*181 to 270 days*	*271 to 365 days*	*> 365 days*	*Total*	*Past due and impaired*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
2022	**108,300**	**203,924**	**30,311**	**6,907**	**7,279**	**21,541**	**378,262**	**(13,909)**	**364,353**
2021	65,513	144,512	19,219	11,551	9,144	30,561	280,500	(13,168)	267,332

For assets to be classified as 'past due and impaired' the contractual payments in arrears are more than 180 days and an impairment adjustment is recorded in the consolidated statement of income for this. When the credit exposure is adequately secured or when management is confident of settlement, arrears more than 180 days might still be classified as 'past due but not impaired", with no impairment adjustment recorded.

	Insurance receivables days past due (AED'000)			
31 December 2022	**0-90 days**	**91-365 days**	**365 days and above**	**Total**
Expected credit loss rates	**1.79%**	**0.60%**	**37.38%**	
Gross carrying amount	**312,224**	**44,497**	**21,541**	**378,262**
Life-time expected credit losses	**5,588**	**269**	**8,052**	**13,909**

	Insurance receivables days past due (AED'000)			
31 December 2021	0-90 days	91-365 days	365 days and above	Total
Expected credit loss rates	1.60%	0.35%	31.63%	
Gross carrying amount	210,025	39,914	30,561	280,500
Life-time expected credit losses	3,361	140	9,667	13,168

Geographical risk

The Group has geographical risk exposure. Such exposure arises from investments, cash and cash equivalents and insurance contracts concentrated within certain geographical areas. The investments and cash and cash equivalents are primarily with local companies and financial institutions. The risk arising from insurance contracts is concentrated mainly in the United Arab Emirates. The geographical concentration of risks is similar to previous year.

In accordance with the requirement of the Securities and Commodities Authority (Circular dated 12-10-2011) following are the details of the geographical concentration of assets in the Group's consolidated financial statements as of 31 December 2022:

(a) Investment property

Investment property represents the Group's investment in a freehold land and building situated in the Emirate of Dubai, United Arab Emirates.

26 RISK MANAGEMENT (continued)

26B Financial risk (continued)

Geographic risk (continued)

(b) Financial instruments – investments

Investments in financial assets represent investments in quoted and unquoted shares of companies incorporated within and outside the United Arab Emirates and investments in bonds issued locally and outside United Arab Emirates.

(c) Cash and cash equivalents

Cash and cash equivalents of the Group are with banks registered and operating in the United Arab Emirates and in Europe.

Currency risk

The Group also has transactional currency exposures. Such exposure arises from investments in securities and reinsurance transactions in currencies other that the Group's functional currency.

At 31 December, the Group's exposure to foreign currency risk was as follows:

		2022 AED'000	2021 AED'000
Debt instruments at amortised cost	*- US Dollars*	**29,133**	38,259
Insurance receivables	*- US Dollars*	**66,149**	39,368
	- Euro	**980**	419
	GBP	**930**	274
	- Others	**3,178**	3,423
Other receivables	*- US Dollars*	**397**	1,497
Cash and cash equivalents	*- US Dollars*	**9,793**	10,624
	- Euro	**4,870**	3,276
	- GBP	**45**	254
	- Others	**-**	-
Reinsurance balances payable	*- US Dollars*	**11,514**	17,970
	- Euro	**1,506**	1,676
	- GBP	**3,115**	1,052
	- Others	**10,054**	-
Other creditors and accruals	*- US Dollars*	**827**	9,316
	- Euro	**141**	132
	- GBP	**4**	68
	- Others	**39**	1,138

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit. The effect of decreases in exchange rates is expected to be equal and opposite to the effect of the increases shown. There is no effect on equity.

26 RISK MANAGEMENT (continued)

26B Financial risk (continued)

Currency risk (continued)

	Increase in exchange rate	Effect on profit AED'000 2022	Effect on profit AED'000 2021
Assets			
US Dollars	+5%	**5,274**	4,487
Euro	+5%	**293**	185
GBP	+5%	**49**	26
Others	+5%	**159**	171
Liabilities			
US Dollars	+5%	**617**	1,364
Euro	+5%	**82**	90
GBP	+5%	**156**	56
Others	+5%	**505**	57

26 RISK MANAGEMENT (continued)

26B Financial risk (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with insurance contracts and financial liabilities when they fall due. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

The table below summarises the maturity of the assets and liabilities of the Group based on remaining contractual settlement dates.

	31 December 2022				31 December 2021			
	Less than one year AED'000	**More than one year AED'000**	**No maturity date AED'000**	**Total AED'000**	Less than one year AED'000	More than one year AED'000	No maturity date AED'000	Total AED'000
ASSETS								
Property and equipment	-	-	48,898	48,898	-	-	49,015	49,015
Investment property	-	-	64,273	64,273	-	-	65,016	65,016
Financial instruments	148,791	29,133	527,716	705,640	40,806	38,259	487,350	566,415
Reinsurance assets	1,152,114	-	-	1,152,114	943,982	-	-	943,982
Insurance receivables	364,353	-	-	364,353	267,332	-	-	267,332
Prepayments and other receivables	29,954	-	-	29,954	28,422	-	-	28,422
Statutory deposits	-	-	10,000	10,000	-	-	10,000	10,000
Cash and cash equivalents	311,725	-	-	311,725	178,066	-	-	178,066
TOTAL ASSETS	2,006,937	29,133	650,887	2,686,957	1,458,608	38,259	611,381	2,108,248
Liabilities								
Bank loan	-	-	-	-	-	11,039	-	11,039
Employees' end of service benefits	-	5,809	-	5,809	-	5,537	-	5,537
Insurance contract liabilities	1,292,238	-	-	1,292,238	1,060,013	-	-	1,060,013
Amounts held under reinsurance treaties	41,133	-	-	41,133	27,284	-	-	27,284
Reinsurance balances payable	177,277	-	-	177,277	136,255	-	-	136,255
Insurance and other payables	486,373	-	-	486,373	237,630	-	-	237,630
Total liabilities	1,997,021	5,809	-	2,002,830	1,461,182	16,576	-	1,477,758

26 RISK MANAGEMENT (continued)

26B Financial risk (continued)

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group is exposed to interest rate risk on certain of its investment in financial instruments held at fair value though profit or loss, designated upon initial recognition, statutory deposits and bank loan. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and interest-bearing investments and borrowings are denominated.

Interest rate sensitivity

The effective interest rates for all major classes of interest-bearing financial instruments as at 31 December, are as follows:

	Total AED'000	**Effective interest rate %**
31 December 2022		
Time deposits	**148,791**	**1.05% to 4.65%**
Bank loan	**-**	
	148,791	
31 December 2021		
Time deposits	40,806	0.55% to 2.65%
Bank loan	(11,039)	1 Month USD Libor plus 0.75%
	29,767	

The sensitivity analyses below have 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.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2022 would increase/decrease by AED 187 thousand (2021: AED 298 thousand).

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's investment portfolio.

The effect on equity (as a result of a change in the fair value of equity instruments held as financial assets at fair value through others comprehensive income at 31 December 2021) and on consolidated statement of income (as a result of changes in fair value of equity instruments held as financial assets through profit or loss) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	2022			2021		
	Change in equity price %	**Effect on equity AED'000**	**Effect on income statement AED'000**	Change in equity price %	Effect on equity AED'000	Effect on income statement AED'000
All investments – (Dubai Financial Market and Abu Dhabi Stock Market)	**10**	**37,612**	**386**	10	35,089	398

26 RISK MANAGEMENT (continued)

26C Operational risk

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

27 CONTINGENCIES

Contingent liabilities

At 31 December 2022 the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 10,105 thousand (2021: AED 10,105 thousand).

Legal claims

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Group's income or financial condition.

Capital and lease commitments

At 31 December, the Group's capital and short-term lease commitments are payable as follows:

	2022 **AED'000**	2021 AED'000
Short-term lease commitments - less than one year	**198**	497

28 COMPARATIVES

Comparative figures have been reclassified in order to conform to current period's presentation and improve the quality of information presented. However, there is no effect on previously reported total assets, total equity, total liabilities and profit for the year.

Summary of Solvency Margin Analysis

	2022 **Unaudited** **AED'000**	2021 Unaudited AED'000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**252,732**	211,424
Minimum Guarantee Fund (MGF)	**108,237**	70,475
Basic Own Funds	**454,184**	404,891
MCR Solvency Margin - Surplus	**354,184**	304,891
SCR Solvency Margin - Surplus	**201,452**	193,467
MGF Solvency Margin - Surplus	**345,947**	334,416

Corporate Governance Report

Of 2022

Dubai Insurance Company (PJSC)

Based on Resolution No. (3/R.M) of 2020 issued by Chairman of Securities and Commodities Authority on Corporate Discipline and Governance Standards of Public Joint Stock Companies, the Extraordinary General Assembly adopted on 7/3/2010, the provision set out in DIC's Articles of Association.

Accordingly, in 2022, DIC has taken the following measures to implement the Resolution above:

1- The Measures Taken to Satisfy the Corporate Governance Regulations in 2022:

A- DIC (the "Company") has disclosed its quarterly financial results audited and approved by an external auditor and the most important decisions taken by the Company's BOD, and has sent copies of those results and decisions to the Securities and Commodities Authority (SCA) and Dubai Financial Market (DFM).

B- On 7/02/2022, the Nominations and Remunerations Committee ascertained the extent of the independence of the independent members of the Board of Directors and that there was no change in their status by signing an acknowledgment of this.

2- Transactions of the Directors, their Spouses and Children in securities during 2022:

A. Regarding the transactions of the Directors, their spouses and children in the Company's securities during 2022, according to a statement of the shareholders names received from DFM until 31/12/2022.

No.	Name	Position/ Relation	Owned shares as on 31.12.2022	Total of Sale	Total of Purchase
1	Buti Obaid Almulla	Chairman	8,271,570	N/A	N/A
2	Khalid Al Rustamani	Board Member	130,670	N/A	N/A
3	Obaid Buti Almulla	Chairman's Son	5,000,000	N/A	N/A
4	Hana Obaid Almulla	Abdullah Al-Huraiz's Wife (Director's Wife)	1,674,495	N/A	1,300

3- Composition of Board of Directors:

a) The current Board of Directors consists of the following non-executive directors:

No.	Name	Category	Experience and Qualifications	The date of the first election as a member of the Council
1	Buti Obaid Almulla	Non-independent	* 1 below	11/04/1991
2	Marwan Abdullah Al Rostamani	Non-independent	* 2 below	29/03/2006
3	Khalid Abdul Wahid Al Rustamani	Non-independent	* 3 below	29/03/2006
4	Ahmed bin Issa Al-Serkal	Independent	* 4 below	16/03/2008
5	Abu Bakr Abdullah Al -Futtaim	Independent	* 6 below	25/03/2003
6	Mohammed Ahmed Al Moosa	Independent	* 5 below	04/03/2009
7	Abdullah Al-Huraiz	Independent	* 7 below	13/03/2012

b) There are no female members in the Board of Directors.

c) No females have been nominated for this position in the elections held on 28/02/2021. The Board membership period according to the Company's Articles of Association shall be three years. The current Board members were elected by the General Assembly on 28/02/2021 and their membership expires on 27/02/2024.

* - Board Members Experiences and Qualifications and their Memberships in other Companies' Boards:

1. **Buti Obeid Almulla**: born in 1967 and holds a Diploma in Business Administration from Newberry College in Boston, USA. He is the Chairman of Mohammed & Obaid Almulla Group LLC and the Chairman of Dubai Insurance Company. He is also a Board member in Dubai Refreshment, a Board member of Emirates NBD, vice chairman of Emirates Islamic Bank and Board member of Emaar Properties Group.
2. **Marwan Abdullah Hassan Al Rostamani**: born in 1968 and obtained a bachelor's degree in public administration in 1992 from the George Washington University, USA and a Master's degree in information management in 1995 from the same university. He is the Chairman of Al Rostamani Group, vice chairman of Dubai Insurance Company and Board Member of Umm Al Quwain National Bank.
3. **Khalid Abdul Wahid Hassan Al Rustamani**: born in 1967 and holds a bachelor degree in business administration, finance division, from the George Washington University. He is the chairman of Abdul Wahid Al Rostamani Group, a Board member of Dubai Insurance Company, a Board member of Dubai Commercial Bank and a member of Etisalat's Board of Directors
4. **Ahmed bin Issa Al-Sarkal**: born in 1968 and holds a bachelor's degree in administrative sciences, business administration, from the United Arab Emirates University - Al Ain. He is the chairman of Al Serkal Group, vice chairman of Nasser bin Abdul Latif Alserkal, a Board member of Dubai Insurance Company and Chairman of Dubai Refreshments Company.

5. **Mohammed Ahmed Abdullah Al-Moosa**: born in 1967 and holds a bachelor of computer science and a Bachelor of business administration from the University of Seattle Pacific, USA since 1993. He is the CEO of United Emirates Real Estate Co. L.L.C., the CEO of Ahmed Abdullah Al Moosa Real Estate LLC and a Board member of Dubai Insurance Company.
6. **Abu Bakr Abdullah Al-Futtaim**: born in 1964 and obtained a bachelor's degree in business administration in 1987 from the Macalester College, USA. He is a Board member of Dubai Insurance Company.
7. **Abdullah Mohammed Al-Huraiz**: born in 1973 and obtained a bachelor's degree in accounting from the Emirates University in 1994. He is the Deputy of Director General of the Financial Control Authority of the Government of Dubai, a Board member of Dubai Insurance Company, Board Member of Dubai Refreshments Company and a Board member of United Food Company.

d) Board Members' Remuneration:

Board members' Remuneration shall be distributed by a percentage of net profit. The Company shall also pay additional expenses or fees or a monthly salary as may be decided by the Board of Directors to any of its Board members if such member, in addition to his ordinary duties as a member of the Company’s board of Directors, is also a member of a committee, makes special efforts or performs additional work on behalf of the Company. Under no circumstances the Board members’ Remuneration shall exceed 10% of the net profit after deduction of depreciations and retentions and distribution of profits of not less than 5% of the capital to the shareholders.

1) The total Board members’ Remuneration paid for 2021 was AED 4,500,000.
2) The Board of Directors propose AED 4,500,000 as remuneration to the directors for the year 2022.
3) The allowances for attending the committees meetings was limited to the Nomination and Remuneration Committee only

Name	Committee	Allowance Value per each meeting	Number of meetings
Ahmed Alserkal	Nomination Committee	AED 2,000	2
Mohammed Al Moosa	Nomination Committee	AED 2,000	2
Abu Bakr Al-Futtaim	Nomination Committee	AED 2,000	2
Total		AED 12000	

4. No more allowances or fees were paid to any director save as the committees’ attendance allowances.

e) Board Meetings:

In 2022, the Board of Directors met 5 times on the dates below:

Date of the Meeting	Attendance	Attendance by Proxy	Absence
2022/02/07	7	0	No Absence
2022/05/12	6	0	Khalid Rustamani
2022/07/28	7	0	No Absence
2022/11/07	6	0	Khalid Rustamani
2022/12/08	6	0	Marwan Rostamani

f) No decisions by circulation have been made during 2022.

g) A statement of the duties and responsibilities of the board of directors by one of the board member or the executive management based on the board's authorization and the period /term of the authorization :

\- According to the Articles of Association of Dubai Insurance Company, the CEO shall be authorized to sign all documents, enter into contracts, and conduct all business on behalf of the company under the open authorization given to him by the Board chairman, and being the legal representative under the company's articles of association. .

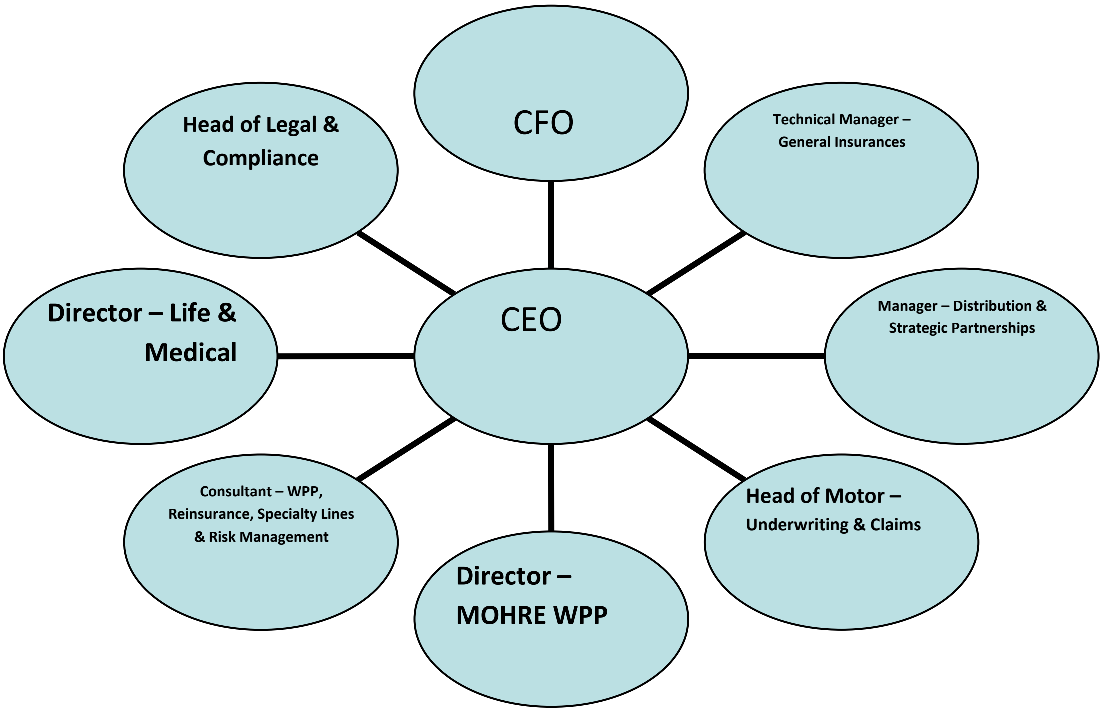
- DIC's CEO, however, has not been given special authorization in 2022.

No.	Authorized Person	Authorization Power	Authorization Period
1	Abdellatif Abuqurah	Management of all the Company's affairs	Open

h) The Company's Transactions with the Stakeholders and Related Parties in 2022:

Stakeholder	Nature of Relation	Nature of Engagement	Value of Transaction
Mohammed & Obaid AlMulla	Related to the Chairman; Mr. Buti Almulla	Debtor / Rent	AED 542,550
Buti Almulla Investments	Related to the Chairman; Mr. Buti Almulla	Creditor / Rent	AED 58,500

i) The Company Organizational Structure



j) Detailed Description of the senior executives' names, positions, appointment dates and total salaries and Remuneration:

S.	Position	Appointment Date	Total paid Salaries and Allowances for 2022	Total Remuneration Paid for 2022	Any other Cash/in Kind Remuneration for 2022 or payable in the future
1	CEO	17/7/2006	2,172,000	TBD	419,945
2	CFO	13/8/2006	720,387	TBD	108,007
3	Head of Legal & Compliance	23/05/2010	393,420	TBD	98,116
4	Director-Life & Medical	02/06/2019	516,000	TBD	0
5	Director – MOHRE WPP	5/01/2021	504,000	TBD	0

4- External Auditor (Grant Thornton):

a. About the External Auditor:

The Company's auditor is one of the largest auditors in the world and has branches in more than 130 countries. The Company's General Assembly, at its meeting held on 10/03/2022, reappointed M/s. Grant Thornton to perform a financial audit, match the financial statements to the payments, expenses and profits, ensure that the financial documents are archived, indexed and in their proper place and ensure that all the activities performed by the Company's Finance Department is in compliance with the Country's laws and international accounting standards.

b. Auditor's Fees:

Name of Auditing Firm-Partner	Grant Thornton
Years of experience as the Company's External Auditor & the partner	4
Total fees for auditing the financial statements for 2021	AED 210,000
Fees and charges for other special services other than auditing the financial statements for 2021	11,400
Details and nature of the other services	Additional copies and translations of data
Services of another external auditor	N/A

c. The Auditor's reservations on the interim / annual financial statements N/A

5- Audit Committee:

a- Mr. Mohammed Ahmed Al-Moosa, Chairman of Audit Committee acknowledges his responsibility for performing the Committee's rule in the Company, reviewing its business and ensuring its effectiveness.

b- The Committee shall consist of the following persons,

1. Mr. Mohammed Ahmed Abdullah Al-Moosa, chairman / independent member for his extensive experience in accounting and financial statements.
2. Mr. Ahmed bin Issa Al-Sarkal - member /independent.
3. Mr. Abdulla AlHuraiz– member /independent.

The Audit's Committee shall:

1. Develop and implement the policy of contracting with the external auditor and submit a report to the Board of Directors setting out the issues in respect of which the Audit Committee finds an action should be taken and recommends the measures to be taken.
2. Ensure and verify the external auditor independence and objectivity and discuss the external auditor on the nature, scope and effectiveness of the audit in accordance with the approved auditing standards.
3. monitor the integrity of and audit the Company's (annual, semi-annual and quarterly) financial statements and reports as part of its normal duties during the year, focusing in particular on the following:
4. Be liable for any changes in accounting policies and practices.

5. Highlight the areas subject to the discretion of the Board of Directors.
6. Be liable for the significant amendments resulting from the audit.
7. Assume that the Company’s business is continuous.
8. Comply with the accounting standards as determined by the SCA.
9. Comply with the listing and disclosure rules and the other legal requirements on the development of financial reports.
10. Coordinate with the Company’s Board of Directors, Executive Management, Financial Manager or the manager acting on behalf of the financial manager. The Committee shall meet at least once a year with the Company's External Auditor
11. consider any important and unusual items that are or to be included in such reports and accounts and exercise the due diligence to any matters raised by the Company's CFO, acting CFO, Compliance Officer or the External Auditor.
12. Review the Company’s financial control, internal control and risk management regulations.
13. Discuss the internal control regulation with the management and ensure that it fulfills its duty to develop an effective internal control regulations.
14. Consider the results of the main investigations into the internal control issues assigned to the Audit Committee by the Board of Directors or initiated by the Committee and approved by the Board of Directors.
15. Ensure that there is coordination between the Internal Auditor and the External Auditor and ensure that the due resources are available to the internal audit team and to discuss and monitor the effectiveness of such team.
16. Review the Company’s financial and accounting policies and procedures.
17. Review the External Auditor's report and action plan and any material inquiries raised by the auditor to the executive management in respect of the accounting records, financial accounts or control regulations and its replies and approval thereof.
18. Ensure that the Board of Directors responds in a timely manner to the inquiries and material issues raised in the external auditor's report.
19. Develop the controls that secretly enable the Company’s employees to report any potential violations in the financial reports, internal control or any other matters and the measures ensuring that independent and fair investigations of such violations are made.
20. Monitor the company's compliance with the code of professional conduct.
21. Ensure that the business rules related to the Audit Committee obligations and the powers entrusted to the Audit Committee by the Board of Directors are implemented.
22. Submit a report to the Board of Directors on the matters included in this Clause.
23. Consider any other matters determined by the Board of Directors.

c- In 2022, the Audit Committee held four meetings on the dates set out below:

1. 2022/02/07 (No absence)
2. 2022/05/12 (No absence)
3. 2022/07/28 (No absence)
4. 2022/11/7 (No absence)

6- Nomination and Remuneration Committee:

a- Mr. Ahmed Al- Sarkal, Chairman of Nomination and Remuneration Committee acknowledges his responsibility for performing the Committee's rule in the Company, reviewing its business and ensuring its effectiveness.

b- The Committee shall be composed of the following persons,

1. Mr. Ahmed bin Issa Al-Sarkal, chairman / independent member
2. Mr. Abu Baker Abdullah Al-Futtaim - member /Independent.
3. Mr. Mohammed Ahmed Abdullah Al-Moosa –member/independent.

The Nomination and Remuneration Committee shall:

1. Continuously ensure that the independent board members are actually independent.
2. Develop and annually review the policy of Remuneration, benefits, incentives and salaries related to the Company's Board members and employees. The Committee shall ensure that the Remuneration and benefits given to the Company's senior executive management are reasonable and commensurate with the Company's performance.
3. Determine the Company's requirements of efficient and effective persons at the senior executive management and employees levels and how shall they be selected.
4. Develop, monitor the implementation of and annually review the Company's HR policy and training.
5. Organize and monitor the procedures for nomination to the Board membership in accordance with the applicable laws and regulations and the provisions hereof.

c- The Nomination and Remuneration Committee held two meetings in 2022 on the dates set out below:

- 2022/02/7 (No absence)
- 2022/11/7(No absence)

7. Committee of Monitoring and supervision of the Insiders' Transactions:

a- Mr. Mohammad Al-Moosa, Chairman of Committee of Monitoring and supervision of the Insiders' Transactions acknowledges his responsibility for performing the Committee's rule in the Company, reviewing its business and ensuring its effectiveness.

b- The Committee consists of Mr. Mohammad Al-Moosa, Chairman, Ghareen Dayas, and Samer Helo.

The Committee shall:

1. Monitor the implementation of the provisions of the Code of Professional Conduct relating to the transactions of the Company's Board and its employees in securities issued by the company and ensure compliance with their content.
2. Develop a special and integrated register for all the insiders including the temporarily insiders having or may have the right to access to the Company's internal information prior to publication.
3. Monitor and supervise the transactions of the insiders and their title of securities traded in the market.
4. Maintain the insiders' records to ensure that the information obtained is not used to the individual's interest.

5. Submit the periodic statements and reports to and coordinate with the market to satisfy the Committee’s objectives.
6. Submit an annual report to the Board members on the activities performed and any notes regarding the insiders’ transactions, in particular during the no-trade period.
7. The Committee shall verify whether the speculative transactions in securities by the employees and temporary employees are performed in compliance with the terms and requirements of such rules. The committee shall submit a report of its conclusions to the Board of Directors.

The Committee ensured that the Insiders are abide with the rules governing the Company’s transactions in securities and verify that such rules are not violated during the prohibition period by reviewing the shares register provided by DFM which confirms that there was no buy or sell transaction related to those persons.

9. Internal Audit System:

a. The Board approved the Company’s internal control policy and its liability for the same, reviewing its business and ensuring its effectiveness. For this purpose, on 27/10/2010, the Board established the Department of Internal Control to report directly to the Board and assigned to it following roles and responsibilities:

i. To follow up and monitor the quality of the course of actions by developing a coherent schedule for this purpose addressing all activities, with focusing on the control side.
ii. To select different samples of documents and conduct various interviews with employees for evaluating and monitoring the same.
iii. To examine and evaluate documents and procedures and monitor their compatibility with the requirements of the applicable laws and regulations.
iv. To report to the Board of Directors to find out the weaknesses and shortcomings with the recommendations and suggestions for their treatment.
v. To discuss the heads of departments regarding the mistakes found out and how to treat the same and the suggestions on them.
vi. To monitor the compliance with the recommendations and directives of the internal auditor.
vii. To monitor the compliance with the guide of applicable procedures and the service contracts for each department.
viii. To ensure that the management information, quality control and work procedures regulations are processed.
ix. To ensure that the customer is committed to his obligations and that all the due documents are maintained in his file.
x. To ensure that the documents relating to the customers studies and referendums have been renewed and maintained both in the competent division and the control department.

The Internal Audit Department and the Audit Committee, on behalf of the Board of Directors, shall regularly monitor the Company’s internal control environment. The Department shall meet with the Committee almost every three months to review the proposed reports and recommendations in this regard by ensuring the Company’s departments and divisions compliance with the senior management instructions, objectives and policies.

b. Since 6/4/2010, the duties of the Internal Audit Department are performed by the department head, Ms. Garene Dias, an Indian national, whose qualifications and experience are as below :

Qualifications:

1. Internal Auditor – LRQA (Lloyd's Register of Quality Assurance)- Dubai.
2. Associateship & Licentiate from the Insurance Institute of India in General Insurance ;
3. Bachelor of Arts – Osmania University (India) ;
4. Diploma in Commercial Practice – Kamala Nehru Polytechnic, (India).

Work Experience:

- Manager – Internal Audit in Dubai Insurance Company 2010 - present.
- Internal Audit (Dy. Manager- IAQA) in Oman Insurance Co. Dubai. (2006-2009)
- Manager - Underwriting & Claims, in New India Insurance Co. Muscat, Oman. (1993-2006)

c. Compliance officer:

On 3/5/2017, pursuant to Article (51) of the Chairman of Securities and Commodities Authority's Resolution No. (7/M.R) of 2016 concerning the Standards of Corporate Discipline and Governance of Public Shareholding Companies, the Company appointed the head of the internal control department, Ms. Garene Dias, as an independent compliance officer to verify the Company and its employees compliance with the laws and the regulations in force in the Country. She has the qualifications and experience mentioned in item (b) above.

d. How the Internal Control Department deal with the Big Problems:

In the event of an emergency, a major problem or such a major problem is mentioned within the reports and annual accounts, the Internal Control Department shall identify such a problem or an emergency or assess its impact on the Company and call the Audit Committee for an urgent meeting to discuss this problem and its causes, methods of treatment, how to mitigate its effects and the measures to prevent the aggravation and recurrence of the problem in the future and make recommendations to the Board of Directors for appropriate decision. The Company has not experienced any major problem during 2022.

e. The number of reports issued to the Board of Directors are four reports.

8. Violations Committed in 2022:

A 30,000 Dhs fine was paid to Dubai Health Authority.

9. Cash and In-Kind Contributions during 2022 to Develop Local Community:

a. In 2022, the company donated AED 800,000 to the Islamic Affairs & Charitable Activities Department.
b. Dubai Insurance offered The Esaad cards to all the employees. Esaad card holders can benefit from a lot of discounts in many areas such as schooling, retails, airlines, education…
c. Dubai Insurance employees participated in the biggest sport event in Dubai (DUBAI RUN 2022)
d. Organized the annual Iftar gathering to all the DIN employees
e. Honoring the company by the Ministry of Human Resources and Emiratization by selecting it within the classification of the first category in Tawteen Club for its active contribution in hiring an Emarati citizens.
f. Setting up the DIN Entertainment committee that looks after the organization of events

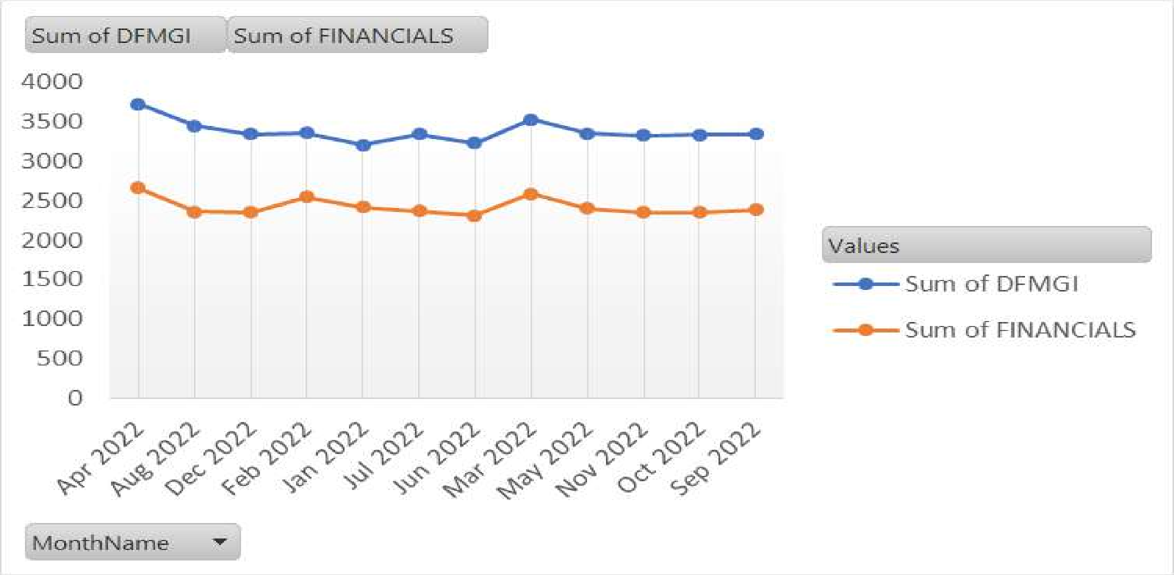
10. General Information:

A- The Company's share price in the market (highest price and lowest price) at the end of each month during the financial year 2022 (according to Dubai Financial Market) as follows:

Closing price	Lowest Price	Highest Price	Month
6.9	6.9	7.05	January
8.1	7.05	8.1	February
8.1	No Trade	No Trade	March
8.1	No Trade	No Trade	April
7.3	7.3	7.3	May
7.75	7.75	7.75	June
7.75	No Trade	No Trade	July
7.3	7.3	8.1	August
7.3	No Trade	No Trade	September
7.3	No Trade	No Trade	October
7.3	No Trade	No Trade	November
7.3	No Trade	No Trade	December

B- The comparative performance of the Company's share with the general market index and the sector index to which the Company belongs:

- The General Index of the price of Dubai Insurance Company’s share at the beginning of 2022 amounted to 6.9 while, at the end of 2022, it amounted to 7.3, with an increase by 5.8% during the year.
- In the Financial Sector index, the price of shares at the beginning of 2022 amounted to 2416.75 while, at the end of the year, it amounted to 2354.84 with a decrease by 2.56 % during the year.
- In DFM index, the price of shares at the beginning of 2022 amounted to 3203.08 while, at the end of the year, it amounted to 3336.07 with an increase by 4.15 % during the year.



C- The distribution of shareholders' equity as on 31/12/2022 (individuals, Companies, governments) classified as follows: local, gulf, Arabic, foreign:

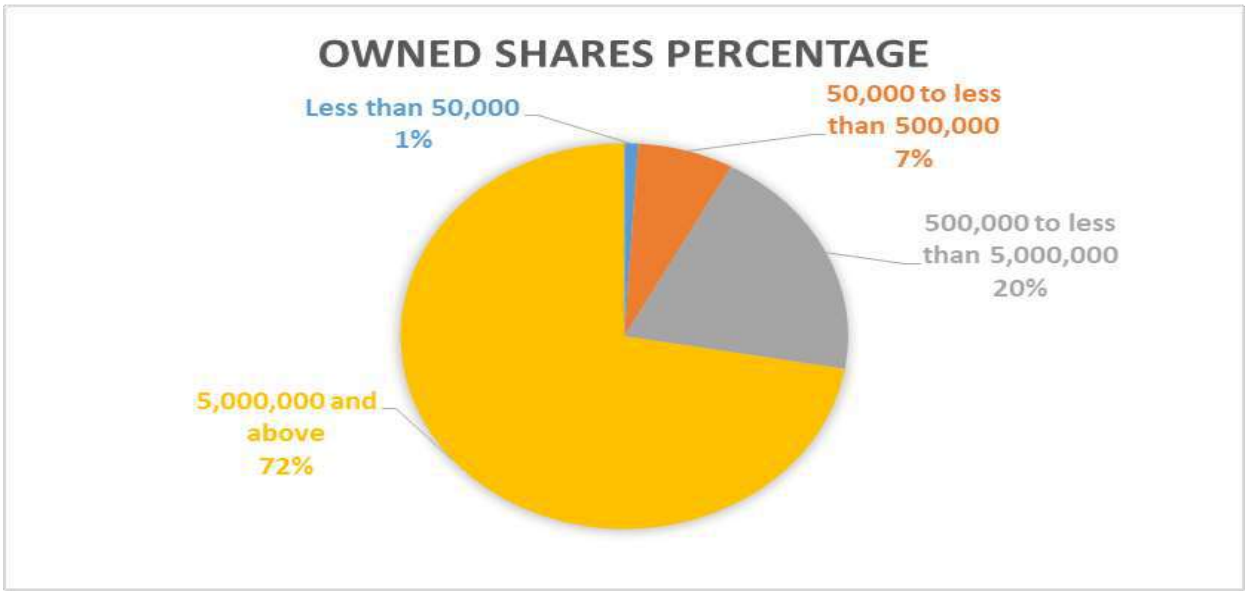
Sector	Local	Gulf	Arabic	Foreign
Individuals	42.791%	1.89%	0.003%	0
Companies	55.181%	0	0	0
Governments	0	0	0	0

D- The shareholders holding 5% or more of the capital as on 31/12/2022:

Name	Nationality	Number of owned shares	Shareholder Equity Ratio to the Capital
Abdul Wahid Al Rustamani Group LLC	UAE	17,706,654	17.7%
Barah Investment Company LLC	UAE	16,467,600	16.4%
Mohammed and Obaid Almulla LLC	UAE	8,447,270	8.4%
Buti Obaid Buti Almulla	UAE	8,271,570	8.2%
Abdullah Hamad Majid Al Futtaim	UAE	7,195,200	7.1%
Muna Hassan Ali Saleh	UAE	5,034,340	5%
Saeed Ahmed Omran Al Mazroui	UAE	5,000,000	5%
Obaid Buti Almulla	UAE	5,000,000	5%
Total		73,122,634	73.1%

E- Distribution of shares according to the equity rate as on 31/12/2022:

No.	Ownership of Shares (share)	Number of Shareholders	Number of Owned shares	Shareholder Equity Ratio to the Capital
1	Less than 50,000	73	891,678	0.9%
2	50,000 to less than 500,000	51	6,277,328	6.2%
3	500,000 to less than 5,000,000	14	19,708,360	19.7%
4	More than 5,000,000	8	73,122,634	73.1%



F- The Investor Relations Officer is Mr. Sahem Abdel Haq. He may be contacted on the following telephone No. 04 2693030 ext. 158, email: abdelhaq.s@dubins.ae fax: 042693727.

- The reports can be found at:

http://dubins.ae/Investors-Relation

The company has published its financial statements, minutes of the general assembly's meetings, board reports, governance reports, unpaid profits, and any other information for the previous years and the contact details with the Investor Relations Officer on its website in the investor relations section.

G- The General Assembly's special decisions:

The General Assembly, held on 10/03/2022, decided by a special decision to make the following amendments to the Company's Articles of Association:

1. Adding new binding laws to bring about amendments in the preamble
2. Deletion of the phrase: "Insurance Authority" and replacing it with the Central Bank wherever it is located in accordance with Federal Decree-Law No. (24) of 2020 amending some provisions of Law No. 6 of 2007 regarding the regulation of insurance business

3. Replacing the name of Law No. 6 of 2007 regarding the establishment of the Insurance Authority and regulating its business to “regulating insurance business” wherever it exists in accordance with Federal Decree-Law No. (24) of 2020 above
4. Amendments related to the amendment of the Federal Companies Law No. 2 of 2015 by Law No. (32) of 2021, and their place is Articles Numbers: (16, 17, 18, 19, 33, 36, 37, 38, 39, 42, 43, 58, 67, 66, 68, 69) = (16 positions)
5. In addition to the text of Article 19 according to the text of Article 9/3 of Resolution No. (3/R.M) for the year 2020 regarding the adoption of the Governance Guide for Public Shareholding Companies and its amendments.
6. Re-numbering articles from 38 to 72

H- The Board Secretary is Mrs. Athary Kassim, who was appointed on 4/11/2020.

- Qualifications: she holds a bachelor degree in law from Shat Al Arab University-Al Basrah-Iraq in 1999. Practice as a lawyer.
- Duties: serve invitations for Board’s and Committees’ meetings, write down and file the minutes of meetings, and follow up the decisions issued thereon.

I- No major events experienced by the Company in 2022.

J- Transactions with related parties amounted 5% of the Capital or more:

N/A

K- The Company’s Emiratization rate in the following years:

2020	**2021**	**2022**
17%	34%	30%

Noting that the highest percentage of employees in terms of nationality for the year 2022 are of Indian nationality, followed by Emirati nationality. On the other hand, females are forming a 50% of the total staff.

L- The innovative projects and initiatives developed or are being developed by the company during 2022

- **Worker's Protection Scheme**
  After the notable success of Worker's Protection Scheme, further steps was taken in order to enhance it for more protection to the Workers inside UAE. The Insurance Pool will establish and operate a call center to receive and process labor complains from all UAE districts. The Center will answer questions and legal consultants received from labors or employers. Also, an enhancement to the coverage on behalf of the workers has been conducted aiming to increase the coverage period & to cover more workers.

- **Involuntary Loss of Employment Scheme:**

  In order to complete the process of modernization and development, and in implementation of the provisions of Federal Decree-Law No. 13 of 2022 regarding unemployment insurance, Dubai Insurance, in its capacity as a member and manager of the insurance pool, has become the entity responsible for selling and issuing unemployment insurance certificates. After completing the work of designing and preparing the product under the supervision of the Ministry of Human Resources and Emiratization.
  This product is based on the idea of supporting the worker in the private sector or the federal government sector by providing cash support in the event of losing his job and until an alternative job opportunity is found, where the insured worker is granted a monthly cash compensation of up to 60% of the average basic wage for the last 6 months preceding the loss work, and in accordance with the terms and conditions of the provisions of the insurance policy; With the possibility of paying the insurance premium through several channels, such as the mall's website, smart application, Al Ansari Exchange, payment kiosks, businessmen service centers, and other channels, all through a smart electronic system and in very simple steps. This innovative product aims to achieve job security for workers and employees, in addition to To attract the best international talents to the labor market in the country, as well as to attract more national workers to the labor market in the private sector, and to benefit from their competence in developing this sector.

Buti Obaid Almulla/Chairman

Ahmed Al- Serkal /Chairman of Nomination and Remuneration Committee

Mohammed Ahmed Al-Moosa/ Chairman of Audit Committee

Garin Dayas/Internal Audit Manager

OUR SUSTAINABILITY TRANSFORMATION
ESG REPORT 2022

DUBAI INSURANCE

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About this Report

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G7, G8, G9)

Dubai Insurance Company P.S.C.'s (DIN) third sustainability report highlights the company's accomplishments in 2022 across several areas, including its ESG progress since its 2021 report and its economic impact. This report complements the company's 2022 Consolidated Financial Statements and Corporate Governance Report. When both reports are read in conjunction with each other, they offer a fully comprehensive overview and targeted insights into the organization's operations and achievements.

REPORTING SCOPE

As a public shareholding company, Dubai Insurance P.S.C. is registered per Federal Law No. 8 of 1984 (as amended) and the UAE. Federal Law No. (6) of 2007 concerning organizing insurance activities company's headquarters are located at 37 Al Rigga Road, Deira, P.O. Box 3027, Dubai, UAE. (Makani: 31016 95309).

The company conducts its UAE. operations from its Dubai-based headquarters and its Abu Dhabi branch. Accordingly, the commercial building that serves as the company's headquarters and the leased premises used for the branch offices fall under the scope of this report.

The company completed the construction of a building in Dubai in June 2021. With 31 residential units and two commercial units, the company owns the entire building and the land upon which it was built. The building achieved 90% occupancy as of 31st December 2021.

Unless otherwise stated, the report contains a summary of the company's activities during the 2022 fiscal year between 1st January and 31st December 2022.

BASIS OF PREPARATION

This report has been prepared in accordance with the GRI Standards and the Dubai Financial Market's (DFM) ESG metrics. Additionally, this report details DIN's alignment with the Sustainable Development Goals.

The GRI Content Index is enclosed at the end of this report and includes the company's alignment with the DFM's ESG disclosures.

EXTERNAL ASSURANCE

The company's designated team has internally verified the ESG data provided in this report. In addition, all financial data listed in this report has been extracted from the company’s financial statements, which have been audited by a recognized internal audit firm.

FORWARD-LOOKING STATEMENTS

External factors can affect the environment in which the company operates; therefore, forward-looking statements in this report contain an element of uncertainty.

DIN is under no obligation to publicly update or revise its forward-looking statements unless required to do so by applicable laws and regulations.

COMMUNICATION AND FEEDBACK

For any feedback or enquiries regarding this report, please get in touch with the following email:

abdelhaq.s@dubins.ae

A Message from Our CEO

(GRI 2-2)

Sustainability is at the heart of our operations at Dubai Insurance, and I am proud of our work this year to advance our sustainability agenda. Striving to become environmentally sustainable, promote social development, and embrace strong governance practices reinforces our core business objectives – to serve and protect our customers to the best of our abilities.

Over the years, we have built a reputation for being one of the most customer-centric insurance providers in the region. Several of our operational initiatives are geared toward improving client interactions and earning their trust daily. In line with this, in 2022, we continued to invest in digital technologies and solutions to improve customer experience and ensure more efficient internal processes.

Our unwavering commitment to creating value for people has allowed us to lead the UAE insurance industry and pioneer new products and solutions. In 2022, we were selected as one of the Participating Insurer to take part in the UAE's Basic Medical Insurance Plan. The program ensures workers earning less than AED 4,000 per month have access to healthcare. Towards the end of this year, we were also awarded the opportunity to lead the new mandatory Involuntary Loss of Employment Scheme in the UAE. These two initiatives are key to promoting financial inclusion in the UAE and have solidified our role as providers of a financial safety net to individuals and businesses across the country.

As we progress on our mission to secure the future of the people of the UAE and ensure the well-being of our communities, we are also increasingly focusing on improving our environmental impact. Mitigating climate risk is one of our essential priorities.

Climate change increases the frequency of natural disasters, ultimately causing a rise in our risk exposure. In addition, the transition to a green economy in response to climate change entails legal, policy, and consumer behavior implications, increasing our overall business risk. Climate change also threatens to reduce asset value as it directly affects real estate and securities valuation.

Therefore, sustainability must be at the center of the business strategy for all insurance companies. At DIN, we recognize our capacity for positive impact and to help position the UAE as a leader in sustainable business, especially with the country set to host COP28. This report will provide insight into our efforts to bolster our ESG impact and create sustainable value for all stakeholders.

Abdellatif Abuqurah
Chief Executive Officer

Key 2022 Highlights

A3 MOODY’S RATING

4th LARGEST INSURER BY GWP

50% FEMALE REPRESENTATION

30% EMIRATIZATION RATE

AED 800,000 TO THE COMMUNITY

Who we are

(GRI 2-6, GRI 2-7, GRI 2-8, GRI 2-28)

Company Profile

Incorporated by an Emiri Declaration from His Highness Late Sheikh Rashid bin Saeed Al Maktoum on October 8, 1970, Dubai Insurance Company P.S.C. (DIN) made history as the first national insurance company in the United Arab Emirates.

DIN has built a varied portfolio of products and services, which include composite Property & Casualty (P&C) and Life Insurance, Property, Liability, Marine, Group Life, Medical, and a collection of other specialty lines.

Over the years, DIN has achieved consistent growth, with total premiums surpassing AED 1 billion in 2021 and reaching AED 1.47 billion in 2022. Now the fourth largest UAE-based insurance company in terms of gross premiums, its resounding success is built upon a strong foundation that includes its leadership's vision, the commitment of all its employees, and its customer-centric focus.

Overview

In 2018, DIN received a mandate from the Ministry of Human Resources and Emiratization (MOHRE) to lead the UAE’s Workers Protection Program. The old system required bank guarantees, but under the program, UAE-based employers can now opt-in to an insurance system that covers outstanding dues to workers in case of a company’s insolvency.

The Workers Protection Program has proven popular with employers, and a significant portion of DIN's recent revenue growth is derived from the program. As a substantial contributor to the company's gross premiums, it accounted for approximately 50% of DIN’s revenue in 2021. In 2022, that figure rose to 50.6%.

In October 2022, MOHRE announced the launch of the Unemployment Insurance Scheme. The new scheme will provide UAE-based employees with financial support should their employer terminate their employment. The program includes Emiratis as well as expatriate residents and extends to federal government employees. Designed to provide the unemployed with a reasonable standard of living and help build the UAE's knowledge-based economy, the scheme is a significant advancement for the country’s workforce and economy.

As a testament to its operational excellence and skillful management of the Workers Protection Program, DIN was selected to lead the UAE's Unemployment Insurance scheme on behalf of eight other insurance companies. Spearheading this new program is another catalyst for growth for DIN and is anticipated to boost gross premiums in the near future.

OUR BUSINESS

PRODUCT OFFERING

For Individuals

- Car Insurance
- Medical Insurance
- Home Insurance
- Property Insurance
- Marine Hull (Yacht) Insurance
- Travel Insurance

For Corporates

- Fleet Insurance
- Group Medical
- Group Personal Accident
- Property
- Marine & Transit
- Liability
- Engineering
- Worker Compensation
- Group Life

For Corporate Speciality Lines

- Directors and Officers Insurance
- Medical Malpractice Insurance
- Cyber Liability
- Professional Indemnity Insurance

New 2022 Offering Update:

- Unemployment Insurance Scheme: DIN is the authorized insurer to issue the ILOE Policies on behalf of ILOE insurance pool of 8 top a rated national insurance companies. This solution is a form of insurance/social security that provides Emiratis and residents alike, working in the federal government and private sectors, financial support if they lose their jobs because of termination by their employers. It aims to ensure continued decent living for the unemployed and achieve a competitive knowledge economy by attracting and retaining best international talent. This will become mandatory as of January 1st 2023.

MEMBERSHIPS

DIN is a member of the following associations:

- General Arab Insurance Federation (GAIF)
  As a member of GAIF, DIN is at the forefront of the ever-evolving insurance industry in the Arab world. GAIF allows members to shape the sector's future for the MENA region and beyond.
- Emirates Insurance Association

With Emirates Insurance Association, DIN is building cooperation between the UAE's insurance companies. The organization was founded to study the needs of the country's growing insurance industry. As a member, DIN is actively involved in vital conversations that will shape the sector for years to come.

- Platinum Member of the Tawteen Partners Club
  As a company founded in the UAE, DIN is proud to be part of the Tawteen Partners Club, a MOHRE initiative designed to boost Emiratization rates in the private sector. Furthermore, as a Platinum Member, DIN has shown it is committed to seeking and training Emirati talent for various roles across the organization.

Credit Ratings

AM BEST CONFIRMS AN A- RATING

Upgrading its outlook to 'positive' from 'stable', AM BEST noted DIN had enhanced its position in a highly competitive market. As a result, in 2022, AM BEST confirmed DIN’s Financial Strength Rating of ‘A-’ (excellent) and Long-Term Issuer Credit Rating of ‘a-’ (excellent). The ratings are based on DIN's strong balance sheet and operating performance, as well as a curated business portfolio and apt enterprise risk management.

MOODY’S ASSIGNS AN A3 RATING

In 2022, Moody’s Investors Service (Moody’s) assigned DIN an ‘A3’ insurance financial strength rating (IFSR) with a stable outlook. Regarding the rating, Moody’s noted DIN had a good market position and brand, strong capital adequacy, profitability with a five-year average return on capital, and strong reserve adequacy. In addition, with its 'stable' rating outlook, Moody's noted it expects DIN to expand its business whilst maintaining vigorous underwriting discipline and capital adequacy.

Additional Achievements

ABU DHABI - HEALTHCARE INFORMATION AND CYBER SECURITY STANDARD

Abu Dhabi Healthcare Information and Cyber Security (ADHICS) are critical for an insurance company such as DIN, because they protect sensitive information related to clients and their health insurance policies. Currently, at DIN we are implementing strong information and cyber security measures, and this was recognized by ADHICS whereby we received a score of 89.09% since we are more than compliant with regulations and maintain the trust of our clients.

Reinsurer RGA

Reinsurance Group of America (RGA) is a holding company for a global life and health reinsurance entity. RGA provides automatic as well as facultative support and delivers both conventional reinsurance and retakaful solutions to more than 50 clients across UAE, Saudi Arabia, Bahrain, Qatar, Oman and Egypt. Furthermore, RGA have conducted a Quality Assurance Review for the Claims Assessment that have been executed by DIN and we received an overall score of above 95%

Partner Engagement

DIN selects partners from the foremost international and local companies to create client-focused solutions for various traditional and non-traditional risk management requirements. The company has forged robust partnerships with respected participants and stakeholders throughout the global and local insurance industry.

DIN’s international partnerships also endorse the company's progress in environmental, social and governance (ESG). DIN's ESG objectives have advanced alongside the ESG transition sweeping through organizations worldwide.

Inhouse Claims Management Provider

DubaiCare

- DIN's inhouse claims management system offers Dubai Insurance a competitive advantage of accessing an extensive network, Dubai Care has a dedicated fraud waste and abuse unit and offers 24/7 call center and medical assitance, home country treatment and second choice options, cashless treatment facilities, dedicated onsite case managers and arrangement of concierge services.

Underwriting Businesses

MaxHealth

- With an SME-focused product line, MaxHealth designs solutions in collaboration with leading Swiss and German reinsurance partners. Overseen by a German management team, the company offers clients the ability to access world-class treatment at outstanding healthcare facilities across the globe.

Integra Global

- Offering UK-based personal and professional healthcare products, Integra Global crafts international health plans to address the unique needs of expats, nomads and remote workers worldwide.

William Russell

- This international insurance plan provider partners with DIN to offer expats a selection of prominent UK-based products that UAE residents can take with them when they relocate.

Momentum Insurance Agency (MIA)

- Uniting traditional solutions with digital capabilities, MIA drives growth in the UAE's market by highlighting the country's well-earned reputation for building an expertly regulated and innovative insurance ecosystem.

Harel Insurance Company

- Active in both the insurance and financial services sectors, Harel offers comprehensive solutions, including health insurance (medical, long-term care, dental and travel), non-life insurance (motor, homeowner, liabilities (indemnity), mortgage and credit), life assurance, pension funds, provident funds, mutual funds, portfolio management, and ETFs, among other services.

La Caisse Francais L'Etranger (CFE):

- The CFE (the Fund for French Nationals Abroad) enables French nationals abroad to keep the Social Security benefits they had in France. DIN has an exclusive partnership with CFE for the UAE.

Third Party Administrators (TPA’s)

MedNet

- Is a managed care service provider of quality solutions that meet an individual's long-term healthcare needs and offers financial protection against unforeseen health crisis and expenses.

Neuron

- Is a UAE-based provider of high quality healthcare services which include 24/7 pre-authorisation team, policy management, 100% medically qualified claims processing team and network management amongst other.

Nas

- NAS is as a leading entity that focuses on healthcare benefits management eliciting dynamic and adaptable solutions for Dubai Insurance in an evolving marketplace.

MSH International

- MSH International is a UAE based third party administrator (TPA) entirely dedicated to managing personal insurance for people living and working in the GCC and MENA. They administrate international healthcare for major international corporations, insurance companies, institutions and brokers.

Ecare

- E CARE INTERNATIONAL is a healthcare management company focused on providing quality services to insured members through its wide network of clinics and hospitals. The company manages healthcare needs for the enhanced and essential benefit plans.

Whealth

- Whealth International is a leader in management of local and regional healthcare solutions. They provide comprehensive employee benefits administration and administer the following types of plans on a regular basis: Medical, Dental, Vision, Disability, Life insurance and Health reimbursement arrangements.

International Reinsurance Partners

Hannover Re

- Is the third-largest reinsurer in the world. It transacts all lines of property & casualty and life & health reinsurance. .

hannover re

Allianz Re

- Provides tailored reinsurance solutions in both the underwriting and risk management fields, combining global and local market expertise and multi-segment know-how.

Allianz

Other Partners:

SwissLife Global Solutions

- DIN is the exclusive regional partner of the SwissLife network. This is a premium medical insurance pooling system that allows DIN to access multinational corporations looking for a global solution for their medical insurance needs.

SwissLife Global Solutions

Peak RE

- Peak RE is a Hong Kong based re-insurance specialitst with a global portfolio. One of the few Asian origin resinsurers present in the MENA region. they work with DIN in capacity of traditional re-insurers that is based on a modern foundation.

PeakRe

Scor

- Scor is a leading global reinsurer, offers a diversified and innovative range of reinsurance and insurance solutions and services to control and manage risk.

SCOR The Art & Science of Risk

Korean RE

- Korean Re is a global reinsurer that provides clients with high-quality reinsurance services and risk management solutions as their reliable business partner.

KOREAN RE

Munich RE

- Munich RE is one of the top providers of reinsurance, primary insurance, and insurance related risk solutions in the world.

Munich RE

CCR

- An expert in Enterprise Risk Management, CCR ranks among the world's top 30 reinsusers. CCR Re is a medium-size reinsurer with a longstanding franchise in traditional property & casualty and life & health reinsurance, as well as in some selected specialty lines (credit, marine, aviation & space, terrorism), in France and abroad.

CCR RE

MAPFRE

- MAPFRE is a global insurance company present on five continents. It is the benchmark insurer in the Spanish market, the leading multinational insurance group in Latin America and one of the top 10 insurance companies in Europe in terms of premium volume.

MAPFRE

Free Zones

DIN has partnered with several UAE-based free zones, allowing the company to offer Workers Protection Program products directly to free zone-registered entities. In 2022, DIN added Khalifa Industrial Zone (KIZAD) and Tarkhees Free Zone to the list and plans to expand further during 2023.

- Jebel Ali Free Zone Authority (JAFZA)
- Dubai Airport Free Zone (DAFZA)
- Dubai Multi Commodities Centre (DMCC)
- Ajman Free Zone Authority (AFZA)
- Dubai Silicon Oasis Authority (DSOA)
- Khalifa Industrial Zone (KIZAD)
- Tarkhees Free Zone

Leadership Team

One of DIN’s biggest advantages is leadership team. Under their guidance, the company has moved from strength to strength, capturing new opportunities in an increasingly competitive market. Moreover, the leadership team has shown they play a crucial role in ensuring DIN's continued growth. More importantly, our leadership team are a critical part of creating a customer-centric company culture that supports employees as everyone pursues excellence together.

DIN’s leadership team is also eager to progress their sustainability agenda further. As the company continues its journey toward developing a ‘greener’ insurance industry, it is continuously looking for ways to enhance its performance for its ESG and climate-specific objectives.

Abdellatif Abuqurah

- **Chief Executive Officer**

Ramanathan Narayana

- **Chief Financial Officer**

Sahem Abdel Haq

- **Head of Legal & Compliance**

Shamsudeen Sajeev

- **Director of Medical & Life**

Dana Kansou

- **Manager, Distribution & Strategic Partnerships**

Dima Al Majali

- **Manager, Human Resources**

Sachith Sivadas

- **Technical Manager, General Insurances**

Bashar Jadallah

- **Head of Motor, Underwriting & Claims**

Ghanim Karam

- **Director, Workers Protection Program**

Business Pillars

STRATEGIC PILLARS

As the UAE's insurance industry continues to innovate and evolve, DIN is determined to lead the way with exceptional services and products that incorporate the highest international standards. Four strategic pillars provide the foundation for DIN's customer-centric organization, which delivers outstanding performance for all stakeholders through comprehensive offerings and forward-thinking partnerships.

Constantly strive to advance DIN's market standing by offering new and enhanced solutions to support customers growing needs

Continually support strong underwriting performance

Leverage strategic relationships

Offer comprehensive solutions

VISION

•Be amongst the TOP national insurers in premium income

Maintain strong underwriting performance while maintaining combined ratio of less than 80%

Expand and strengthen strategic relationships with international insurers, reinsurers and clients

Find a true niche area

MISSION

To enhance shareholder value by being an indispensable partner to our customers by providing value-added general and specialty products and services.

CORE VALUES

Our Operations

(GRI 201-1, GRI 203-2, GRI 418-1, G7)

Economic Prosperity

As one of the first insurance companies established in UAE, DIN has a specific influence over the industry in driving positive value and impact on businesses. We aim to provide financial security to all our customers through our progressive insurance policies.

Our primary focus is to facilitate our clients in achieving their business and personal goals without worrying about economic setbacks and pitfalls.

In addition, DIN's investment activities span the UAE and the international market. Our current portfolio has an allocation in quoted and unquoted shares debt securities allocation.

Through these activities, we have been enabling corporations to achieve their growth targets, thereby contributing to the growth of the UAE's GDP.

In addition to the above, The Dubai Health Authority (DHA) licensed DIN to offer essential benefits plans to support lower-income families, particularly employees earning below AED 4,000 a month. It is a privilege to devise and facilitate this particular customer segment within the UAE. We are proud to cater to these individuals and families under-represented by the insurance sector.

As a market player, it is important to understand the benefit of uplifting various social and economic segments within the community. It directly increases affluence and prosperity when all factions of our society are allowed to gain financial security. We intend to create more financial opportunities for these groups and facilitate economic development by making insurance accessible and affordable for all.

Another growth-oriented initiative created by Dubai Insurance is the Workers Protection Program (WPP). This initiative has significantly contributed to our revenues since we were assigned as the leader and administrator of the WPP Insurance Pool by the MOHRE in 2018. This program uplifts the working class economically and directly impacts their wellbeing. This program pays the outstanding dues to the workers in case of the financial failure of the employers.

The WPP creates a direct and positive influence on workforces across the country and enables them to create opportunities for financial growth and prosperity. This growth is directly reflected in the 13% increased premiums from the Workers Protection Program in 2022, despite incurring financial setbacks during the COVID-19 era. An equitable insurance structure creates upward mobility for the workforce and directly contributes to the nation's overall economic growth.

This initiative is already yielding positive results for the local economy, as it continues to be a significant revenue driver. The more opportunities we can create for our community, the greater potential we have to drive economic progress and generate value to all stakeholders. Along with this, we intend to grow our new Unemployment Scheme that directly benefits all families and unemployed individuals to find their footing and remain key contributors to society. Since its launch on January 1st, it has already included 500,000 active candidates who may benefit from this program.

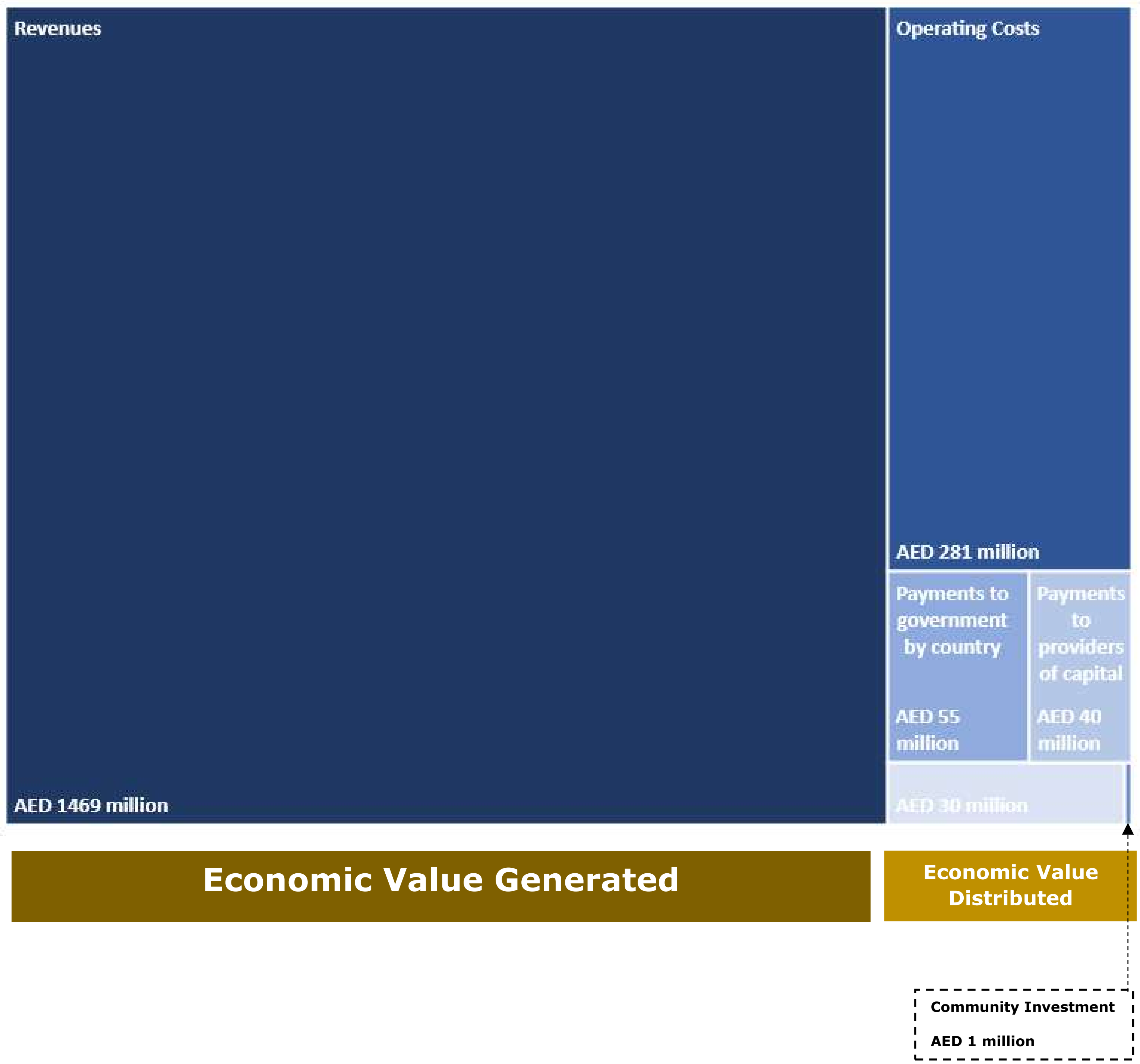
Our main goal in promoting these two programs is to achieve stability across various industries through economic empowerment. Our insurance services have enabled our clients and businesses to survive and thrive even in the most turbulent economic climates. Continuing such initiatives has encouraged prolonged economic growth in the face of uncertainty.

DIN has focused on revitalizing various corporate industries, especially after the economic fallout of COVID19. Still, we are motivated to build economic avenues for our corporate clients, given that the corporate sector drives 80% of our premiums. Moreover, our travel insurance offering for UAE visitors, which was contracted with the General Directorate of Residency and Foreign Affairs, is also expected to contribute to our growth for the next three years while paving the way for domestic revenue generation.

We specifically ensure that we map our economic performance thoroughly and consistently as per the GRI Standards. The standards are a productive way to address the flow of capital towards our various stakeholders and assess the economic impact of our organization within our society.

The chart below outlines the impact we generated in 2022:

- The Direct Economic Value Generated (DEVG), which is equivalent to total Income: AED 1,469 Billion
- Direct Economic Value Distributed (DEVD) which is composed of operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments: AED 441 million.


Revenues
AED 1469 million
Operating Costs
AED 281 million
Payments to government by country
AED 55 million
Payments to providers of capital
AED 40 million
AED 30 million
Economic Value Generated
Economic Value Distributed
Community Investment
AED 1 million

Digitalization

We live in a world of digitalization, where every transaction and communication is digitally monitored, archived, and streamlined to improve the efficiency of an existing system. The insurance sector can benefit from digitalization, enabling our customers to access and utilize our services to their maximum capacity and efficacy.

Digitalization increases the ease of access for customers to all business services. Our objective is to develop improved channels of communication for our customers. Digitizing services and communication methods greatly increases the value of our offerings. Today, it is about efficiency, which is the way to develop a more trustworthy rapport with our customers.

Keeping this effect in mind, DIN has taken the initiative to make our operations as user-friendly and accessible as possible to maximize reach. Therefore, we focus on two major initiatives that can transform our service delivery.

- **Improving customer experiences by eliminating time-consuming, repetitive procedures.**
  We have developed a sophisticated channel of more than 3,000 providers that facilitate our patients through our DubaiCare system, an online service that improves customer experience by cataloguing customer information, and claim histories to avoid repetition. The DubaiCare app is accessible through computers and mobile phones. It helps generate a greater value of service to all our customers to access healthcare benefits at their convenience.

- **Optimizing internal operations to increase work productivity.**
  We have also enhanced our internal operations to ensure our employees can efficiently provide customer services through these initiatives by doing the following:
    - Developed a client portal that allows our clients to access all our services, which also includes endorsements that were manually distributed before
    - Enabled reimbursement submission through the portal rather than email
    - Replaced physical insurance cards with Ecards on the app to save time
    - Integrated DIN’s internal processes with partners to streamline business execution

DIN intends to transfer all its operations to digital platforms to increase our service capacity. Our IT team has already developed several policies and systems that can fast-track that process and hope to initiate the following short- and long-term strategies:

a) A paperless approach to internal company operations and customer services as a priority to follow the UAE Paperless initiative
b) As we vow to become more user-friendly and secure for our customers, we want to convert to a fully digital operating system to incorporate and utilize existing digital insurance solutions
c) Develop a five-year plan to adopt digital marketing solutions to enhance customer experience by partnering with tech companies to speed up our analogue-to-digital migration and continuously refine cyber security and information security protocols
d) Eliminate physical attendance and visits for our customers to access DIN services by migrating our communication systems online.

Customer Satisfaction

At DIN, we prioritize exceptional service at every touch point across the customer journey. We evaluate every decision from a customer satisfaction lens, striving to build trust and confidence in our ability to secure their future and protect them against unforeseen risks.

To deliver on our promise, we prioritize keeping our customers engaged. We maintain open communication with our clients and endeavor to respond promptly. We also ensure that our customers can voice their complaints when needed. We have multiple channels through which we receive and address service complaints. These include our call center line, website form, and direct email communication with company representatives and department heads.

Moreover, we have launched a new CRM system that helps us store and track customer data across the customer's lifetime. We use this data to provide hands-on service and tailor our products to customer needs and expectations.

Integrating the new CRM system into our customer relationship strategy reflects our focus on ensuring that every customer feels valued. Following this goal, we also collect customer feedback after every interaction. To formalize this feedback process, we plan to launch an online survey and complaints systems in 2023 to give our customers the ability to influence our processes in real-time, allowing us to shape better local and global experiences. The closer we stay to our customers, the more flexible we can remain in addressing their evolving needs and delivering a comfortable experience. This is essential for our company's continued growth.

Data Protection and Customer Privacy

As an industry frontrunner, digitalization has far-reaching implications for our business in improving customer experience and internal operations. But with this digital proliferation comes the risk of data violation or infringement of data privacy laws, as well as threats like data piracy and cybercrime. We value our customer privacy and keeping it safe in compliance with data laws, and are proud to have maintained our data protection protocols through 2022.

At the beginning of 2022, the Personal Data Protection Law by the National Electronic Security Authority (NESA) outlined policies and regulations for data protection and cyber security. DIN launched a project to comply with these protection laws by optimizing data management, processing, and documentation.

Our utmost priority is to ensure our customer information is encrypted and thoroughly protected. Per data protection laws in the UAE, we have maintained a robust system of data protection that has ensured continued customer privacy as outlined by the Customer Privacy GRI standard, further evidenced by the table below that depicts 2022 data protection milestones:

Customer Privacy (GRI – 418)	
Substantiated complaints concerning breaches of customer privacy and losses of customer data	
Number of complaints received from outside parties and substantiated by the organization	ZERO
Number of complaints from regulatory bodies	ZERO
Number of identified leaks, thefts, or losses of customer data	ZERO

Our Commitments to Sustainability

(GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-22, GRI 2-29, GRI 2-30, GRI 3-1, GRI 3-2)

Our Approach to Sustainability

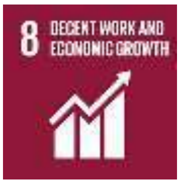
As a market leader within the UAE’s insurance market and private sector, DIN is committed to advancing the cause of environmentalism and forging a path of progress for social issues. Each organization's responsibility is to embrace sustainability within its business models and ensure that products and services are aligned with sustainability and development goals.

Environmental, Social and Governance (ESG) considerations are pivotal within the insurance industry because they have a lasting, broad impact on social and environmental issues. Hence industry stakeholders must develop an infrastructure to support sustainability and ESG challenges, including climate change, and social inequality.

As front runners in the industry, we must consider the impact of these issues on our underwriting as well as our investment decisions. While we continue to achieve our business goals, it is also important to highlight the sustainability goals we hope to accomplish to balance ESG-related risks in our company. It is important to recognize that insurance companies can address ESG concerns by imbedding ESG in their risk assessments and prioritize investments in companies and projects with strong ESG performances.

Additionally, an organization is responsible for providing services and developing products that encourage sustainable development. Ultimately, the goal of the insurance sector should be to incorporate sustainability to mitigate risks, increase social and environmentally sustainable development and, in turn, develop positive relationships with stakeholders and customers.

There are 5 (five) major SDGs that DIN will continue to focus on throughout its business practices and as it progresses in its journey towards sustainability:



The company’s business model reflects these values as it continues evolving its sustainability approach. As DIN progresses along its sustainability journey, we will ensure to align our efforts with our material SDGs.

Aligning with SDGs

As we work to achieve the sustainable development goals, every enterprise and industry must integrate these goals into their business infrastructure. The SDGs are 17 goals highlighted by the United Nations to develop peace, prosperity and safety for the planet and all communities. DIN understands the need to embed as many goals as possible within the insurance industry, and specifically within the company.

In 2022, our mapping of industry-related ESG issues led us to specifically select SDGs that are most material to our industry and operations. As a result of conducting a mapping analysis, DIN identified SDG 3 as the higher priority (focus on Good Health And Wellbeing) and the remaining SDGs (1 [No Poverty], 5 [Gender Equality] 8 [Decent Work and Economic Growth] and 13 [Climate Action]) as secondary priorities, with SDG 13 being an underlying SDG with which all corporations must align.

DIN aims to prioritize affordable healthcare and longevity as well as promote emotional and physical well-being across all ages, ethnicities, and economic groups.

ESG FRAMEWORK

DIN has focused on sustainability since early 2020, intending to reform the company's infrastructure to cater to ESG-related issues in the most efficient way possible. The company set up a specific sustainability approach to achieve in 2022 and, since then, has worked to embed ESG factors across various operational levels, such as underwriting and investment decision-making processes, as well as our operations.

To ensure awareness and action around achieving the company's sustainability goals, DIN has focused on readying two aspects: a clear ESG strategy; and an ESG-integration implementation plan. In addition, to gauge the impact of these two goals, the company has focused on implementation in two specific areas:

1. **Inclusive and Affordable Health Insurance for Low-Income Employees**
   A primary focus of SDG 3 is how insurance plays a significant part in providing protection and provision of good healthcare. Therefore, DIN aimed to provide affordable healthcare coverage to everyone, including those with lower incomes.

   To that end, the Dubai Health Authority (DHA) has established a rigorous screening and licensing process for the Essential Benefits Plan to ensure applicants can provide quality insurance packages at fixed, affordable prices (between AED 550 and AED 650) as well as have the necessary mechanisms and processes to offer such services seamlessly. Furthermore, DIN was awarded Participating Insurer Status in 2022 and is proud to have been selected as one of the few insurance companies granted a license to provide the Essential Benefits Plan. Our goal of promoting affordable healthcare through this achievement can now further the growth of SDG 3 to create a greater impact on communities throughout the UAE.

2. **Evolving the role of telemedicine to assist healthcare coverage**
   During the COVID-19 pandemic, telemedicine became an integral part of healthcare strategies globally because it allowed for continuous access to healthcare, including doctor's appointments. Telemedicine continues providing convenient alternatives in 2022 to medical services, benefiting doctors and patients.

   Offering free-of-charge virtual appointments under DubaiCare, DIN offers medical coverage that is inclusive of free virtual appointments with doctors available through TrueDoc 24/7 and NOVITAS. In addition, in 2022, our DubaiCare clients gained access to TrueDoc's virtual consultations through our DubaiCare offering. With this collaboration, all customers under DubaiCare can access various healthcare services at an affordable premium using telemedicine.

By implementing a sound ESG framework, DIN can ensure that its goals regarding sustainability and development can be realized more quickly. Furthermore, with a specific focus on evolving operations around sustainable practices, the company can pave the path forward and transform the insurance sector while enhancing its community.

SUSTAINABILITY COMMITTEE

In 2021, DIN developed a Sustainability Committee, communicating directly with the CEO. It established a thorough chain of command to influence multiple tiers of the company and included senior management from:

Internal Audit

Legal and Compliance

•Human Resources

Distribution and Strategic Partnerships

The first meeting occurred in December 2021 to establish a plan for the next year. In 2022, it was decided that the committee would facilitate innovation to develop ESG initiatives within various parts of the company. This committee primarily focused on achieving ESG-related goals and policies but also encouraged employees and management to think creatively to improve company operations further.

Stakeholder Engagement

A company cannot survive on the innovation or determination of a single individual. Stakeholders must come together to bring fresh perspectives, especially for larger operations. It is essential to include stakeholders in the strategic aspect of the company, as they can diversify the development of various projects. We understand and promote everyone's insightful involvement in decision-making processes within DIN. Their engagement can reform and improve ESG performance, generating value for all stakeholders and customers.

DIN cherishes its stakeholders and the perspective they provide. That is why the company regularly communicates and interacts with its stakeholders to ensure that everyone can fully understand DIN's evolving requirements. To retain and grow this relationship, the company periodically requests feedback from its stakeholders.

DIN has established various communication channels to ensure regular feedback and a robust exchange of ideas through surveys, meetings and focus groups. In addition, the company's efforts to engage and encourage its stakeholders to participate in ESG discussions have created a culture of open communication.

KEY STAKEHOLDERS		EXISTING METHODS OF ENGAGEMENT
CUSTOMERS		• Conducting surveys for customer satisfaction • Website • Developing Complaint and Suggestion portal: a. Via a direct link on the website b. Via DIN's Customer Service Department. c. Via the Central Bank's platform
MANAGEMENT & EMPLOYEES		• 28 • Company events • Open Door Policy • Company Internal Announcements • Performance Appraisals • Exit Interviews
SHAREHOLDERS		• Regular Communication • Shareholders are on the Board of Directors: regular interactions. • The others: during the AGM
GOVERNMENT	Central Bank of the UAE	• Regular communication via reporting requirements and meetings • Frequent Announcements

	SCA	• Quarterly interaction for the submission of the financial results • Interactions by email for new regulatory requirements
	DFM	• Regular interaction through reporting requirements • Interactions through webinars • Frequent announcements
	Dept. of Economy	• Annual interaction
BUSINESS PARTNER	Reinsurers	• Regular interaction related to business coordination, development, and agreement renewal
	TPAs	
	Affinity Schemes	
	Brokers	
RATING AGENCY (AM BEST and Moody's)		• Yearly interaction when conducting rating review
COMMUNITY		• Regular local community-related initiatives, donations, and volunteering activities

Materiality Assessment

The below table outlines topics that are material to our company and which we need to manage, monitor and report.

S. No	Material Topics	GRI Standards	Corresponding DFM disclosures
1	Financial Performance	GRI 201 - Economic Performance GRI 203 - Indirect Economic Impacts	N/A
2	Environmental Impact & Sustainability Practices	GRI 303 - Water and Effluents GRI 305 - Emissions GRI 307 - Environmental Compliance	E1: GHG Emissions E2: Emissions Intensity E3: Energy Usage E4: Energy Intensity E5: Energy Mix E6: Water Usage E7: Environmental Operations E8: Environmental Oversight E9: Environmental Oversight E10: Climate Risk Mitigation
3	Ethics & Integrity	GRI 205 - Anti-Corruption	S1: CEO Pay Ratio S9: Child & Forced Labor S10: Human Rights G2: Board Independence G3: Incentivized Pay G6: Ethics & Prevention of Corruption
4	ESG Integration into Analysis & Decision Making	GRI 201 - Economic Performance GRI 203 - Indirect Economic Impacts	
5	Community	GRI 202 - Market Presence GRI 413 - Local Communities	S12: Community Investment

7	Data Protection & Customer Privacy	GRI 418 - Customer Privacy	G7: Data Privacy
8	Employee Skills Development	GRI 404 - Training and Education	
9	Emiratization	GRI 202 - Market Presence	S11: Nationalisation
10	Equal Opportunity, Diversity & Inclusion	GRI 405 - Diversity and Equal Opportunity GRI 406 – Non discrimination	S2: Gender Pay Ratio S4: Gender Diversity S6: Non-Discrimination G1: Board Diversity
11	Employment Practices	GRI 401 - Employment	S3: Employee Turnover S5: Temporary Worker Ratio
12	Climate Change	GRI 201 - Economic Performance GRI 203 - Indirect Economic Impacts	E10: Climate Risk Mitigation

Our Responsibility as an Employer

(GRI 202-2, GRI 401-1, GRI 401-2, GRI 403-8, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 406-1, GRI 413-1, S2, S3, S4, S5, S6, S7, S8, S11, G1)

Our People

DIN is committed to being a responsible employer that identifies and nurtures talent in a supportive work environment with opportunities to enhance skillsets. Our underlying focus is always on employee wellbeing. The company's culture is built upon a foundation of diversity and inclusion, where continued dedication and hard work promotes an atmosphere where people know they are valued.

DIN's most valuable asset is its human capital, which is why the company has integrated the highest standards and values throughout its human resources (HR) department. Our Code of Ethics and Conduct assures employees that everyone will be treated fairly and with respect, regardless of gender, nationality, or religion.

By crafting policies that encourage employee growth and development, the company fosters progress at every level of the organization. In addition, DIN constantly communicates with its employees through regular employee engagements, effective monitoring, and dynamic awareness sessions.

The company's dedication to maintaining a diverse and gender-balanced workforce ensures it remains competitive in a dynamic market. By offering a workplace where employees enjoy a family-like culture where teamwork, inclusion, fairness and mutual respect, DIN attracts and retains top-quality talent, which is critical to the company's growth and continuing success.

In an effort to stay ahead of the curve and enhance the employee experience, our company has embraced digitization within HR. By utilizing technology and automating manual processes, we are not only reducing paper usage but also increasing transparency, efficiency, and accuracy. Our employees now have easy access to important HR policies and procedures, through a special program for personnel affairs, each employee is given a name and password to enter it and view all the policies applied in the company, in addition to all information related to each employee separately. making it easier for them to understand and comply with these guidelines. We believe that this move towards digitization will continue to drive our company's success and foster a positive work environment for all employees.

RECRUITMENT

As a company that has shaped the UAE's insurance industry, DIN thrives by attracting, developing, and retaining exceptional talent at every level. The company continued its recruitment drive throughout 2022 as it searched for individuals who could support its growth and business plan. In 2022, DIN hired a total of 88 new employees. The company’s current headcount is 282 as of the end of 2022 and comprises 19 nationalities.

DIN offers employees a highly competitive package of benefits and incentives designed to appeal to top talent and support high levels of employee satisfaction. Each DIN employee enjoys the following benefits, in addition to the requirements outlined by the UAE's Labor Law and any additional incentives and allowances offered by the company:

Life Insurance

Medical Insurance

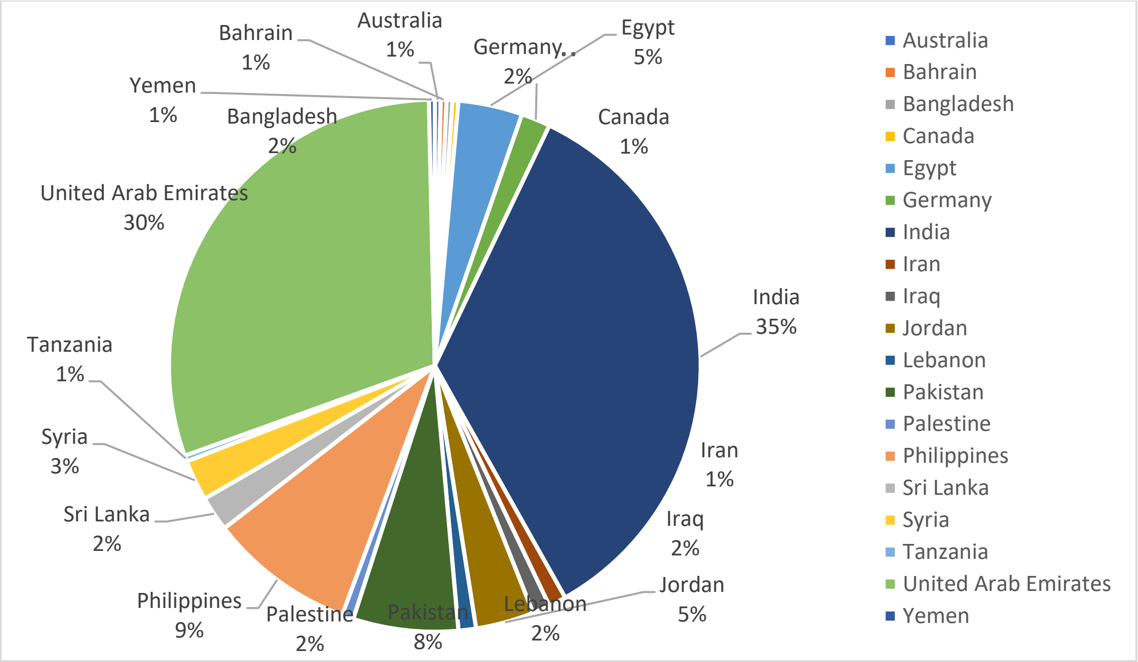
Annual Ticket

All benefits delineated by UAE Labor Law

DIVERSITY & INCLUSION

A diverse workforce provides companies with several important benefits, including increased productivity, better creativity, remote work plus flexibility, and a positive reputation in the market. Diversity and inclusion in the workplace include gender equality and also extends to creating an environment that welcomes and supports different nationalities, religions, and languages.

At DIN, we are dedicated to embedding diversity and inclusion within our workforce and throughout our company culture. With over 19 nationalities, DIN supports an environment where multiple viewpoints and opinions are not only valued but fundamental to the company's ability to anticipate and address market needs.



Additionally, with a 50% male-to-female ratio, DIN is a leader in gender equality – not just within the insurance industry but for the UAE's entire private sector. Initial hiring is based on skills and experience; however, DIN strives to ensure gender balance across its workforce and provide equal opportunities for employment and advancement.

By the end of 2022, over 50% of the company's entire workforce was female, 82% of UAE Nationals employed by DIN were female, while 30% of new hires in 2022 were female. In 2022, at the senior-to-executive level, around 29% of employees were female. DIN is committed to being an employer of choice for women in the UAE as it continues to target female talent amongst ex-pats and UAE Nationals.

TRAINING & DEVELOPMENT

Part of DIN’s successful strategy for growth is high-caliber training for its workforce, which also helps ensure the company can attract, secure and retain top talent. This focus on providing excellent training programs also supports DIN’s policy of promoting within whenever possible. Our internal training programs improve employee performance across all departments of the company and support our goals of curating a workforce at the forefront of the insurance industry. In 2023, we plan to continue enhancing our internal training program to further advance our employees’ knowledge and performance and the company's objectives.

TOTAL TRAINING HOURS			
Year	Entry-Level	Mid-Level	Senior-to-Executive Level
2022	362	136	86

2022 – a total of 584 hours of training was conducted

39% of the training was attended by Women.

The completed training throughout the year mainly consisted of Anti-Money Laundering (AML) and guiding employees on how to comply with the Central Bank requirements on AML and this involved all employees ranging from junior staff all the way to executive management as well as the Board of Directors. In addition, we have organized training when onboarding new employees that revolves around an awareness session on Information Security. Lastly, the Customer Service Employees attended training that was hosted by Emirates Institute for Banking and Financial Studies (EIBFS) in Project management & Customer Experience.

EMIRATIZATION

As a company born in the UAE, DIN values UAE Nationals who have decided to join us as they pursue careers in the private sector. We have prioritized empowering them within the company, and the UAE government has recognized our efforts. In 2022, our Tawteen Club membership was upgraded from Level 2 to Level 1. DIN was one of only 16 private sector companies that exceeded the mandated Emiratization rate, for which MOHRE awarded us an 80% discount for permit applications.

In 2022, UAE Nationals made up 30% of DIN's workforce, exceeding Tawteen targets. Additionally, the UAE Nationals hired by DIN played a significant part in the UAE Central Bank achieving its target of 81.3% national employment for 2022, with approximately 813 Emiratis for every 1,000 jobs in the banking and insurance sector. DIN also registered for NAFIS, an initiative by the UAE government, which provides salary support for Emiratis working in the private sector.

Year	TOTAL FEMALE UAE NATIONALS	TOTAL MALE UAE NATIONALS
2020	83%	17%
2021	84%	16%
2022	82%	18%

TOTAL NUMBER OF UAE NATIONALS, BY JOB CATEGORY			
Year	Entry-Level	Mid-Level	Senior-To-Executive Level
2020	77%	17%	7%
2021	50%	43%	7%

2022	55%	39%	6%

Employee Well-being

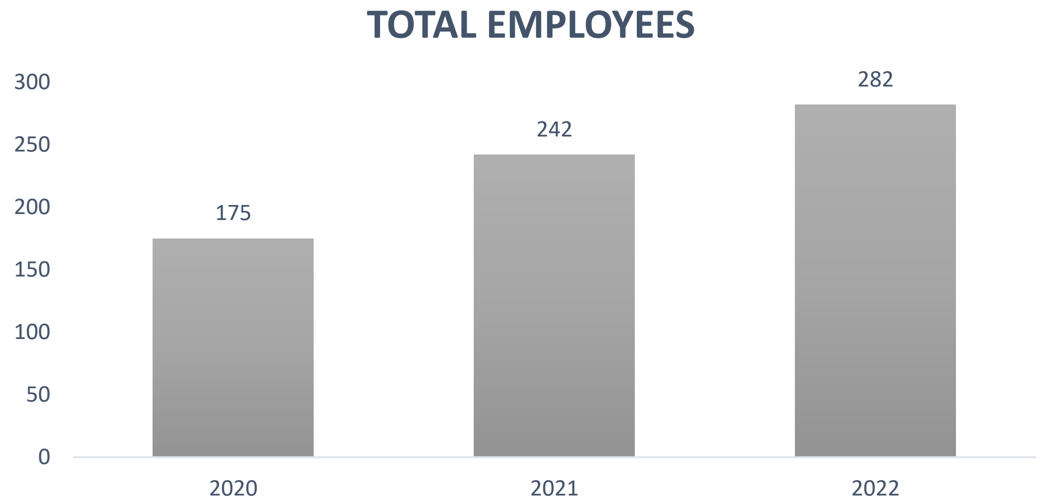
In 2022, DIN focused on supporting mental and physical employee wellness by promoting a healthy work environment where a dynamic team spirit reinforces a family-like atmosphere. In addition, we believe in fostering a safe workplace where we protect employees with robust policies addressing sexual harassment, non-discrimination, human rights, and a strong Code of Conduct to guide behavior.

The company also provides employees with popular benefits that encourage teamwork and a feeling of belonging within the DIN community. These benefits include:

Additionally, DIN launched new benefit programs in 2022, which include:

- Appraisal System
- Esaad Card discounts for DIN staff
- DIN Committee for Staff Happiness & Events

Below are our various Human Resource Data and performance.



FEMALE 50% MALE 50%

TOTAL OF 19 NATIONALITIES

2022 Breakdown by Gender	Number of Employees
Male	142
Female	140
Total	**282**

2022 Breakdown by Branch	Number of Employees
Dubai	278
Abu Dhabi	4

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER						
	Entry-Level		**Mid-Level**		**Senior-to-Executive Level**	
Year	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
2020	45%	55%	66%	34%	64%	36%
2021	44%	56%	37%	63%	69%	31%
2022	**47%**	**53%**	**47%**	**53%**	**71%**	**29%**

TOTAL EMPLOYEES BY JOB CATEGORY AND BY AGE GROUP									
	Entry-Level			Mid-Level			Senior-to-Executive Level		
Year	Below 30 y.o.	30-50 y.o.	Over 50 y.o.	Below 30 y.o.	30-50 y.o.	Over 50 y.o.	Below 30 y.o.	30-50 y.o.	Over 50 y.o.
2020	28%	70%	2%	6%	84%	9%	0%	64%	36%
2021	41%	58%	2%	37%	60%	3%	0%	66%	34%
2022	**40%**	**59%**	**2%**	**25%**	**66%**	**9%**	**0%**	**74%**	**26%**

TOTAL NEW HIRES BY GENDER					
Year	Male	%	Female	%	TOTAL
2020	7	7%	13	16%	**20**
2021	39	34%	59	46%	**98**
2022	**46**	**32%**	**42**	**30%**	**88**

TOTAL NEW HIRES BY AGE GROUP							
	Below 30 y.o.		Between 30-50 y.o.		Over 50 y.o.		TOTAL
Year	#	%	#	%	#	%	
2020	9	28%	11	9%	0	0%	**20**
2021	51	68%	42	31%	5	31%	**98**
2022	**40**	**46%**	**47**	**26%**	**1**	**5%**	**88**

TOTAL EMPLOYEES THAT LEFT BY GENDER					
Year	Male	%	Female	%	TOTAL
2020	15	16%	15	19%	**30**
2021	23	20%	16	13%	**39**
2022	**19**	**13%**	**33**	**24%**	**52**

TOTAL EMPLOYEES THAT LEFT BY AGE GROUP							
	Below 30 y.o.		Between 30-50 y.o.		Over 50 y.o.		TOTAL
Year	#	%	#	%	#	%	
2020	9	28%	20	17%	1	7%	**30**
2021	8	11%	29	22%	2	13%	**39**
2022	**21**	**24%**	**27**	**15%**	**4**	**21%**	**52**

Year	TOTAL NEW HIRE RATE	TOTAL TURNOVER RATE
2020	11%	17%
2021	41%	16%

2022	**31%**	**18%**

Our Responsibility to the Environment

(GRI 302-1, GRI 302-2, GRI 302-3, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 306-3, GRI 307-1, E1, E2, E3, E4, E5, E6, E7, E8. E9, E10)

Climate Change

Every year, the planet endures changing weather patterns, intense heat waves, unprecedented droughts, and other catastrophes directly resulting from climate change. Unfortunately, the insurance and financial industries are not immune to the devastation caused by climate change, which is why many corporations are investigating ways to address and, hopefully, mitigate future environmental disasters.

In 2022, the Earth's surface temperature was 0.86°C warmer than the average for the entire 20th century, and it was also the sixth warmest year since recording temperatures began. Though advances have been made, including more energy than ever being produced by renewable sources, more needs to be done to avert the most catastrophic effects of climate change.

Urgent action by governments and corporations worldwide is required to achieve the Paris Climate Agreement's objective to limit warming to 1.5°C. At the end of 2023, the UAE will host the 28th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, commonly referred to as COP28. During the conference, stakeholders from the public and private sectors, including government and business leaders, will gather to develop further short- and long-term action plans to reduce warming within an actionable timeframe.

At DIN, we recognize the dangers posed by climate change, which is why we have been monitoring several insurance-related alliances, including the Net Zero Insurance Alliance (connected to Glasgow Financial Alliance for Net Zero) and the Principles for Responsible Insurance (part of the United Nations Environment Program – Finance Initiative). These alliance advocate increasing resources for insurance companies to design net zero plans and manage rising risk related to climate change.

INITIATIVES

During 2022, DIN continued supporting various internal initiatives designed to reduce our carbon footprint and raise awareness of the dangers posed by climate change. For example:

- Adopting green building regulations
    - The company's residential building in the Satwa area of Dubai completed construction in June 2021. We incorporated the Dubai Green Buildings Regulations, which ensures that the building uses

    resources efficiently while reducing the impact on occupant health and the environment.
    - The building also provides two parking lots with charging facilities for electronic vehicles.
- Extending our digitalization process
    - DIN issues most of its policies in digital format, and in 2022, almost 54% of all insurance policies were issued digitally.
    - The Workers Protection Program is managed digitally, and in 2022, 100% of policies under this program were issued digitally.
- Raising awareness through the DIN sustainability committee
    - Through roundtable discussions and other initiatives, our internal committee invites the DIN workforce to consider the climate change-related risks the UAE insurance industry faces and develop solutions.
- Creating a circular workplace
    - DIN is endeavoring to transition our offices to a circular workplace model whereby we consume less energy, decrease waste, adopt a 'zero-to-landfill' culture, and source 'circular' products to embed a proactive approach to protecting the environment throughout the entire organization.

INSURANCE COMPANIES ADDRESS CLIMATE CHANGE

Insurance companies are increasingly acknowledging climate action failure as a major risk for businesses, which necessitates an urgent response by all stakeholders. Within the insurance industry, there is exposure to climate change risk on both the asset and liability sides of the balance sheet.

As a result, insurance companies worldwide have undertaken various actions to address climate change directly. Some of these measures include the following:

ENVIRONMENTAL FOOTPRINT

DIN is conscious of our carbon footprint, which is why we closely monitor our energy and emissions data. We know that we have a role to play as an organization in addressing climate change, and we are working diligently to reduce our environmental impact.

ENERGY CONSUMPTION

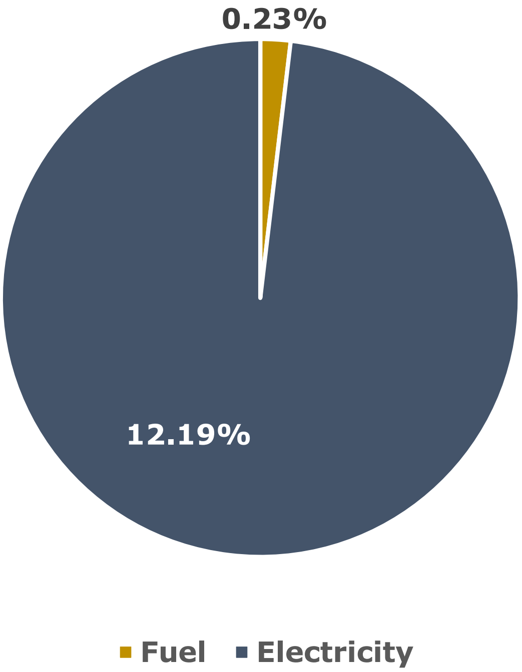
Energy & Water Consumption	**Scope**	**Unit**	2020	2021	2022
Fuel from Owned Vehicles	Direct (Scope 1)	GJ	94.84	137.84	156.20
Electricity	Indirect (Scope 2)	GJ	4,585	5,023	4,693
Total Energy Consumption	Direct & Indirect (Scopes 1 & 2)	**GJ**	4,680	5,161	4,849

Energy Intensity in GJ per Employee	**Scope**	2020	2021	2022
Direct Energy – (Fuel)	Direct (Scope 1)	0.54	0.57	0.55
Indirect Energy – (Electricity)	Indirect (Scope 2)	26.20	20.76	16.64
Total Energy Intensity	Direct & Indirect (Scopes 1 & 2)	**26.74**	**21.33**	**17.20**

GHG Emissions

GHG Emissions (MT CO_2 e)	2020	2021	2022
Scope 1 (Fuel)	6.14	9.02	10.07
Scope 2 (Electricity)	1,423.12	1,433.11	1,455.48
Scope 3 (Water, Wastewater, Business Travel)	2,789.66	2,669.62	2,856.41
Total	**4,218.91**	**4,111.75**	**4,321.95**

ENERGY MIX



WATER CONSUMPTION

Water Consumption in m^3	2020	2021	**2022**
Total Water Consumption	4,305	4,120	4,401
Water Consumption per Employee	24.60	17.02	15.61

Strong Governance & Value Creation

(GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20, GRI 2-21, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, S1, S9, S10, G1, G2, G3, G6)

Responsible and ethical governance is vital to our long-term sustainable growth and continued alignment with our vision and mission. To maintain our leading market position and pioneer the way forward for the local and global insurance industry, we must hold ourselves accountable to the highest standards of ethical business practices, transparent reporting, and professional integrity in the workplace.

We have established a clearly defined governance structure at DIN that provides mission-critical oversight and guidance across all our operations and business divisions. Our Board of Directors and Board's committees are responsible for ensuring company-wide compliance with our internal Code of Conduct and business principles. In addition, we regularly review and improve our internal control systems, risk management protocols, and inspection procedures to stay compliant with national and international industry regulations to minimize unethical and unlawful conduct in the company that puts our brand name at risk.

GOVERNANCE STRUCTURE & COMMITTEES

THE DIN BOARD OF DIRECTORS

Our Board of Directors is the chief governance body at DIN, guiding our strategic direction and keeping our senior management aligned with company principles and policies. The Board composition remained the same in 2022. It continues to comprise a total of seven visionary business leaders with decades of experience and expertise combined.

No	Name	Category	Duration as Director
1	Buti Obaid Almulla	Non-independent	32
2	Marwan Abdullah Al Rostomani	Non-independent	17
3	Khalid Abdul Wahid Al Rustomani	Non-independent	17
4	Ahmed Bin Issa AlSerkal	Independent	15
5	Abubakr Abdullah Al-Futtaim	Independent	20
6	Mohammed Ahmed Al Moosa	Independent	14
7	Abdullah Al-Huraiz	Independent	11

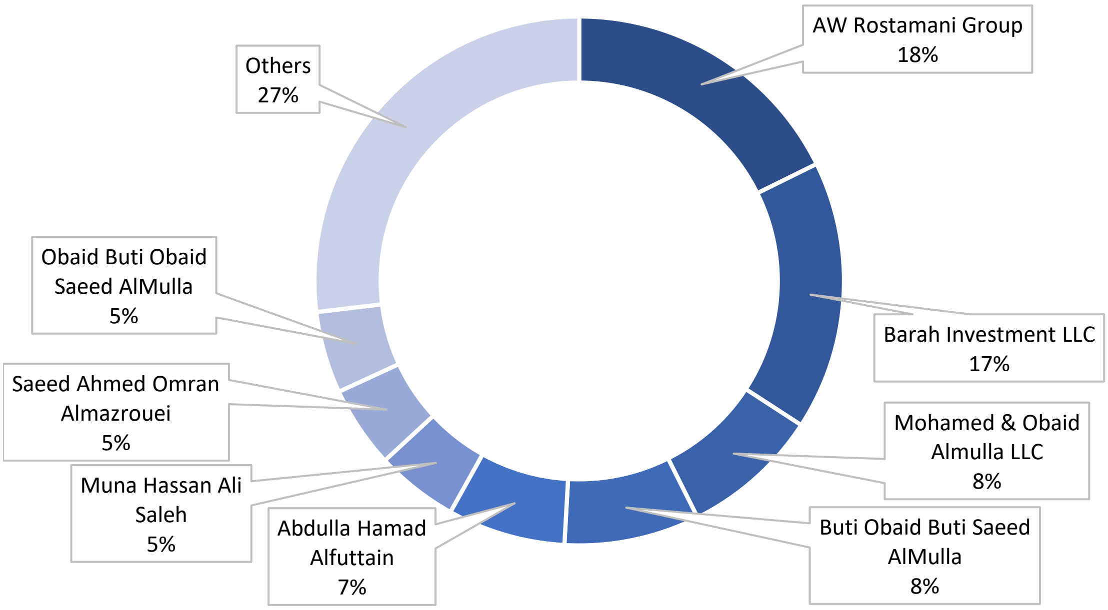
As it stands, the DIN Board has yet to have a female director. No female candidates participated in the Board elections conducted in 2021. It is a priority for us to encourage female leaders to contest in our next elections, set to take place in 2024. Our goal is to bring female presence to our board up to 20%.

OUR OWNERSHIP STRUCTURE

The shareholder pattern of DIN comprises 129 different investors in the following categories:

Sector	Local	Gulf	Arabic	Foreign
Individuals	42.791 %	1.89%	0.003%	0
Companies	55.181 %	0	0	0
Governments	0	0	0	0

Out of all shareholders, eight key corporations and individuals own most of the stakes. Here is a breakdown of ownership among these different investors:



There were no major changes to the ownership shares of our shareholders in 2022. The number of investors with over 5% stake in the company remains at 8.

OUR Board’s COMMITTEES

Several specialized committees support our Board of Directors in seeing through the implementation of our company strategy in line with internal and external rules and regulations. These committees supervise key operational areas and regularly inspect the performance of our management and employees. Currently, there are five committees at DIN:

Audit Committee	Nomination & Remuneration Committee	Committee of Monitoring and Supervising Insiders’ Transactions	Risk Committee	Investment Committee
•Performs internal audits and ensures compliance with financial regulations and ethical reporting practices	•Decides on the nomination of Board members, advises on the hiring of the leadership team and determines the remuneration packages for directors and senior management	•Ensures ethical trading of company stock by employees and safeguards our business against insider trading	•Evaluates company risk management protocols and regularly updates them to ensure minimum risk exposure	•Advises on and directs DIN’s investment activities

All five committees report directly to the Board of Directors. For more details on our Governance Structure, please refer to the 2022 Governance Report.

COMPLIANCE WITH LEGAL & ETHICAL STANDARDS

By implementing a well-functioning and responsible governance structure, DIN ensures compliance with corporate governance laws and all legal and financial regulations, the highest standards of ethical business practices, and our moral obligations to our clients, employees, and other stakeholders.

An important step in achieving full compliance is communicating our expectations to all employees and providing them with a framework that offers a continuous reference point. To that end, we have a comprehensive Code of Ethics and Conduct ('The Code'). The Code includes all fundamental principles and policies that all DIN employees must adhere to in daily business operations. The Code embodies our commitment to observing the highest standards of ethical conduct in the workplace. It also provides a roadmap to maintaining morally sound relationships with external stakeholders, such as our suppliers, customers, and business partners.

What makes our Code of Conduct unique is its emphasis on practical guidance on important business issues and stakeholder concerns, such as data privacy, conflict of interest, anti-corruption, and confidentiality. In addition to providing an ethical framework of action should an employee be confronted with any such issue, the Code also details a reporting protocol in the case of an event that puts the company at risk.

At DIN, we strive to foster a culture of transparency, integrity, respect, and fairness. As a leading insurance provider in the UAE, we are responsible for setting an example of ethical conduct and pioneering best business practices for the rest of the industry. Therefore, in addition to our detailed Code of conduct, we have instituted policies and protocols that govern our day-to-day operations, guide our risk management efforts, and assist in informed and responsible decision-making. These policies include:

- AML Policy and Procedures
- Risk Management Policy
- System Continuity Management Policy
- Whistleblowing policy

Notably, in 2022, we updated our Memorandum and Article of Association as per the updated corporation regulations and laws.

INSIGHT INTO AML POLICY

As a financial institution, we are exposed to significant money laundering & financing of terrorism risks. To safeguard our shareholder interests, business continuity, and brand reputation, we have stringent AML/CFT policies in place.

This year, we built on the audit of our AML policies conducted in 2021 to ensure they align with the AML regulations and expectations of the Central Bank of UAE. In addition, we conducted another audit of our AML procedures and safeguards to identify any gaps. Following the audit, we launched a series of measures following the recommendations of the Central Bank to strengthen our AML Compliance.

Technology plays an important role in helping us stop money laundering and counter-terrorism financing. We have state-of-the-art IT systems in place that keep a real-time check on any suspicious activities. These systems work in line with our risk management protocols and are regularly updated with the help of our AML specialist consultant.

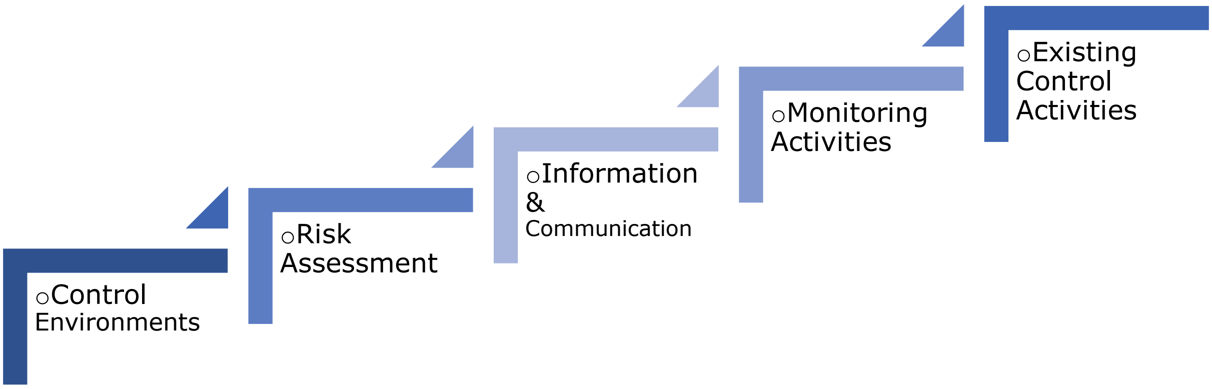
Our integrated AML/CFT risk management system has three main functions:

- Monitoring Politically Exposed Persons (PEPs)
- Screening prospective customers to ensure we have no dealings with any sanctioned individuals and entities
- Assessing client/product risk

INTERNAL CONTROLS & RISK MANAGEMENT AT DIN

Internal control systems are the bedrock of our governance strategy. They ensure compliance with all applicable regulations and protect our company against any deviations from our Code.

We currently have 234 specific protocols and procedures with targeted KPIs that track our progress toward our mission objectives. These processes cover five key components of a robust internal control system.



Our audit committee are primarily responsible for monitoring the efficacy of our control systems. They are tasked with reviewing and improving these systems regularly. Furthermore, in conjunction with the Board of Directors and other governance bodies, our risk management committee assumes the responsibility of keeping DIN's risk exposure low. Effective risk management is embedded in our strategic decisions and is a top priority for our leadership team. As an insurance company, this is critical since we are exposed to material financial risks and a wide range of non-financial risks.

Developing Our Communities

Our responsibility as a prominent insurance company in the UAE extends beyond our direct stakeholders. Ultimately, we are creating value for the communities in which we operate. Our core business allows us to do so by protecting them against unforeseen risks. However, we also invest in the development of our communities through our rigorous CSR program.

Our CSR activities focus on important social issues. We are committed to improving people's lives, alleviating their struggles, and helping them reach their full potential as citizens and residents of one of the world's leading economies, the UAE. In 2022, we increased our philanthropic contributions. We invested an additional AED 800,000 in the UAE's Islamic Affairs & Charitable Activities Department.

Appendices

GRI and DFM Content Index

GRI 1: FOUNDATION 2021	
Statement of Use	Dubai Insurance (DIN) has reported the information cited in this GRI content index for the period 1 January – 31 December 2022 in accordance with the GRI Standards

GRI 2: GENERAL DISCLOSURES

GRI DISCLOSURE	CONTENT	DFM DISCLOSURE	REFERENCE SECTION	NOTES
The Organization and its Reporting Practice				
2-1	Organizational details	G8: Sustainability reporting G9: Disclosure Practices G10: External Assurance	1,4	
2-2	Entities included in the organization’s sustainability reporting	G8: Sustainability reporting G9: Disclosure Practices	1,4	
2-3	Reporting period, frequency and contact point		1	
2-4	Restatements of information	G10: External Assurance		
2-5	External assurance			
Activities and workers				
2-6	Activities, value chain and other business relationships		4	
2-7	Employees	S3: Employee Turnover S4: Gender Diversity	7	
2-8	Workers who are not employees			
Governance				
2-9	Governance structure and composition	G1: Board Diversity	9	
2-10	Nomination and selection of the highest governance body	G2: Board Independence	9	

2-11	Chair of the highest governance body			
2-12	Role of the highest governance body in overseeing the management of impacts			
2-13	Delegation of responsibility for managing impacts			
2-14	Role of the highest governance body in sustainability reporting	G3: Incentivized Pay		
2-15	Conflicts of interest	G7: Ethics & Anti-Corruption	9	
2-16	Communication of critical concerns			
2-17	Collective knowledge of the highest governance body		9	
2-18	Evaluation of the performance of the highest governance body			
2-19	Remuneration policies	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio		
2-20	Process to determine remuneration	S2: Gender Pay Ratio		
2-21	Annual total compensation ratio	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio		
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	E8, E9: Environmental Oversight	6	
2-23	Policy commitments		6, 8	
2-24	Embedding policy commitments			
2-25	Processes to remediate negative impacts	G3: Incentivised Pay		
2-26	Mechanisms for seeking advice and raising concerns			

2-27	Compliance with laws and regulations		9	
2-28	Membership associations	S1: CEO Pay Ratio		
Stakeholder engagement				
2-29	Approach to stakeholder engagement		6	
2-30	Collective bargaining agreements			
GRI 3: MATERIAL TOPICS				
GRI DISCLOSURE	**CONTENT**	**DFM DISCLOSURE**	**REFERENCE SECTION**	**NOTES**
3-1	Process to determine material topics		6	
3-2	List of material topics		6	
3-3	Management of material topics		6	
GRI 200: Economic Standard Series				
GRI 201: Economic Performance 2016				
GRI 201 Topic Specific				
3-3	Management Approach		5	
201-1	Direct economic value generated and distributed		5	
GRI 202: Market Presence 2016				
GRI 202 Topic Specific				
3-3	Management Approach		7	
202-2	Proportion of senior management hired from the local community	S11: Nationalisation	7	
GRI 203: Indirect Economic Impacts 2016				
GRI 203 Topic Specific				
3-3	Management Approach		5	
203-2	Significant indirect economic impacts		5	

GRI 205: Anti-Corruption 2016

3-3	Management Approach		6, 9	
205-1	Operations assessed for risks related to corruption			*Practice still under development*
205-2	Communication and training about anti-corruption policies and procedures			*Practice still under development*
205-3	Confirmed incidents of corruption and actions taken	G6: Ethics & Prevention of Corruption	9	
GRI 300: Environmental Standard Series				
GRI 302: Energy 2016				
GRI 302 Topic Specific				
3-3	Management Approach	E10: Climate Risk Mitigation	6, 8	
302-1	Energy consumption within the organization	E3: Energy Usage	8	
302-2	Energy consumption outside of the organization	E4: Energy Intensity E5: Energy Mix	8	
302-3	Energy Intensity	E4: Energy Intensity E5: Energy Mix	8	
GRI 303: Water and Effluents 2018				
GRI 303 Topic Specific				
3-3	Management Approach		6, 8	
303-5	Water Consumption	E6: Water Usage	8	
GRI 305: Emissions 2016				
GRI 305 Topic Specific				
3-3	Management Approach	E8 & E9: Environmental Oversight	6, 8	
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	8	
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305-4	GHG emissions intensity	E1: GHG Emissions E2: Emissions Intensity	8	
GRI 307: Environmental Compliance 2020				
3-3	Management Approach		8	
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GRI 400: Social Standard Series				
GRI 401: Employment 2016				
GRI 401 Topic Specific				
3-3	Management Approach			
401-1	New employee hires and employee turnover	S3: Employee Turnover	7	
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GRI 404: Training & Education 2016				
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3-3	Management Approach			
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GRI 405: Diversity and Equal Opportunity 2016				
GRI 405 Topic Specific				
3-3	Management Approach			
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		G1: Board Diversity	9	
405-2	Median Compensation			
GRI 406: Non-Discrimination 2016				
GRI 406 Topic Specific				
406-1	Incidents of discrimination and corrective actions taken	S6: Non-discrimination	7	
GRI 413: Local Community 2016				
GRI 413 Topic Specific				
3-3	Management Approach			
413-1	Operations with local community engagement, impact assessments, and development programs	S11: Nationalisation S12: Community Investment	9	
GRI 418: Customer Privacy				
GRI 418 Topic Specific				
3-3	Management Approach			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7: Data Privacy	5	