The Integrated Report of 2023

Dubai Insurance Company

Dubai Insurance Company is delighted to disclose its Integrated Report of 2023 which contains the following:

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

دبي للتأمين
DUBAI INSURANCE
CARE & COMMITMENT SINCE 1970

BOARD OF DIRECTORS REPORT

2023

DUBAI INSURANCE COMPANY (P.S.C)

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Dear shareholders,

Peace and blessings upon you.

The Board of Directors is pleased to present to you the fifty-third report on your company's businesses during the year 2023.

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

1. Insurance revenues amounted to 2.149 billion dirhams, compared to 1.195 billion dirhams for the year 2022, an increase of 80%.
2. The company achieved net insurance profits of 123 million dirhams, compared to 75 million dirhams for the year 2022, an increase of 64%.
3. The company achieved net profits for the year of 142 million dirhams, compared to 90 million dirhams for the year 2022, an increase of 58%.
4. The company's total assets amounted to 2.830 billion dirhams, compared to 2.054 billion dirhams for the year 2022, an increase of 38%.
5. Total shareholders' equity amounted to 790 million dirhams, compared to 644 million dirhams for the year 2022, an increase of 23%.

Dear Shareholders:

We are pleased to announce that, our company has achieved robust results in terms of annual income and total profits. We anticipate maintaining our position as the fourth-ranking company on the corporate ladder

We are also proud that we have been able to achieve Emiratization percentage in various jobs, whether administrative or technical, and the Emiratization percentage has now reached 32% of the total job cadre, which may be the highest within the insurance sector at the state level. The percentage of females working in the company reached 50%.

2024 plan:

We are looking to improve our ranking among the leading companies in terms of growth in income and profits.
We are targeting a 15% increase in income with a 14% increase in net profits.

Management report and analysis

List of main figures	(in '000)	
	2023	2022
Insurance revenue	2,149,804	1,195,301
Insurance service results	123,069	75,527
Investment Income	39,165	27,253
Profit for the year	141,890	90,040
Other Comprehensive Income	59,063	6,688
Total Comprehensive Income	200,953	96,728
Total assets	2,830,072	2,054,438
Shareholders' equity	790,565	644,124

1- Important events and developments:

a) The involuntary loss of employment program was launched and the number of subscribers during the year 2023 reached about 7 million subscribers.

b) The credit rating agency Fitch rated the company with a grade of A.

c) The percentage of income received through digitization of insurance documents reached about 55% of total premium income.

d) Accounting Standard 17 (IFRS 17) was applied in the 2023 financials according to the instructions of the Central Bank.

2- Expected capital spending:

Development of computer systems and digitization.

A Fitch Ratings

Dear Sirs:

The Board of Directors makes the following recommendations, hoping for your 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 31/12/2023
2. Listen to and approve the Auditor's Report for the fiscal year ended on 31/12/2023
3. Discuss and approve the Company's balance sheet and profit and loss account for the fiscal year ended on 31/12/2023
4. Consider the Board of Directors' proposals concerning the distribution of cash dividends of 70% of capital in equal to 70 fills per share & 70 million Dhs in total.
5. Consider the Board of Director's proposal to distribute a cash remuneration to the Board members and to determine the amount thereof.
6. Discharge the members of the Board of Directors for the fiscal year ended on 31/12/2023, 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 31/12/2023, or remove them and file a liability action against them, as the case may be.
8. Appoint the auditors for 2024 and determine their fees.
9. Elect the members of the Board of Directors.

Topics that needs a special decision:
Amendments of Article of Association to be complied with the active Laws & Regulation after obtaining the regulator's approval.

At the conclusion of this report, the Board of Directors would like to record its thanks to all those dealing with the company and its appreciation to the company's management and all its employees for the efforts they have made during the past year. It also thanks the auditors for their continued cooperation.

May God's peace, mercy, and blessings be upon you

Buti Obaid Al Mulla
Chairman of the Board

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

Consolidated financial statements

For the year ended 31 December 2023

Grant Thornton

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Independent Auditor's Report

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

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 subsidiaries (the "Group"), which comprise the consolidated income statement, and the consolidated statement of financial position as at 31 December 2023, 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 material accounting policy information.

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 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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.

Grant Thornton

Independent Auditor's Report

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

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

Key Audit Matters (continued)

Key Audit Matter Valuation of (Re)Insurance Contract Assets and Liabilities	How our audit addressed the key audit matter
As at 31 December 2023, the Group's Insurance Contract Liabilities and Reinsurance Contract Assets are valued at AED 1,669.196 million and AED 1,179.802 million, respectively. (Refer Note 12). Valuation of (Re)Insurance contract assets and liabilities involves significant judgements and estimates particularly with respect to the estimation of the present value of future cash flows, eligibility of the premium allocation approach (PAA) and estimation of the liabilities for incurred claims. These cash flows primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries. The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows.	We performed the following procedures in conjunction with our actuarial specialists: - Understanding and evaluating the process, the design and implementation of controls in place to determine valuation of (Re)Insurance contract assets and liabilities; - Assessment of the competence, capabilities and objectivity of the management appointed actuary; - Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; - Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; - We independently reperformed the calculation to assess the mathematical accuracy of the (Re)Insurance contract assets and liabilities on selected classes of business, particularly focusing on largest and most uncertain reserves; - Evaluated and tested the data used in the impairment model calculations receivables for amounts due; and - Evaluated and tested the calculation of the allowance for expected credit loss allowance and the key assumptions and judgments used.

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Independent Auditor's Report

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

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

Key Audit Matters (continued)

Key Audit Matter Disclosure of transition impact of adopting IFRS 17	How our audit addressed the key audit matter
We determined the disclosure for impact of adopting IFRS 17 to be a key audit matter due to the significant changes introduced by the standard, which includes significant estimates and judgements. These impacts will be of particular importance to the readers of these financial statements. (Refer to Note 2.7). In particular, we have focused on the following key judgements that management have taken on implementing IFRS 17: - The determination of the transition approach adopted for each group of insurance contracts. - The methodology adopted and key assumptions used to determine the impact and restatement of previously reported numbers in accordance with IFRS 17. - Disclosure of the impact of restatement, in accordance with IFRS 17.	Our audit procedures, among others, include: - Assessing whether the judgements applied by management in determining their accounting policies are in accordance with IFRS 17; - Using our actuarial specialist team members, evaluated the appropriateness of the methodology used to determine discount rates as at the transition date; - Evaluating the appropriateness of significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows; - Evaluation of the completeness, and on sample basis, the accuracy and relevance of the data used to determine the impact of IFRS 17 adoption and restatement; and - Evaluated the reasonableness of the quantitative and qualitative disclosures included in the financial statements in accordance with IFRS 17.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that are obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Grant Thornton

Independent Auditor's Report

To the Shareholders of Dubai Insurance Company (P.S.C.) and its subsidiaries (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 and Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) 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.

Grant Thornton

Independent Auditor's Report

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

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

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

- 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.
- 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 year 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 2023, are disclosed in note 10 to these consolidated financial statements;

v) notes 20 and 21 reflect material related party transactions and the terms under which they were conducted;

vi) note 6 to the consolidated financial statements reflects the social contributions made during the year; and

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 2023 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.

Grant Thornton

Independent Auditor's Report

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

Report on other Legal and Regulatory Requirements (continued)

Further, as required by the UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), we report that we have obtained all the information and explanation we considered necessary for the purpose of our audit.

GRANT THORNTON

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

20 FEB 2024

Consolidated income statement
For the year ended 31 December 2023

	Notes	2023 AED'000	*Restated* 2022 AED'000
Insurance revenue		**2,149,804**	1,195,301
Insurance service expenses	3	**(1,332,071)**	(731,489)
Insurance service result before reinsurance contracts held		**817,733**	463,812
Allocation of reinsurance premiums		**(1,295,772)**	(809,968)
Amounts recoverable from reinsurance for incurred claims		**601,108**	421,683
Net expenses from reinsurance contracts held		**(694,664)**	(388,285)
Insurance service result		**123,069**	75,527
Investment income	4	**39,165**	27,253
Insurance finance (expense)/income for insurance contracts issued	4	**(10,906)**	6,819
Reinsurance finance income/(expense) for reinsurance contracts held	4	**10,135**	(6,341)
Net insurance financial result	4	**(771)**	478
Net insurance and investment results		**161,463**	103,258
Other operating expenses		**(19,573)**	(13,218)
Profit for the year		**141,890**	90,040
Basic and diluted earnings per share (AED)	7	**1.374**	0.848

The attached accompanying notes 1 to 24 form part of these consolidated financial statements.

Consolidated statement of comprehensive income
For the year ended 31 December 2023

	2023	*Restated* 2022
	AED'000	AED'000
Profit for the year	**141,890**	90,040
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of equity investments designated at FVTOCI	**55,461**	6,207
Gain on disposal of equity investments designated at FVTOCI	**3,602**	481
Other comprehensive income for the year	**59,063**	6,688
Total comprehensive income for the year	**200,953**	96,728

The attached accompanying notes 1 to 24 form part of these consolidated financial statements.

Consolidated statement of financial position
As at 31 December 2023

	Notes	2023 AED'000	*Restated* 2022 AED'000	*Restated* 2021 AED'000
Assets				
Property and equipment	8	**51,948**	48,898	49,015
Investment property	9	**63,528**	64,273	65,016
Financial assets	10	**911,902**	705,640	566,415
Reinsurance contract assets	12	**1,179,802**	883,948	750,395
Statutory deposit	14	**10,000**	10,000	10,000
Prepayments and other receivables	13	**54,743**	29,954	28,422
Cash and cash equivalents	15	**558,149**	311,725	178,066
Total assets		**2,830,072**	2,054,438	1,647,329
Equity and liabilities				
Equity				
Share capital	16	**100,000**	100,000	100,000
Statutory reserve	17	**50,000**	50,000	50,000
General reserve	17	**50,000**	50,000	50,000
Reinsurance reserve	17	**23,601**	13,812	8,596
Cumulative changes in fair value of FVTOCI investments	17	**251,429**	225,062	218,855
Retained earnings		**315,535**	205,250	165,155
Total equity		**790,565**	644,124	592,606
Liabilities				
Bank loan		**-**	-	11,039
Employees' end of service benefits	19	**6,958**	5,809	5,537
Insurance contract liabilities	12	**1,669,196**	1,213,266	985,227
Other payables		**363,353**	191,239	52,920
Total liabilities		**2,039,507**	1,410,314	1,054,723
Total equity and liabilities		**2,830,072**	2,054,438	1,647,329

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 20 February 2024.

Buti Obaid Almulla
Chairman

Marwan Abdulla Al Rostamani
Vice Chairman

The attached accompanying notes 1 to 24 form part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2023

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Reinsurance reserve AED'000	Cumulative changes in fair value of investments AED'000	Retained earnings AED'000	Total equity AED'000
Balance at 1 January 2022, as previously reported	100,000	50,000	50,000	8,596	218,855	203,039	630,490
Adjustment on initial application of IFRS 17	-	-	-	-	-	(37,884)	(37,884)
Restated balance at 1 January 2022	100,000	50,000	50,000	8,596	218,855	165,155	592,606
Profit for the year (restated)	-	-	-	-	-	90,040	90,040
Other comprehensive income for the year					6,688	-	6,688
Transferred to retained earnings on sale of investments at FVTOCI	-	-	-	-	(481)	481	-
Total other comprehensive income for the year	-	-	-	-	6,207	481	6,688
Director's fee paid	-	-	-	-	-	(5,210)	(5,210)
Cash dividend paid (note 18)	-	-	-	-	-	(40,000)	(40,000)
Transfer to reinsurance reserve (note 17)	-	-	-	5,216	-	(5,216)	-
Balance at 31 December 2022	100,000	50,000	50,000	13,812	225,062	205,250	644,124
Balance at 1 January 2023	**100,000**	**50,000**	**50,000**	**13,812**	**225,062**	**205,250**	**644,124**
Profit for the year	-	-	-	-	-	**141,890**	**141,890**
Other comprehensive income for the year	-	-	-	-	**59,063**	-	**59,063**
Transferred to retained earnings on sale of investments at FVTOCI	-	-	-	-	**(32,696)**	**32,696**	-
Director's fee paid	-	-	-	-	-	**(4,512)**	**(4,512)**
Cash dividend paid (note 18)	-	-	-	-	-	**(50,000)**	**(50,000)**
Transfer to reinsurance reserve (note 17)	-	-	-	**9,789**	-	**(9,789)**	-
Balance at 31 December 2023	**100,000**	**50,000**	**50,000**	**23,601**	**251,429**	**315,535**	**790,565**

The attached accompanying notes 1 to 24 form part of these consolidated financial statements.

Consolidated statement of cash flows
For the year ended 31 December 2023

	Notes	2023 AED'000	*Restated* 2022 AED'000
Cash flows from operating activities			
Profit for the year		**141,890**	90,040
Adjustments for:			
Depreciation of property and equipment	8	**3,263**	2,037
Depreciation on investment property	9	**743**	743
Provision for employees' end of service indemnity	19	**1,334**	927
Realised loss on disposal of financial asset at fair value through profit and loss on equity instruments		**845**	3
Change in fair value of financial assets at FVTPL		**20**	117
Interest income		**(16,856)**	(5,782)
Dividend income		**(24,212)**	(22,103)
Operating cash flows before changes in working capital		**107,027**	65,982
Changes in working capital:			
Reinsurance contract assets		**(295,854)**	(133,553)
Insurance contract liabilities		**455,932**	228,040
Prepayment and other receivables		**(24,789)**	(1,453)
Other payables		**172,114**	138,319
Net cash generated from operations		**414,430**	297,335
Employees' end of service indemnity paid	19	**(185)**	(655)
Net cash generated from operating activities		**414,245**	296,680
Cash flows from investing activities			
Purchase of property and equipment	8	**(6,313)**	(1,920)
Purchase of investments held at amortised cost		**(16,081)**	9,124
Net of Purchase and proceeds of financial assets at FVTOCI		**(3,819)**	(34,874)
Investments in bank deposits at amortised cost		**(128,164)**	(107,985)
Interest received		**16,856**	5,782
Dividend received		**24,212**	22,103
Net cash used in investing activities		**(113,309)**	(106,770)
Cash flows from financing activities			
Net repayment of bank loan		-	(11,039)
Dividends paid	18	**(50,000)**	(40,000)
Directors' fees paid	21	**(4,512)**	(5,212)
Net cash used in financing activities		**(54,512)**	(56,251)
Net increase in cash and cash equivalents		**246,424**	133,659
Cash and cash equivalents at beginning of the year		**311,725**	178,066
Cash and cash equivalents at end of the year		**558,149**	311,725

The attached accompanying notes 1 to 24 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 U.A.E. Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) 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.

During the year, Federal Law No. 48 of 2023 has been issued with effective date of 30 November 2023, repealing Federal Law No. 6 of 2007. In accordance with Article 112 of the Federal Law No. 48 of 2023, the Company has 6 months from this date to apply the provisions of the new Law. The Company is in the process of reviewing the new provisions and will apply the requirements thereof in the required time.

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

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Law was published in the official gazette on 10 October 2022 and became effective on 25 October 2022. The Corporate Tax law will apply to taxable persons for financial years beginning on or after 1 June 2023. For the Company, Corporate Tax will apply from 1 January 2024. A rate of 9% will apply to taxable income exceeding AED 375,000. A rate of 0% will apply to taxable income not exceeding this threshold. The Company engaged a consultant to assist with assessing the impact of Corporate Tax. This engagement is substantially completed and will enable the Company to start accounting for Corporate Tax from Q1 2024.

2 MATERIAL ACCOUNTING POLICY INFORMATION

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("Companies Law"), relating to commercial companies and United Arab Emirates (UAE) Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations. 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 subsidiaries company.

Subsidiaries	Principal activity	Country of incorporation	Ownership
Insurance Pool For Communication And Consulting Services L.L.C	Human Resources Consultancy	United Arab Emirates	100%
ILOE Call Services L.L.C	Call Centre Services	United Arab Emirates	100%
DIN Care Services L.L.C	Customer Care Centre	United Arab Emirates	100%
DIN Novus Management Consultancies L.L.C	Management Consulting	United Arab Emirates	100%

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2023.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 BASIS OF CONSOLIDATION (continued)

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:

- 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 subsidiaries, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiaries, 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 2023

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

Standard number	Title	Effective date
IAS 1	Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
IAS 8	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023

These standards have been adopted by the Company and did not have a material impact on these financial statements, except for the adoption of "IFRS 17 Insurance contracts".

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Standards, interpretations and amendments to existing standards – Impact of new IFRS

IFRS 17 Insurance Contracts

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Group's insurance contracts. The Group was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

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

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

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss and OCI.

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Group under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred acquisition expenses less amounts recognised in revenue for insurance services provided;
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of coverage are more than 12 months apart;
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision); and
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR)) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued

IFRS 17 Insurance Contracts (continued)

Changes to classification and measurement (continued)

The Group capitalises its insurance acquisition cash flows.. No separate asset is recognised for deferred acquisition costs. Instead, qualifying insurance acquisition cash flows are subsumed into the insurance liability for remaining coverage.

Changes to presentation and disclosure

For presentation in the consolidated statement of financial position, the Group aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Groups of insurance and reinsurance contracts issued that are assets;
- Groups of insurance and reinsurance contracts issued that are liabilities;
- Groups of reinsurance contracts held that are assets; and
- Groups of reinsurance contracts held that are liabilities.

The groups referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

The line-item descriptions in the consolidated income statement and consolidated statement of comprehensive income have been changed significantly compared with last year. Previously, the Group reported the following line items:

- Gross written premiums;
- Net written premiums;
- Changes in premium reserves;
- Gross insurance claims; and
- Net insurance claims.

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expenses;
- Insurance finance income or expenses; and
- Income or expenses from reinsurance contracts held.

The Group provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its consolidated financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied;
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, intangible assets related to insurance contracts (previously referred to as 'value of business acquired'), insurance receivables and payables, and provisions for levies that are attributable to existing insurance contracts. Under IFRS 17, they are included in the measurement of the insurance contracts; and
- recognised any resulting net difference in equity.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Transition (continued)

The Group has applied the transition provisions in IFRS 17 and has disclosed the impact of the adoption of IFRS 17 on each consolidated financial statement line item. The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the consolidated statement of changes in equity.

The table below summarise the impact of initial application of IFRS 17 as at 1 January 2022:

	As previously reported AED'000	Effect of application of IFRS 17 AED'000	Restated AED'000
ASSETS			
Reinsurance contract asset	943,982	194	750,395
Insurance and Reinsurance receivables	267,332	267	-
LIABILITIES			
Insurance contract liabilities	1,060,013	75	985,227
Insurance and reinsurance payables	348,247	348,247	-
Other payables	52,920	-	52,920
EQUITY			
Retained earnings	203,041	38	165,155

Insurance and reinsurance contracts classification

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

Insurance and reinsurance contracts accounting treatment

Separating components from insurance and reinsurance contracts

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

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Level of aggregation

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

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

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

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

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

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

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Recognition

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

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

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or

Both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
- The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach

Insurance contracts – initial measurement

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

- The coverage period of each contract in the group is one year or less, including coverage arising from all premiums within the contract boundary.

Or

- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

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

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

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

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

Insurance contracts – subsequent measurement

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

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach (continued)

Insurance contracts – subsequent measurement (continued)

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

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

Reinsurance contracts

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

Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired);

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

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

Presentation

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

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

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

The Group disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion which will be presented in insurance finance income or expenses and in insurance service result respectively.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Insurance revenue

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

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

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

Loss components

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

Insurance finance income and expense

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

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

The Group disaggregates insurance finance income or expenses between profit or loss and OCI. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Group's financial assets are also measured at FVTOCI.

Net income or expense from reinsurance contracts held

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

Classification of insurance contracts

Insurance contracts issued by the Company are classified into two main categories, depending on the duration of risk being: short-term insurance contracts and long-term insurance contracts.

Short-term insurance contracts

These contracts are medical, motor, property, casualty, marine, engineering and short-duration life insurance contracts.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of insurance contracts (continued)

Short-term insurance contracts (continued)

Medical insurance contracts protect the Company's customers against the risk of incurring medical expenses. Medical selection is part of the Company's underwriting procedures, whereby contributions are charged to reflect the health condition and family medical history of the applicants. Pricing is based on assumptions, such as persistency, which consider past experience and current trends. Contracts including specific risks and guarantees are tested for profitability according to predefined procedures before approval.

Marine insurance covers the loss or damage of ships, cargo, terminals, and any transport by which the property is transferred, acquired, or held between the points of origin and the final destination.

Engineering Insurance is an insurance policy that covers a wide range of engineering related risks. It is a comprehensive insurance that provides complete protection against risks associated with erection, testing, and working of any machinery, plant or equipment.

Motor insurance comprises Comprehensive Insurance and Third-Party Insurance. Comprehensive Insurance covers the policy holder for any loss or damage to the policy holder's vehicle caused either by themselves or a third party. It also covers any third party for loss or damage caused by the policy holder. Third Party Insurance, on the other hand only covers the third party for any loss of damage caused by the policy holder.

Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Casualty insurance contracts protect the Company's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events.

Short-duration life insurance contracts (credit life) protect the Company's customers from the consequences of events that would affect the ability of the customer or customer's dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There is no maturity or surrender benefits.

Products are reviewed by the business units on an annual basis to confirm, or otherwise, that pricing assumptions remain appropriate. Analysis is performed on earnings and liability movements to understand the source of any material variation in actual results from what was expected. This confirms the appropriateness of assumptions used in underwriting and pricing.

Long-term insurance contracts

The Company has not written any long-term products during the year ended 31 December 2023 (31 December 2022: nil). Currently, the Company has no intention to grow this line. The existing portfolio will expire with the passage of time. This portfolio include writes single premium savings plan (Everest Product) which is a hybrid between Universal Life and traditional Endowment plans for periods of 3, 5 or 7 years. The plan offers guaranteed maturity benefit and death benefit as higher of policy value or single premium paid. Policy value is calculated as the sum of general and separate account values as at the date of valuation.

The general account value is invested in fixed deposits. The value of deposit as at the valuation date is taken to be general account value.

Separate account is invested in international equities by the reinsurer who carries the investment risk.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest income and expense

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

Dividend income

Dividend income from investments is recognised when the Company's rights to receive payment have been established.

Rental income

Rental income from investment properties which are leased under operating leases is recognised on a straight-line basis over the term of the relevant lease.

Commissions earned

Commissions earned are recognised at the time policies are written.

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.

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 2023 and 2022. 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).

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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 11, based on the lowest level input that is significant to the fair value measurement as a whole.

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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

2.8 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 and estimates

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:

Insurance and reinsurance contracts

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

Liability for remaining coverage

For insurance acquisition cash flows, the Group is eligible and chooses to capitalise all insurance acquisition cashflows upon payments.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements and estimates (continued)

Liability for incurred claims

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

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

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

Discount rates

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

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

	1 year		**3 years**		**5 years**		**10 years**		**20 years**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Insurance contracts issued										
	5.95%	6.44%	**4.91%**	5.63%	**4.69%**	5.32%	**4.64%**	5.12%	**4.65%**	5.00%
Reinsurance contracts held										
	5.95%	6.44%	**4.91%**	5.63%	**4.69%**	5.32%	**4.64%**	5.12%	**4.65%**	5.00%

Risk adjustment for non-financial risk

The Group use Mack method or bootstrapping to determine its risk adjustment for non-financial risk. The bootstrap effectively allows the Group to measure the uncertainty about the amount and timing of the cash flows that arise from non-financial risk since bootstrapping the triangles aims to illustrate the variability of the paid claims.

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (conitued)

Judgements and estimates (continued)

Risk adjustment for non-financial risk (continued)

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 80th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 80th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Insurance and financial risk management

The Group's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2022. There have been no changes in any risk management policies since the year end.

The accounting policies in respect of property and equipment, intangible assets and financial assets have been disclosed in this consolidated financial information as required by Securities and Commodities Authority ("SCA") notification dated 12 October 2008.

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.

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimation uncertainty (continued)

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.

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 SERVICE EXPENSES

For the year ended 31 December 2023	**Life and medical AED'000**	**General and motor AED'000**	**Total AED'000**
Incurred claims and other expenses	**642,848**	**369,895**	**1,012,743**
Amortisation of insurance acquisition cash flows	**113,020**	**274,860**	**387,880**
Changes to liabilities for incurred claims	**(10,234)**	**(58,318)**	**(68,552)**
	745,634	**586,437**	**1,332,071**
Restated			
For the year ended 31 December 2022			
Incurred claims and other expenses	315,899	281,315	597,214
Amortisation of insurance acquisition cash flows	61,016	133,091	194,107
Changes to liabilities for incurred claims	(76)	(59,756)	(59,832)
	376,839	354,650	731,489

4 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCIAL RESULT

The table below presents an analysis of total investment income and insurance financial result recognised in profit or loss and OCI in the period:

For the year ended 31 December 2023	Life and Medical AED'000	General and Motor AED'000	Total AED'000
Investment income			
Amounts recognised in the profit or loss			
Interest income	-	16,856	16,856
Dividend income from financial investments	3,070	21,142	24,212
Realised gain on disposal of financial investments at FVTPL	-	(845)	(845)
Other income	-	(1,058)	(1,058)
	3,070	36,095	39,165
Insurance finance income/(expenses) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(1,387)	(9,775)	(11,162)
Due to changes in interest rates and other financial assumptions	31	225	256
Total insurance finance expenses from insurance contracts issued	(1,356)	(9,550)	(10,906)
Represented by:			
Amounts recognised in profit or loss	(1,356)	(9,550)	(10,906)
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	1,061	9,303	10,364
Due to changes in interest rates and other financial assumptions	(15)	(214)	(229)
Reinsurance finance income from reinsurance contracts held	1,046	9,089	10,135
Represented by:			
Amounts recognised in profit or loss	1,046	9,089	10,135
Total insurance finance expenses and reinsurance finance income	(310)	(461)	(771)
Represented by:			
Amounts recognised in profit or loss	(310)	(461)	(771)

4 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCIAL RESULT (Continued)

The table below presents an analysis of total investment income and insurance financial result recognised in profit or loss and OCI in the period:

For the year ended 31 December 2022	Life and Medical *Restated* AED'000	General and Motor *Restated* AED'000	Total *Restated* AED'000
Investment income			
Amounts recognised in the profit or loss			
Interest income	-	5,782	5,782
Dividend income from financial investments	3,101	19,002	22,103
Realised gain on disposal of financial investments at FVTPL	-	(2)	(2)
Other income	-	(630)	(630)
	3,101	24,152	27,253
Insurance finance income/(expenses) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(202)	(1,947)	(2,149)
Due to changes in interest rates and other financial assumptions	1,035	7,933	8,968
Total insurance finance expenses from insurance contracts issued	833	5,986	6,819
Represented by:			
Amounts recognised in profit or loss	833	5,986	6,819
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	160	1,836	1,996
Due to changes in interest rates and other financial assumptions	(793)	(7,544)	(8,337)
Reinsurance finance income from reinsurance contracts held	(633)	(5,708)	(6,341)
Represented by:			
Amounts recognised in profit or loss	(633)	(5,708)	(6,341)
Total insurance finance expenses and reinsurance finance income	200	278	478
Represented by:			
Amounts recognised in profit or loss	200	278	478

5 SEGMENT INFORMATION

The Group is organised into two segments: Life and Medical as one segment and Motor and General as the other segment.

These segments are the basis on which the Group reports its primary segment information to the Chief Executive Officer. Insurance revenue represent the total income arising from insurance contracts. The Group does not conduct any business outside the UAE. There are no transactions between the business segments.

The following is an analysis of the Group's condensed consolidated interim income statement classified by major segments:

	For the year ended 31 December 2023		
	Life and Medical AED'000	**Motor and General AED'000**	**Total AED'000**
Insurance revenue	747,378	1,402,426	2,149,804
Insurance service expenses	(745,634)	(586,437)	(1,332,071)
Insurance service result before reinsurance contracts held	1,744	815,989	817,733
Allocation of reinsurance premiums	(339,394)	(956,378)	(1,295,772)
Amounts recoverable from reinsurance	335,562	265,546	601,108
Net expenses from reinsurance contracts held	(3,832)	(690,832)	(694,664)
Investment income	3,070	36,095	39,165
Finance expenses from insurance contracts issued	(1,356)	(9,550)	(10,906)
Finance income from reinsurance contracts held	1,046	9,089	10,135
Net insurance financial result	(310)	(461)	(771)
Other operating expenses	(26)	(19,547)	(19,573)
Net Profit for the period	646	141,244	141,890

5 SEGMENT INFORMATION (Continued)

	For the year ended 31 December 2022		
	Life and Medical *Restated* AED'000	Motor and General *Restated* AED'000	Total *Restated* AED'000
Insurance revenue	380,763	814,538	1,195,301
Insurance service expenses	(376,839)	(354,650)	(731,489)
Insurance service result before reinsurance contracts held	3,924	459,888	463,812
Allocation of reinsurance premiums	(233,461)	(576,507)	(809,968)
Amounts recoverable from reinsurance	242,778	178,905	421,683
Net expenses from reinsurance contracts held	9,317	(397,602)	(388,285)
Investment income	3,101	24,152	27,253
Finance expenses from insurance contracts issued	833	5,986	6,819
Finance income from reinsurance contracts held	(633)	(5,708)	(6,341)
Net insurance financial result	200	278	478
Other operating expenses	-	(13,218)	(13,218)
Net profit for the period	16,542	73,498	90,040

The following is an analysis of the Group's assets, liabilities and equity classified by segment:

	As at 31 December 2023		
	Life and Medical AED'000	**Motor and General AED'000**	**Total AED'000**
Total assets	**238,424**	**2,591,648**	**2,830,072**
Total liabilities	**313,005**	**1,726,502**	**2,039,507**

	As at 31 December 2022		
	Life and Medical *Restated* AED'000	Motor and General *Restated* AED'000	Total *Restated* AED'000
Total assets	183,321	1,871,117	2,054,438
Total liabilities	133,663	1,276,651	1,410,314

5 SEGMENT INFORMATION (continued)

Gross written premium

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

31 December 2023	Life Insurance AED'000	Fund Accumulation AED'000	Medical Insurance AED'000	Property & Liability AED'000	All types of Business Combined AED'000
Direct Written Premiums	3,245	-	933,795	1,585,641	2,522,681
Assumed Business					
Foreign	-	-	-	-	-
Local	-	-	(1,067)	288,704	287,637
Total Assumed Business	-	-	(1,067)	288,704	287,637
Gross Written Premiums	**3,245**	**-**	**932,728**	**1,874,345**	**2,810,318**

31 December 2022					
Direct Written Premiums	2,624	-	425,803	872,398	1,300,825
Assumed Business					
Foreign	-	-	-	-	-
Local	-	-	3,344	164,973	168,317
Total Assumed Business	-	-	3,344	164,973	168,317
Gross Written Premiums	2,624	-	429,147	1,037,371	1,469,142

6 OTHERS OPERATING EXPENSES

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

	2023 AED'000	2022 AED'000
Staff costs	39,241	29,158
Rental costs – short term operating leases*	641	995
Social contributions**	1,000	800

* 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.

7 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:

	2023 AED'000	*Restated* 2022 AED'000
Profit for the year (in AED'000')	**141,890**	90,040
Directors' fee (in AED'000')	**(4,512)**	(5,212)
Net (in AED'000')	**137,378**	84,828
Weighted average number of shares outstanding during the year ('000)	**100,000**	100,000
Earnings per share (AED'000')	**1.374**	0.848

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.

8 PROPERTY AND EQUIPMENT

	Land AED'000	Furniture and equipment AED'000	Motor vehicles AED'000	Total AED'000
Cost:				
At 1 January 2023	**44,173**	**22,624**	**850**	**67,647**
Additions during the year	**-**	**5,584**	**729**	**6,313**
At 31 December 2023	**44,173**	**28,208**	**1,579**	**73,960**
Depreciation:				
At 1 January 2023	**-**	**(17,925)**	**(824)**	**(18,749)**
Charge for the year	**-**	**(3,064)**	**(199)**	**(3,263)**
At 31 December 2023	**-**	**(20,989)**	**(1,023)**	**(22,012)**
Net carrying amount:				
At 31 December 2023	**44,173**	**7,219**	**556**	**51,948**
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

8 PROPERTY AND EQUIPMENT (continued)

The depreciation charge for the year of AED 3,263 thousand (2022: AED 2,037 thousand) has been allocated as follows:

	2023	2022
	AED'000	AED'000
Underwriting expenses	2,447	1,528
Non-underwriting expenses	816	509
	3,263	2,037

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 (2022: 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.

9 INVESTMENT PROPERTIES

	Freehold land AED'000	Building AED'000	Total AED'000
Cost:			
At 1 January 2023	17,296	66,484	83,780
At 31 December 2023	17,296	66,484	83,780
Depreciation:			
At 1 January 2023	-	(19,507)	(19,507)
Charge for the year	-	(745)	(745)
At 31 December 2023	-	(20,252)	(20,252)
Net carrying amount:			
At 31 December 2023	17,296	46,232	63,528
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

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 2023, based on a valuation undertaken by an independent qualified valuer, amounted to AED 15,000 thousand each (2022: AED 7,508 thousand).

9 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 2023, based on an average of valuation undertaken by independent qualified valuers, amounted to AED 34,644 thousand (2022: AED 34,875 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 2023, based on an average of valuation undertaken by independent qualified valuers, amounted to AED 39,037 thousand (2022: AED 31,100 thousand).

The fair value of investment properties has been determined using level 3 fair value hierarchy.

10 FINANCIAL INSTRUMENTS

	Carrying value		Fair value	
	2023	2022	**2023**	2022
	AED'000	AED'000	**AED'000**	AED'000
Financial instruments				
At fair value through profit or loss (note 10(a))	**3,628**	3,858	**3,628**	3,858
At fair value through other comprehensive income (note 10(b))	**587,784**	523,858	**587,784**	523,858
At amortised cost (note 10(c))	**320,490**	177,924	**319,855**	178,731
	911,902	705,640	**911,267**	706,447

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

	2023	2022
	AED'000	AED'000
Shares – quoted	**3,628**	3,858
	3,628	3,858

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

	2023	2022
	AED'000	AED'000
Shares – quoted (within UAE)	**413,635**	372,257
Shares – unquoted (outside UAE)	**172,929**	143,561
Shares – unquoted (within UAE)	**1,220**	8,040
	587,784	523,858

The fair value gain amounting to AED 26,367 thousand (2022: AED 6,207 thousand) has been recognised in the consolidated statement of comprehensive income.

10 FINANCIAL INSTRUMENTS (Continued)

10(c) FINANCIAL INSTRUMENTS AT AMORTISED COST

	2023	2022
	AED'000	AED'000
Debt securities	**43,325**	29,133
*Bank deposits	**277,165**	148,791
	320,490	177,924

*The entire shares and bank deposits are within the United Arab Emirates. Bank deposits include deposits amounting to AED 198,271 thousand (2022: AED 148,791 thousand) with maturity over three months up to twelve months as at the reporting date with an effective interest rate 4.40% to 5.30%.

	2023	2022
	AED'000	AED'000
Amortised cost		
Debt securities (within UAE)	**22,792**	20,984
Debt securities (outside UAE)	**20,533**	8,149
	43,325	29,133

The investments carry interest at an effective interest rate 6.83% per annum. The maturity profile of these debt instruments is shown below:

	31 December 2023		
	Less than 5 years AED'000	**More than 5 years AED'000**	**Total AED'000**
Debt securities (within UAE)	**3,608**	**19,184**	**22,792**
Debt securities (outside UAE)	**20,533**	**-**	**20,533**
	24,141	**19,184**	**43,325**

	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

11 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.

11 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 2023				
Financial instruments				
At fair value through profit or loss:				
Quoted equity securities	3,628	-	-	3,628
	3,628	-	-	3,628
At fair value through other comprehensive income:				
Quoted equity securities	413,635	-	-	413,635
Unquoted equity securities	-	-	174,149	174,149
	413,635	-	174,149	587,784
	417,263	-	174,149	591,412

	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:				
Quoted equity securities	3,858	-	-	3,858
	3,858	-	-	3,858
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	-	151,601	527,716

11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Movements in level 3 financial instruments measured at fair value

31 December 2023

	At 1 January 2023 AED'000	Purchases AED'000	Sales AED'000	Total gain recorded in OCI AED'000	Transfers AED'000	At 31 December 2023 AED'000
Financial instruments						
At fair value through other comprehensive income						
Unquoted investments	151,601	64,836	(68,655)	26,367	-	174,149
Total level 3 financial assets	151,601	64,836	(68,655)	26,367	-	174,149

31 December 2022

	At 1 January 2022 AED'000	Purchases AED'000	Sales AED'000	Total gain 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	110,520	38,839	(3,965)	6,207	-	151,601
Total level 3 financial assets	110,520	38,839	(3,965)	6,207	-	151,601

11 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.

12 INSURANCE AND REINSURANCE CONTRACTS

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

	31 December 2023			31 December 2022		
						Restated
	Assets AED'000	**Liabilities AED'000**	**Net AED'000**	Assets AED'000	Liabilities AED'000	Net AED'000
Insurance contracts issued						
Life and Medical	-	**(303,050)**	**(303,050)**	-	(131,019)	(131,019)
General and Motor	-	**(1,366,146)**	**(1,366,146)**	-	(1,082,247)	(1,082,247)
	-	**(1,669,196)**	**(1,669,196)**	-	(1,213,266)	(1,213,266)
Reinsurance contracts held						
Life and Medical	**158,703**	-	**158,703**	112,347	-	112,347
General and Motor	**1,021,099**	-	**1,021,099**	771,601	-	771,601
	1,179,802	-	**1,179,802**	883,948	-	883,948

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

The Group disaggregates information to provide disclosure in respect of major product lines separately: Life & Medical and General & Motor. This disaggregation has been determined based on how the Group is managed.

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

12 INSURANCE AND REINSURANCE CONTRACTS (Continued)

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

2023	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Insurance contract liabilities as at 1 January	26,181	-	102,124	2,713	782,013	-	285,163	15,072	1,213,266
Insurance revenue	(747,378)	-	-	-	(1,402,426)	-	-	-	(2,149,804)
Insurance service expenses	113,020	-	629,482	3,133	274,860	-	314,928	(3,352)	1,332,071
Incurred claims and other expenses	-	-	623,622	19,227	-	-	372,889	(2,995)	1,012,743
Amortisation of insurance acquisition cash flows	113,020	-	-	-	274,860	-	-	-	387,880
Changes to liabilities for incurred claims	-	-	5,860	(16,094)	-	-	(57,961)	(357)	(68,552)
Insurance service result	(634,358)	-	629,482	3,133	(1,127,566)	-	314,928	(3,352)	(817,733)
Insurance finance expenses	-	-	1,356	-	-	-	9,550	-	10,906
Total changes in the statement of comprehensive (income)/loss	(634,358)	-	630,838	3,133	(1,127,566)	-	324,478	(3,352)	(806,827)
Cash flows									
Premiums received	856,012	-	-	-	1,831,099	-	-	-	2,687,111
Claims and other expenses paid	-	-	(548,482)	-	-	-	(373,309)	-	(921,791)
Insurance acquisition cash flows	(135,111)	-	-	-	(367,452)	-	-	-	(502,563)
Total cash flows	720,901	-	(548,482)	-	1,463,647	-	(373,309)	-	1,262,757
Net insurance contract liabilities as at 31 December	112,724	-	184,480	5,846	1,118,094	-	236,332	11,720	1,669,196

12 INSURANCE AND REINSURANCE CONTRACTS (Continued)

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

2022 (Restated)	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component *Restated* AED'000	Loss component *Restated* AED'000	Estimates of the present value of future cash flows *Restated* AED'000	Risk adjustment *Restated* AED'000	Excluding loss component *Restated* AED'000	Loss component *Restated* AED'000	Estimates of the present value of future cash flows *Restated* AED'000	Risk adjustment *Restated* AED'000	Total *Restated* AED'000
Insurance contract liabilities as at 1 January	11,712	-	76,985	2,233	640,323	-	240,489	13,484	985,226
Insurance revenue	(380,763)	-	-	-	(814,538)	-	-	-	(1,195,301)
Insurance service expenses	61,016	-	315,343	480	133,091	-	219,971	1,588	731,489
Incurred claims and other expenses	-	-	308,049	7,850	-	-	284,392	(3,077)	597,214
Amortisation of insurance acquisition cash flows	61,016	-	-	-	133,091	-	-	-	194,107
Changes to liabilities for incurred claims	-	-	7,294	(7,370)	-	-	(64,421)	4,665	(59,832)
Insurance service result	(319,747)	-	315,343	480	(681,447)	-	219,971	1,588	(463,812)
Insurance finance expenses	-	-	(833)	-	-	-	(5,986)	-	(6,819)
Total changes in the statement of comprehensive (income)/loss	(319,747)	-	314,510	480	(681,447)	-	213,985	1,588	(470,631)
Cash flows									
Premiums received	406,920	-	-	-	1,062,263	-	-	-	1,469,183
Claims and other expenses paid	-	-	(289,371)	-	-	-	(169,311)	-	(458,682)
Insurance acquisition cash flows	(72,704)	-	-	-	(239,126)	-	-	-	(311,830)
Total cash flows	334,216	-	(289,371)	-	823,137	-	(169,311)	-	698,671
Net insurance contract liabilities as at 31 December	26,181	-	102,124	2,713	782,013	-	285,163	15,072	1,213,266

12 INSURANCE AND REINSURANCE CONTRACTS (Continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

2023

	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Reinsurance contract assets as at 1 January	13,539	-	96,996	1,812	445,855	-	311,807	13,939	883,948
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets as at 1 January	13,539	-	96,996	1,812	445,855	-	311,807	13,939	883,948
An allocation of reinsurance premiums	(339,394)	-	-	-	(956,378)	-	-	-	(1,295,772)
Amounts recoverable from reinsurers for incurred claims	-	-	334,606	956	-	-	268,630	(3,084)	601,108
Amounts recoverable for incurred claims and other expenses	-	-	328,287	10,922	-	-	306,710	6,681	652,601
Changes to amounts recoverable for incurred claims	-	-	6,319	(9,966)	-	-	(38,080)	(9,765)	(51,492)
Net income or expense from reinsurance contracts held	(339,394)	-	334,606	956	(956,378)	-	268,630	(3,084)	(694,664)
Reinsurance finance income	-	-	1,046	-	-	-	9,089	-	10,135
Total changes in the statement of comprehensive income	(339,394)	-	335,652	956	(956,378)	-	277,719	(3,084)	(684,529)
Cash flows									
Premiums paid	398,075	-	-	-	1,219,172	-	-	-	1,617,247
Amounts received	-	-	(348,933)	-	-	-	(287,931)	-	(636,864)
Total cash flows	398,075	-	(348,933)	-	1,219,172	-	(287,931)	-	980,383
Net reinsurance contract assets as at 31 December	72,220	-	83,715	2,768	708,649	-	301,595	10,855	1,179,802
Reinsurance contract assets as at 31 December	72,220	-	83,715	2,768	708,649	-	301,595	10,855	1,179,802
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets as at 31 December	72,220	-	83,715	2,768	708,649	-	301,595	10,855	1,179,802

12 INSURANCE AND REINSURANCE CONTRACTS (Continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

2022 (Restated)	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component *Restated* AED'000	Loss component *Restated* AED'000	Estimates of the present value of future cash flows *Restated* AED'000	Risk adjustment *Restated* AED'000	Excluding loss recovery component *Restated* AED'000	Loss component *Restated* AED'000	Estimates of the present value of future cash flows *Restated* AED'000	Risk adjustment *Restated* AED'000	Total *Restatea* AED'000
Reinsurance contract assets as at 1 January	5,403	-	63,409	1,738	401,130	-	266,397	12,318	750,395
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets as at 1 January	5,403	-	63,409	1,738	401,130	-	266,397	12,318	750,395
Allocation of reinsurance premiums	(233,461)	-	-	-	(576,507)	-	-	-	(809,968)
Amounts recoverable from reinsurers for incurred claims	-	-	242,705	74	-	-	177,283	1,621	421,683
Amounts recoverable for incurred claims and other expenses	-	-	231,312	4,314	-	-	238,477	6,533	480,636
Changes to amounts recoverable for incurred claims	-	-	11,393	(4,240)	-	-	(61,194)	(4,912)	(58,953)
Net income or expense from reinsurance contracts held	(233,461)	-	242,705	74	(576,507)	-	177,283	1,621	(388,285)
Reinsurance finance income	-	-	(633)	-	-	-	(5,708)	-	(6,341)
Total changes in the statement of comprehensive (income)/loss	(233,461)	-	242,072	74	(576,507)	-	171,575	1,621	(394,626)
Cash flows									
Premiums paid	241,597	-	-	-	621,232	-	-	-	862,829
Amounts received	-	-	(208,486)	-	-	-	(126,164)	-	(334,650)
Total cash flows	241,597	-	(208,486)	-	621,232	-	(126,164)	-	528,179
Net reinsurance contract assets as at 31 December	13,539	-	96,995	1,812	445,855	-	311,808	13,939	883,948
Reinsurance contract assets as at 31 December	13,539	-	96,995	1,812	445,855	-	311,808	13,939	883,948
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31 December	13,539	-	96,995	1,812	445,855	-	311,808	13,939	883,948

12 INSURANCE AND REINSURANCE CONTRACTS (Continued)

In addition to scenario testing, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Group's estimate of liability for incurred claims for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the statement of financial position. The following tables illustrate the Group's estimate of total liability for incurred claims for the years up to 2023.

Gross Insurance contract liabilities at 31 December 2023

Restated	2016 and prior AED	2017 AED	2018 AED	2019 AED	2020 AED	2021 AED	2022 AED	**2023 AED**	**Total AED**
At the end of each reporting year	228,800	78,449	142,706	143,018	271,462	197,716	139,791	**375,625**	**375,625**
One year later	231,449	113,378	149,517	149,910	326,047	210,253	202,921	**-**	**202,921**
Two years later	236,260	109,224	154,864	148,738	338,105	219,525	-	**-**	**219,525**
Three years later	233,923	105,993	149,775	145,925	354,452	-	-	**-**	**354,452**
Four years later	233,789	105,674	149,869	148,586	-	-	-	**-**	**148,586**
Five years later	233,741	105,468	146,146	-	-	-	-	**-**	**146,146**
Six years later	233,655	107,074	-	-	-	-	-	**-**	**107,074**
Seven years later	237,871	-	-	-	-	-	-	**-**	**237,871**
Estimate of cumulative claims	237,871	107,074	146,146	148,586	354,452	219,525	202,921	**375,625**	**1,792,200**
Cumulative payments to date	(237,363)	(106,973)	(146,046)	(140,104)	(295,368)	(188,823)	(182,821)	**(225,317)**	**(1,522,816)**
Unallocated loss adjustment expense reserve	-	-	-	-	-	-	-	**992**	**992**
Claims payable	(48)	(9)	(9)	(784)	(5,464)	(2,839)	(1,859)	**(13,993)**	**(25,005)**
Total gross undiscounted liabilities for incurred claims	459	92	91	7,698	53,620	27,863	18,241	**137,307**	**245,371**
Attributable expenses								**1,167**	**1,167**
Effect of discounting									**9,039**
Total discounted gross reserves included in the statement of financial position									**236,332**
Risk Adjustments									**11,720**

13 PREPAYMENTS AND OTHER RECEIVABLES

	2023 AED'000	2022 AED'000
Accrued interest receivable	**7,179**	2,295
Prepayments	**3,549**	4,623
Staff debtors and advances	**108**	335
VAT receivable	**14,110**	10,517
Other receivables *	**29,797**	12,184
	54,743	29,954

* It includes the payment of AED 11 million to AI Financial Technologies Holding against the right to its certain shares in January 2025.

14 STATUTORY DEPOSITS

	2023 AED'000	2022 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 4.40% per annum (2022: 2.10%) per annum.

15 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:

	2023 AED'000	2022 AED'000
Cash on hand	**26**	41
Cash at banks	**558,123**	311,684
	558,149	311,725

Cash and cash equivalents are within United Arab Emirates, Europe and GCC.

16 SHARE CAPITAL

	2023 AED'000	2022 AED'000
Issued and fully paid 100,000,000 shares of AED 1 each (2022: 100,000,000 shares of AED 1 each)	**100,000**	100,000

17 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.

17 RESERVES (Continued)

NATURE AND PURPOSE OF RESERVES (Continued)

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 2022: 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 9,789 thousand (31 December 2022: AED 5,216 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.

18 DIVIDENDS

For the year ended 31 December 2022, the shareholders at the annual general meeting dated 13 March 2023 approved a cash dividend of 50% (AED 0.50 per share) totalling AED 50 million. 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.

19 EMPLOYEES' END OF SERVICE BENEFITS

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

	2023 **AED'000**	2022 AED'000
Provision as at 1 January	**5,809**	5,537
Provided during the year	**1,334**	927
End of service benefits paid	**(185)**	(655)
Provision as at 31 December	**6,958**	5,809

20 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:

	2023 **AED'000**	2022 AED'000
Affiliates of major shareholders:		
Due from policyholders	**33,508**	45,392
Outstanding claims	**8,200**	32,160

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

20 RELATED PARTY TRANSACTIONS (Continued)

	2023 AED'000	2022 AED'000
Affiliates of major shareholders:		
Premiums	**48,942**	36,101
Claims paid	**(49,290)**	(1,246)
Admin and facilitation fees	**(7,689)**	(4,858)
Rent received	**59**	58
Rent paid	**(483)**	(542)

Compensation of the key management personnel is as follows:

	2023 AED'000	2022 AED'000
Short term employee benefits	**8,416**	7,344
End of service benefits	**268**	270
	8,684	7,614

Outstanding balances at the year-end arise in the normal course of business. For the years ended 31 December 2023 and 31 December 2022, the Group has recorded expected credit losses of AED 11 thousand on balances owed by related parties respectively.

21 DIRECTORS' FEES

Directors' fees have been included as an appropriation of net profit for the year AED 4,512 thousand (2022: 5,210 thousand)

22 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.

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.

22 RISK MANAGEMENT (continued)

(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 2023 and 31 December 2022.

(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.

22 RISK MANAGEMENT (continued)

22A 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.

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.

22 RISK MANAGEMENT (continued)

22A Insurance risk (continued)

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.

The five largest reinsurers account for 79% of amounts due from reinsurance companies at 31 December 2023 (2022: 71%). 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.

22 RISK MANAGEMENT (continued)

22A Insurance risk (continued)

Type of risk	year ended 31 December 2023 Gross loss ratio	year ended 31 December 2023 Net loss ratio	year ended 31 December 2022 Gross loss ratio	year ended 31 December 2022 Net loss ratio
Life insurance	40%	32%	33%	22%
General insurance	42%	42%	40%	23%

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.

Sensitivity

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross and net liabilities, net profit and equity for reasonably possible movements in key assumptions with all other assumptions held constant.

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

2023	Change in assumptions	Impact on net profit gross of reinsurance AED'000	Impact on net profit net of reinsurance AED'000	Impact on equity gross of reinsurance AED'000	Impact on equity net of reinsurance AED'000
Loss reserves	5%	21,192	4,785	21,192	4,785
Risk Adjustment	5%	878	197	878	197
Discount rate	0.5%	(1,011)	(137)	(1,011)	(137)
Loss reserves	-5%	(21,192)	(4,785)	(21,192)	(4,785)
Risk Adjustment	-5%	(878)	(197)	(878)	(197)
Discount rate	-0.5%	1,020	138	1,020	138

22 RISK MANAGEMENT (continued)

22A Insurance risk (continued)

Sensitivity (continued)

2022 (restated)	Change in assumptions	Impact on net profit gross of reinsurance AED'000	Impact on net profit net of reinsurance AED'000	Impact on equity gross of reinsurance AED'000	Impact on equity net of reinsurance AED'000
Loss reserves	+5%	18,545	2,028	18,545	2,028
Risk Adjustment	+5%	889	102	889	102
Discount rate	+0.5%	(1,003)	(73)	(1,003)	(73)
Loss reserves	-5%	(18,545)	(2,028)	(18,545)	(2,028)
Risk Adjustment	-5%	(889)	(102)	(889)	(102)
Discount rate	-0.5%	1,012	74	1,012	74

22B 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.

22 RISK MANAGEMENT (continued)

22B 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	2023 AED'000	2022 AED'000
Financial instruments – deposits and debt instruments		**320,490**	177,924
Other receivables (excluding prepayments)	12	**51,194**	25,331
Statutory deposits	14	**10,000**	10,000
Cash and cash equivalents	15	**558,149**	311,725
Total credit risk exposure		**939,833**	**524,980**

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 2023 (2022: 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:

	2023			2022		
	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	**1,955,284**	**2,538,298**	**10,105**	1,328,916	1,880,528	10,105
Europe	**542,256**	**188,237**	**-**	265,184	117,813	-
Rest of the world	**332,532**	**103,537**	**-**	460,338	56,097	-
Total	**2,830,072**	**2,830,072**	**10,105**	2,054,438	2,054,438	10,105

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

22 RISK MANAGEMENT (continued)

22B Financial risk (continued)

Credit risk **(continued)**

31 December 2023

	Neither past due nor impaired				
	High grade	**Standard grade**	**Sub-standard grade**	**Past due and impaired**	**Total**
	AED'000	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Financial instruments	-	**320,490**	-	-	**320,490**
Reinsurance assets	-	**1,179,802**	-	-	**1,179,802**
Other receivables (excluding prepayments)	-	**51,194**	-	-	**51,194**
Statutory deposits	**10,000**	-	-	-	**10,000**
Cash and cash equivalents	**558,149**	-	-	-	**558,149**
	568,149	**1,551,486**	-	-	**2,119,635**

31 December 2022

	Neither past due nor impaired				
	High grade	Standard grade	Sub-standard grade	Past due and impaired	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Financial instruments	-	177,924	-	-	177,924
Reinsurance assets	-	883,948	-	-	883,948
Other receivables (excluding prepayments)	-	25,331	-	-	25,331
Statutory deposits	10,000	-	-	-	10,000
Cash and cash equivalents	311,725	-	-	-	311,725
	321,725	1,087,203	-	-	1,408,928

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*
2023	**276,555**	**139,806**	**34,822**	**12,973**	**6,047**	**24,858**	**495,061**	**(14,809)**	**480,252**
2022	108,300	203,924	30,311	6,907	7,279	21,541	378,262	(13,909)	364,353

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.

22 RISK MANAGEMENT (continued)

22B Financial risk (continued)

***Credit risk* (continued)**

	Insurance receivables days past due (AED'000)			
31 December 2023	**0-90 days**	**91-365 days**	**365 days and above**	**Total**
Expected credit loss rates	**1.89%**	**0.76%**	**26.25%**	
Gross carrying amount	**416,361**	**53,842**	**24,858**	**495,061**
Life-time expected credit losses	**7,875**	**410**	**6,524**	**14,809**

	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

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.

(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.

22 RISK MANAGEMENT (continued)

22B Financial risk (continued)

Currency risk (continued)

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

		2023 AED'000	2022 AED'000
Debt instruments at amortised cost	*- US Dollars*	**43,325**	29,133
Insurance receivables	*- US Dollars*	**41,493**	66,149
	- Euro	**321**	980
	GBP	**72**	930
	- Others	**1,177**	3,178
Other receivables	*- US Dollars*	**11,632**	397
Cash and cash equivalents	*- US Dollars*	**22,847**	9,793
	- Euro	**4,112**	4,870
	- GBP	**107**	45
	- Others	**-**	-
Reinsurance insurance payables	*- US Dollars*	**10,061**	11,514
	- Euro	**201**	1,506
	- GBP	**67**	3,115
	- Others	**3,664**	10,054
Other payables	*- US Dollars*	**1,046**	827
	- Euro	**122**	141
	- GBP	**4**	4
	- Others	**-**	39

The table on next page 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.

	Increase in exchange rate	Effect on profit AED'000 2023	Effect on profit AED'000 2022
Assets			
US Dollars	+5%	**5,965**	5,274
Euro	+5%	**222**	293
GBP	+5%	**9**	49
Others	+5%	**59**	159
Liabilities			
US Dollars	+5%	**555**	617
Euro	+5%	**16**	82
GBP	+5%	**4**	156
Others	+5%	**183**	505

22 RISK MANAGEMENT (continued)

22B 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 2023				31 December 2022			
	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	-	-	51,948	51,948	-	-	48,898	48,898
Investment property	-	-	63,528	63,528	-	-	64,273	64,273
Financial instruments	277,165	43,325	591,412	911,902	148,791	29,133	527,716	705,640
Reinsurance contract assets	1,179,802	-	-	1,179,802	883,948	-	-	883,948
Prepayments and other receivables	54,743	-	-	54,743	29,954	-	-	29,954
Statutory deposits	-	-	10,000	10,000	-	-	10,000	10,000
Cash and cash equivalents	558,149	-	-	558,149	311,725	-	-	311,725
TOTAL ASSETS	2,069,859	43,325	716,888	2,830,072	1,374,418	29,133	650,887	2,054,438
Liabilities								
Employees' end of service benefits	-	6,958	-	6,958	-	5,809	-	5,809
Insurance contract liabilities	1,669,196	-	-	1,669,196	1,213,266	-	-	1,213,266
Other payables	363,353	-	-	363,353	191,239	-	-	191,239
Total liabilities	2,032,549	6,958	-	2,039,507	1,404,505	5,809	-	1,410,314

22 RISK MANAGEMENT (continued)

22B Financial risk (continued)

Liquidity risk (continued)

	Less than 1 year AED'000'	**1-5 years AED'000'**	**5+ years AED'000'**	**Total AED'000'**
31 December 2023				
Reinsurance contract assets	**1,119,992**	**59,810**	**-**	**1,179,802**
Insurance contract liabilities	**1,604,513**	**64,683**	**-**	**1,669,196**

	Less than 1 year AED'000'	1-5 years AED'000'	5+ years AED'000'	Total AED'000'
31 December 2022 *(restated)*				
Reinsurance contract assets	597,139	286,809	-	883,948
Insurance contract liabilities	268,713	944,553	-	1,213,266

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 2023		
Time deposits	**277,165**	**4.40% to 5.30%**
	277,165	
31 December 2022		
Time deposits	148,791	1.05% to 4.65%
	148,791	

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.

22 RISK MANAGEMENT (continued)

22B Financial risk (continued)

Interest rate sensitivity (continued)

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 2023 would increase/decrease by AED 2,772 thousand (2022: AED 1,448 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 2023) 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:

	2023			2022		
	Change in equity price	**Effect on equity**	**Effect on income statement**	Change in equity price	Effect on equity	Effect on income statement
	%	**AED'000**	**AED'000**	%	AED'000	AED'000
All investments – (Dubai Financial Market and Abu Dhabi Stock Market)	**10**	**41,726**	**363**	10	37,612	386

22C 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.

23 CONTINGENCIES

Contingent liabilities

At 31 December 2023 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 (2022: 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.

23 CONTINGENCIES (Continued)

Capital and lease commitments

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

	2023 AED'000	2022 AED'000
Short-term lease commitments - less than one year	**206**	198

24 CAPITAL RISK MANAGEMENT

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

	2023 Unaudited AED'000	2022 Audited AED'000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**326,741**	252,732
Minimum Guarantee Fund (MGF)	**208,356**	108,237
Basic Own Funds	**582,733**	454,184
MCR Solvency Margin - Surplus	**482,733**	354,184
SCR Solvency Margin - Surplus	**255,992**	201,452
MGF Solvency Margin - Surplus	**374,377**	345,947

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DUBAI INSURANCE
CARE & COMMITMENT SINCE 1970

GOVERNANCE REPORT

2023

DUBAI INSURANCE COMPANY (P.S.C)

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Dubai Insurance Company adheres the highest standards of Governance and Compliance Practices , meeting all legal requirements through a robust internal control system . We match the highest levels of international Standards and pursue a proactive and progressive approach in collaborating with our employees and clients in the public sector to achieve optimal Compliance standards .

. OUR MISSION

TO ENHANCE SHAREHOLDERS VALUE BY BEING AN INDISPENSABLE PARTNER TO OUR CUSTOMERS BY PROVIDING VALUE ADDED GENERAL AND SPECIALTY PRODUCTS AND SERVICES.

. OUR CORE VALUES

. COMMITMENT
. CUSTOMER CARE
. HONESTY AND INTERGRITY

. TEAM WORK.
. QUALITY.

INTRODUCTION

Dubai Insurance Company is a Public Shareholding Company listed on the Dubai Financial Market, with its operations regulated by Federal Law No. (48) Of 2023 on the Regulation of Insurance Business and Federal Law No. (32) Of 2021 on Commercial Companies.
The company's primary focus is engaging in insurance and reinsurance activities across various types and branches and under the oversight of the Central Bank of the United Arab Emirates, the company holds a license numbered (4) and the headquarters of the company is situated in a building owned by the company on Riqqah Street, Deira, Dubai, United Arab Emirates.

Governance Framework:

Dubai Insurance Company is fully committed to implementing an institutional governance framework that aligns with corporate governance requirements applicable to public shareholding companies in the United Arab Emirates. This commitment adheres to the corporate governance regulations and standards set forth for insurance companies by the Central Bank, as well as the decisions of the Securities and Commodities Authority regarding the adoption of the Public Shareholding Corporate Governance Manual. The company also acknowledges its responsibility to stay abreast of other relevant decisions issued periodically by competent authorities, in line with global best practices.
This commitment reflects the company's recognition of the necessity for a robust governance system founded on a solid framework. The goal is to create a low-risk working environment, facilitating effective decision-making and fostering a strong, transparent relationship with stakeholders through regular disclosures in accordance with legal provisions.
As part of this commitment, the company has established a governance framework that clearly outlines the rights and duties of both the Board members and its committees, as well as the executive management. The framework also delineates the responsibilities of the company's compliance, risk management, and internal auditing Functions. Ultimately, the Board of Directors bears the responsibility for ensuring the efficiency and effectiveness of internal controls, as well as the company's compliance with governance controls.

The Board of Directors serves as the primary body responsible for guiding the company's management, ensuring transparency, and upholding the integrity of investments, business plans, and the company's financial statements. This oversight extends to monitoring the human resources file necessary for implementing the company’s strategies and ensuring shareholders receive accurate and complete information in a timely manner.

1 THE MEASURES TAKEN TO SATISFY THE CORPORATE GOVERNANCE REGULATIONS IN 2023

In 2023, Dubai Insurance Company implemented several initiatives to reinforce the corporate governance system and ensure its effective application. These actions include:

- Based on Circular No. 24\2022 issued by the Central Bank regarding the Coporate governance of insurance companies Regulations and the accompanying standards, the company prepared a report demonstrating its compliance with the system. This report was based on a detailed plan approved by the Board of Directors and subsequently submitted to the Central Bank. The report outlined the steps necessary to achieve full compliance, with a significant portion of the plan's provisions already implemented. We are currently awaiting the completion of the remaining steps by the General Assembly.

- Based on the provisions outlined in Circular No. 25\2022 regarding the risk-management standards and internal Regulations issued by the Central Bank, the company compiled a report to illustrate the extent of its compliance with the system. This report was based on a detailed plan approved by the Board of Directors and subsequently submitted to the Central Bank, outlining the necessary steps to ensure compliance.

- The company disclosed its quarterly financial results after they were audited and approved by the external auditor. Additionally, information regarding the most important decisions made by the Board of Directors, including copies of these results and decisions, has been sent to the Securities and Commodities Authority and the Dubai Financial Market.

2 TRANSACTIONS OF THE DIRECTORS, THEIR SPOUSES AND CHILDREN IN SECURITIES DURING 2023

- **Regarding the transactions of the Directors, their spouses and children in the Company's securities during 2023:**

No.	Name	Position \ relationship	Owned Shares as on 31\12\2023	Total Purchase	Total sale
1	Buti Obaid Almulla	Chairman	8,271,570	NONE	NONE
2	Khalid Abdul Wahid AlRostamani	Director	130,670	NONE	NONE
3	Obaid Buti Almulla	Chairman's son	5,000,000	NONE	NONE
4	Hana Obaid Almulla	Wife of a Board member – Abdullah AlHuraiz	1,682,825	8,330	NONE

3 COMPOSITION OF BOARD OF DIRECTORS

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

No.	Name	Category	Membership period since first nomination	Experience and Qualifications	The date of the first election as a member of the Council
1	Buti Obaid Almulla	Non-independent	32	* 1 below	11/04/1991
2	Marwan Abdullah Al Rostamani	Non-independent	17	* 2 below	29/03/2006
3	Khalid Abdul Wahid Al Rustamani	Non-independent	17	* 3 below	29/03/2006
4	Ahmed bin Issa Al-Serkal	Independent	15	* 4 below	16/03/2008
5	Abu Bakr Abdullah Al - Futtaim	Independent	20	* 6 below	25/03/2003
6	Mohammed Ahmed Al Moosa	Independent	14	* 5 below	04/03/2009
7	Abdullah Al-Huraiz	Independent	11	* 7 below	13/03/2012

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

b) 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.

Membership selection, diversity and women's representation:

The company acknowledges the significance and effectiveness of diversity within its board of directors. As such, the board comprises members with academic qualifications, diverse experiences, and a range of practical competencies. Furthermore, it actively promotes women's representation and candidacy on the board. This approach strengthens governance practices by ensuring a broader spectrum of perspectives in decision-making processes, fostering a more inclusive understanding of the business landscape, and enhancing the identification of potential risks and opportunities. This diversity has notably contributed to improve strategic planning, consequently fueling the continuous growth of the company's value.

These efforts align with the provisions outlined in Federal Decree-Law No. 32 of 2021 concerning commercial companies, as well as the decision of the Chairman of the Securities and Commodities Authority Board of Directors No. 3/T for the year 2020, which pertains to the adoption of governance manuals for public shareholding companies, alongside the company's statutes and any subsequent amendments.

BOARD MEMBERS EXPERIENCES AND QUALIFICATIONS AND THEIR MEMBERSHIPS IN OTHER COMPANIES' BOARDS

1. Buti Obaid Almulla

Chairman

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

Vice Chairman

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

Director

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-Serkal

Director

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 Company, A Board member of Dubai Insurance Company and Chairman of Dubai Refreshments Company.

5. Mohammed Ahmed Abdullah Al-Moosa

Director

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

Director

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

Director

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 and a Board member of United Food Company.

- **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 not 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 2022 was 4,500,000 AED.**
- **2)The Board of Directors remuneration proposal for 2023 will be disclosed once approved by the Board.**
- **3)The allowances for attending the committees' meetings were 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 allowances or fees were paid to any director save as the committees' attendance allowances.**

A) Board Meetings:

In 2023, the Board of Directors met 6 times on the dates below:

Date of the Meeting	Attendance	Attendance by Proxy	Absence
07/02/2023	7	0	No Absence
13/03/2023	7	0	No Absence
15/05/2023	7	0	No Absence
10/08/2023	5	0	Marwan Al Rostamani Khalid Al Rostamani
13/11/2023	6	0	Khalid AL Rostamani
21/12/2023	7	0	No Absence

- A decision by circulation was made on the date of 8\2\2023 regarding the disclosure of cash profits and the remuneration of the Board of Directors, following the attainment of approval from the Central Bank.

- A statement outlining the duties and responsibilities of the Board of Directors, provided by either a board member or the executive management based on the board's authorization, along with the period or term of the authorization is as follows:

- According to the Articles of Association of Dubai Insurance Company, the CEO is authorized to sign all documents, enter into contracts, and conduct all business on behalf of the company. This open authorization is granted by the Board Chairman, designating the CEO as the legal representative under the company's Articles of Association. DIN is CEO, however, has not been given special authorization in 2023.

G)-The Company's Transactions with the Stakeholders and Related Parties in 2023:

#	Related parties name	Amount	Nature of transaction
1	MOHD. & OBAID AL MULLA GROUP	9,854,757	Premium (Except Life & Medical)
		7,849,800	Outstanding claims
		16,935,560	Claims paid
		58,500	Rent received
		482,983	Rent paid
2	AW Rostamani Group	34,846,892	Premium (Except Life & Medical)
		268,738	Outstanding claims
		32,021,204	Claims paid
		7,688,727	Administrative Expenses
3	Al Rostamani Group	3,695,036	Premium (Except Life & Medical)
		68,840	Outstanding claims
		333,457	Claims paid
4	Al Serkal Group	36,848	Premium (Except Life & Medical)
		12,154	Outstanding claims
5	AA Al Moosa Group	508,713	Premium (Except Life & Medical)

H)-The Company Organizational Structure

I)-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 2023	Total Remuneration Paid for 2023	Any other Cash/in Kind Remuneration for 2023 or payable in the future
1	CEO	17/7/2006	2,172,000	TBD	564,805
2	CFO	13/8/2006	789,876	TBD	219,604
3	Head of Legal & Compliance	23/05/2010	415,020	TBD	195,116
4	Director-Life & Medical	02/06/2019	570,000	TBD	34,533
5	Director – MOHRE WPP	5/01/2021	516,000	TBD	0
6	Manager – Distribution & Strategic Partnerships	15\09\2020	304,800	TBD	12,460

4 EXTERNAL AUDITOR (GRANT THORNTON)

a. About the External Auditor:

The Company's auditor is one of the largest auditors globally with branches in over 130 countries. At the General Assembly meeting held on 10/03/2022, M/s. Grant Thornton was reappointed to conduct a financial audit. Their responsibilities include reconciling financial statements with payments, expenses, and profits, ensuring proper archiving and indexing of financial documents, and verifying that all activities undertaken by the Company's Finance Department comply with the laws of the country 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	5
Total fees for auditing the financial statements for 2023	AED 435,000
Fees and charges for other special services other than auditing the financial statements for 2021	16,400
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 role in the Company, reviewing its business and ensuring its effectiveness.

B- The Committee shall consist of the following persons,

- **Mr. Mohammed Ahmed Abdullah Al-Moosa, chairman / independent member for his extensive experience in accounting and financial statements.**
- **Mr. Ahmed bin Issa Al-Serkal - member /independent.**
- **Mr. Abdulla Al Huraiz– member /independent.**

The Audit Committee shall:

1. Develop and implement the policy for contracting with the external auditor, and submit a report to the Board of Directors detailing issues requiring action and recommending necessary measures.

2. Ensure and verify the external auditor's independence and objectivity, engaging in discussions with the external auditor on the nature, scope, and effectiveness of the audit in accordance with approved auditing standards.

3. Monitor the integrity of the Company's (annual, semi-annual, and quarterly) financial statements and reports throughout the year, with a focus on:
- Changes in accounting policies and practices.
- Areas under the discretion of the Board of Directors.
- Significant amendments resulting from the audit.
- Assumptions about the continuity of the Company's business.
- Compliance with accounting standards set by the Securities and Commodities Authority (SCA).
- Adherence to listing and disclosure rules and other legal requirements for financial reports.
- Coordination with the Company's Board of Directors, Executive Management, Financial Manager, or the designated financial representative. The Committee shall meet with the Company's External Auditor at least once a year.
- Consideration of any important and unusual items included or to be included in reports and accounts, and exercising due diligence in addressing matters raised by the Company's CFO, acting CFO, Compliance Officer, or the External Auditor.
-Review the Company's financial control, internal control, and risk management regulations.
- Discuss the internal control regulation with management to ensure its effective development.

6-Consider the results of major investigations into internal control issues assigned by the Board of Directors or initiated by the Committee and approved by the Board.
-Ensure coordination between the Internal Auditor and the External Auditor, ensuring adequate resources for the internal audit team, and monitoring its effectiveness.
- Review the Company's financial and accounting policies and procedures.
-Review the External Auditor's report, action plan, and any significant inquiries raised by the auditor to executive management regarding accounting records, financial accounts, or control regulations, along with their replies and approvals.
- Ensure the Board of Directors responds promptly to inquiries and significant issues raised in the external auditor's report.
- Develop confidential controls enabling employees to report potential violations in financial reports, internal control, or other matters, and ensure independent and fair investigations of such violations are conducted.
- Monitor the company's compliance with the code of professional conduct.
- Ensure implementation of business rules related to the Audit Committee's obligations and powers entrusted by the Board of Directors.
-Submit a comprehensive report to the Board of Directors on matters covered in this Clause.
-Consider any other matters as determined by the Board of Directors.

C- In 2023, the Audit Committee held four meetings on the dates set out below:

1. **07/02/2023 (No absence)**
2. **15/05/2023 (No absence)**
3. **10/08/2023 (No absence)**
4. **13/11/2023 (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 verify the actual independence of independent board members.

2. Develop and conduct an annual review of the policy concerning remuneration, benefits, incentives, and salaries related to the Company's Board members and employees. The Committee will ensure that the remuneration and benefits provided to the Company's senior executive management are reasonable and aligned with the Company's performance.

3. Identify the Company's needs for efficient and effective individuals at the senior executive management and employee levels and establish the selection criteria.

4. Formulate, oversee the implementation of, and conduct an annual review of the Company's HR policy and training initiatives.

5. Organize and supervise the procedures for nominating individuals for Board membership, ensuring compliance with applicable laws, regulations, and the provisions outlined herein.

C- The Nomination and Remuneration Committee held two meetings in 2023 on the dates set out below:

•7/02/2023 (No absence)

•21/12/2023 (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:
1- Mr. Mohammad Al-Moosa\ Chairman
2-Garene Dias \ Director of Internal Audit Department
3- Samer Helo\ Director of Legal Affairs and Claims - Workers Protection Programme

The Committee shall:

1. Monitor the implementation of the provisions of the Code of Professional Conduct related to the transactions of the Company's Board and its employees in securities issued by the company, ensuring compliance with their content.

2. Develop a specialized and comprehensive register for all insiders, including temporary insiders, who have or may have the right to access the Company's internal information before its publication.

3. Oversee and supervise transactions of the insiders, as well as the titles of securities traded in the market.

4. Maintain records of insiders to ensure that the acquired information is not used for personal gain.

5. Submit periodic statements and reports to, and coordinate with, the market to fulfill the Committee's objectives.

6. Present an annual report to the Board members detailing the activities performed and any notes concerning insiders' transactions, especially during the no-trade period.

7. Verify whether speculative transactions in securities by employees and temporary employees comply with the terms and requirements of such rules. The Committee shall submit a report of its conclusions to the Board of Directors.

C. The Committee ensured that the Insiders comply with the rules governing the Company's transactions in securities and verified that such rules were not violated during the prohibition period by reviewing the shares register provided by DFM, confirming that there were no buy or sell transactions related to those individuals.

8 INTERNAL AUDIT SYSTEM

A. The Board approved the Company's internal control policy and assumed responsibility for its oversight, reviewing its business and ensuring its effectiveness. To facilitate this, on 27/10/2010, the Board established the Department of Internal Control, reporting directly to the Board, and assigned the following roles and responsibilities:

1. To monitor and assess the quality of actions by developing a comprehensive schedule focusing on control aspects across all activities.
2. To select various document samples and conduct interviews with employees to evaluate and monitor their performance.
3. To examine and assess documents and procedures, ensuring their compliance with applicable laws and regulations.
4. To report to the Board of Directors, identifying weaknesses and shortcomings, and providing recommendations and suggestions for their rectification.
5. To engage in discussions with department heads concerning identified mistakes and their resolution, along with providing suggestions.
6. To monitor compliance with the recommendations and directives of the internal auditor.
7. To oversee adherence to the guide of applicable procedures and service contracts for each department.
8. To ensure the processing of management information, quality control, and work procedures regulations.
9. To ensure customers fulfill their obligations and that all relevant documents are maintained in their files.
`0. To ensure the renewal and maintenance of documents related to customer studies and referendums in both the competent division and the control department.

The Internal Audit Department and the Audit Committee, acting on behalf of the Board of Directors, shall routinely monitor the Company's internal control environment. The Department will meet with the Committee approximately every three months to review proposed reports and recommendations. This process ensures the Company's departments and divisions comply with 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)

A. Compliance officer:

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

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

In the event of an emergency, a significant problem, or if such an issue is highlighted within the reports and annual accounts, the Internal Control Department is responsible for identifying and assessing the impact on the Company. Subsequently, the department will promptly convene an urgent meeting with the Audit Committee to discuss the problem, its causes, methods of treatment, ways to mitigate its effects, and measures to prevent its aggravation and recurrence in the future. Recommendations will be formulated and presented to the Board of Directors for appropriate decision-making. It is worth noting that the Company did not encounter any major problems during the year 2023.

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

9 VIOLATIONS COMMITTED IN 2023

A 10,000 Dhs fine was paid to Dubai Health Authority

10 CASH AND IN-KIND CONTRIBUTIONS DURING 2023 TO DEVELOP LOCAL COMMUNITY

. In 2023, the company donated AED 1,000,000 to support the “Yak Al Aoun’ initiative at its fourth session, aimed at assisting financially distressed Dubai citizens and prosecution.
. Sponsor the UAE Labour Market Leadership Award with an amount of 250,000 AED.
. Sponsored the World Worker’s Day with an amount of 250,000 AED.
. Donated 243,000 AED to the UAE Genome program, a national project aimed at using genetic data of UAE citizens for analysis and utilization to improve the public health of Emiratis.
. Provide 8 Health insurance policies valued 58,700 AED for the winners of the Labour Market Leadership Award.
. Renew the subscription of “ESAAD CARD “, for the benefit of all the Company employees and providing discounts for the cardholders.
. Donated 20 vehicle insurance policies to Special Needs or limited income of Essad cardholders
. Participating in the biggest sport event in Dubai (DUBAI RUN 2023).
. Sponsored two advertisements in " Al Gayah Magazine" to celebrate national events, with an amount of 5,500 AED.
.Covered the expenses for the Social activity chosen by the employees of each company department to promote interaction among colleagues.
.Organized the annual .Iftar gathering for all DIN employees.

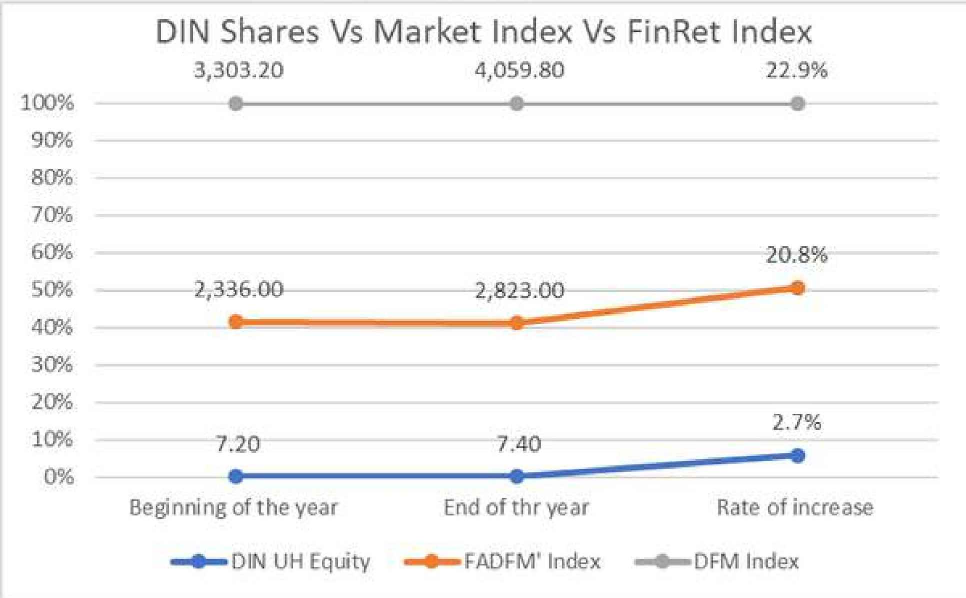
11. GENERAL INFORMATION:

A- The Company's share price in the market (highest price and lowest price) at the end of each month during the financial year 2023 (according to Dubai Financial Market) as follows:

Month	Highest Price	Lowest Price	Closing price
January	7.27	7.27	7.27
February	7.45	7.45	7.45
March	No Trade	No Trade	7.45
April	No Trade	No Trade	7.45
May	No Trade	No Trade	7.45
June	No Trade	No Trade	7.45
July	No Trade	No Trade	7.45
August	No Trade	No Trade	7.45
September	No Trade	No Trade	7.45
October	No Trade	No Trade	7.45
November	No Trade	No Trade	7.45
December	No Trade	No Trade	7.45

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 2023 amounted to 7.2 while, at the end of 2023, it amounted to 7.4, with an increase by 2.7% during the year.
•In the Financial Sector index, the price of shares at the beginning of 2023 amounted to 2336 while, at the end of the year, it amounted to 2823 with a increase by 20.8 % during the year.
•In DFM index, the price of shares at the beginning of 2023 amounted to 3303.2 while, at the end of the year, it amounted to 4059.8 with an increase by 22.9 % during the year.



C- The distribution of shareholders' equity as on 31/12/2023 (individuals, Companies, governments) classified as follows: local, gulf, Arabic, foreign

Sector	Local	Gulf	Arabic	Foreign
Individuals	59.24%	1.89%	0.003%	0
Companies	38,71%	0	0	0
Governments	0	0	0	0

D-The shareholders holding 5% or more of the capital as on 31/12/2023:

Name	Nationality	Number of owned shares	Shareholder Equity Ratio to the Capital
Abdul Wahid Al Rustamani Group LLC	UAE	17,706,654	17.7%
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		56,655,034	56.6%

E- Distribution of shares according to the equity rate as on 31/12/2023:

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	0.8%
2	50,000 to less than 500,000	57	7,600,633	7.6%
3	500,000 to less than 5,000,000	21	42,825,842	42.8%
4	More than 5,000,000	5	46,655,034	46.6%

	اقل من 50,000	50,000 الى اقل من 500,000	500,000 إلى أقل من 5,000,000	اكثر من 5,000,000
عدد المساهمين	73	57	21	5
عدد الاسهم المملوكة	891,678	7,600,663	42,825,842	46,655,034
نسبة الاسهم المملوكة من رأس المال	0.80%	7.60%	42.80%	46.60%

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 published reports can be viewed on the following link:

https://www.dubins.ae/Investors-Relations

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

G- The General Assembly's special decisions:

.No Special Decisions

H-The Board Secretary is Mrs. Athary Qassim, 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 2023.

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

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

2021	2022	2023
34%	30%	32%

L- The innovative projects and initiatives developed or are being developed by the company during 2023

•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 centres, 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 attract the best international talents to the labour 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.

. And to complement the update and development process, The claims filing porta; has been launched for customers of the unemployment insurance product. This comprehensive platform allows customers to follow up on their claims, receive the latest updates, and communicate with the insurance complex.

M-Statement of achievements at the company level and for employees:

. Fitch Credit Rating has been awarded to Dubai Insuranc Company, A financial strength rating of “A” with a stable forecast for its financial strength (IFS) grade. The rating reflects the company’s strong profile, robust Capitalization, solid financial performance, a strong reinsurance group, and well- placed reserves that do not adversely impact stocks in the portfolio Invesment.

. MR Ghanim Karam, The Director of the Worker's Protection Programme, achieved first place in "NAFIS "Award 2023 for the Supervisory and Leadership Category.

. Mr Mohammed Samer Helo, The Director of Legal Affairs and Claims of the Worker's Protection Programme, achieved third place in the UAE Labour Market Leadership Award.

Buti Obaid Almulla
Chairman

Ahmed Al- Serkal
Chairman of Nomination and Remuneration Committee

Mohammed Ahmed Al-Moosa
Chairman of Audit Committee

Garene Dias
Internal Audit Manager

دبـــــــي للتـــــــأمـــــين
DUBAI INSURANCE

Sustainable Horizons: DIN's ESG Journey in 2023

Table of Contents

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. (DIN) proudly introduces its fourth sustainability report, which showcases the company's key achievements in various areas over the course of 2023. These encompass ESG advancements since the beginning of the company's sustainability journey in 2020, as well as its economic impact. The information found in this report complements the 2023 Consolidated Financial Statements and Corporate Governance Report. These reports jointly provide a comprehensive overview of the company's 2023 operations and accomplishments.

REPORTING SCOPE

As a public shareholding company, Dubai Insurance P.S.C. is registered per Federal Law. The company's headquarters are located at 37 Al Rigga Road, Deira, P.O. Box 3027, Dubai, UAE. (Makani: 31016 95309).

DIN is based in Dubai with a branch in Abu Dhabi. This report covers the commercial building housing its Dubai headquarters and leased premises for branch offices. In June 2021, DIN completed construction of a Dubai building with 31 residential and two commercial units, which achieved 100% occupancy.

Unless otherwise stated, the information in this report is applicable to the 2023 fiscal year, covering the period from January 1 to December 31, 2023.

BASIS OF PREPARATION

This report has been prepared in accordance with the GRI Standards and the Dubai Financial Market's (DFM) ESG metrics. The GRI Content Index enclosed at the end of this report includes the company's alignment with the DFM's ESG disclosures.

DIN's alignment with the Sustainable Development Goals is also covered within the report.

EXTERNAL ASSURANCE

The ESG data in this report has been internally verified by DIN's designated team. All financial data has been extracted from financial statements audited by a recognized audit firm.

FORWARD-LOOKING STATEMENTS

DIN notes that forward-looking statements in this report may contain an element of uncertainty, as external factors can affect the environment in which the company operates. The company is not required to publicly update or revise these forward-looking statements unless mandated by applicable laws and regulations.

COMMUNICATION AND FEEDBACK

For any feedback or enquiries regarding this report, please reach out to:
abdelhaq.s@dubins.ae

A Message from Our CEO

(GRI 2-2)

Dear Stakeholders,

As we navigate the dynamic landscape of the insurance industry, I am pleased to share a reflection on Dubai Insurance's unwavering commitment to sustainability and our continuous efforts to drive positive change.

Sustainability lies at the core of our operations, and this year has been pivotal in advancing our sustainability agenda. Our focus on environmental sustainability, social development, and robust governance practices not only aligns with our core business objectives but also reinforces our dedication to serving and protecting our customers to the best of our abilities.

Our reputation as one of the most customer-centric insurance providers in the region has been built over manyth years. In 2023, we intensified our efforts to enhance client interactions and earn their trust daily. By investing in digital technologies and solutions, we aimed to elevate the customer experience and streamline internal processes for greater efficiency.

Dubai Insurance has consistently led the UAE insurance industry, pioneering new products and solutions. In 2023, our selection as a Participating Insurer in the UAE's Basic Medical Insurance Plan and the opportunity to lead the Involuntary Loss of Employment Scheme showcased our commitment to financial inclusion. These initiatives underline our role as providers of a crucial financial safety net to individuals and businesses across the country.

As we work towards securing the future of the people of the UAE and fostering community well-being, we are increasingly focused on minimizing our environmental impact. Mitigating climate risk is now one of our essential priorities.

Climate change poses significant challenges to our industry, increasing the frequency of natural disasters and impacting our risk exposure. The transition to a green economy introduces legal, policy, and consumer behavior implications, elevating our overall business risk. Recognizing the threat to asset value, particularly in real estate and securities, sustainability has become central to our business strategy.

At Dubai Insurance, we acknowledge our capacity for positive impact and our role in positioning the UAE as a leader in sustainable business. This report serves as a comprehensive insight into our efforts to strengthen our Environmental, Social, and Governance (ESG) impact, creating sustainable value for all our stakeholders.

Thank you for your continued support as we navigate these challenges and strive for a more sustainable future.

Sincerely,

Abdellatif Abuqurah
Chief Executive Officer

Key 2023 Highlights

‘A’ Credit Rating From Fitch

32% Emiratization Rate

50% Gender Parity

1.5 Million AED Contribution to the Community

18 Nationalities

Involuntary Loss Of Employment (ILOE) scheme pool leader and manager

Who we are

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

Company Profile

Dubai Insurance Company P.S.C. (DIN) was the first national insurance company in the United Arab Emirates. DIN offers a diverse product and service portfolio, encompassing composite Property & Casualty (P&C) and Life Insurance, along with offerings in Property, Liability, Marine, Group Life, Medical, and various specialty lines.

DIN is currently the fourth-largest UAE-based insurance company in terms of gross premiums. Its success is underpinned by a robust foundation, visionary leadership, dedicated employees, and a customer-centric approach. Its growth has been consistent over time, as total premiums, exceeded AED 1 billion in 2021, reached AED 1.47 billion in 2022, and reached AED 2.15 billion in 2023.

Overview

DIN has been leading the UAE's Workers Protection Program since 2018 under the mandate of the Ministry of Human Resources and Emiratization (MOHRE). Under this program, UAE-based employers can opt into an insurance system that covers outstanding dues to workers in case of an employer's refusal or inability to pay the labour dues without requiring bank guarantees. Over this period, the program has grown to represent 32% of DIN's gross premiums and revenue growth in 2023.

As a result of this successful program management, DIN was selected to lead the country's Involuntary Loss of Employment (ILOE) Insurance scheme, announced in October 2022, on behalf of eight other insurance companies. This scheme, mandatory as of January 1, 2023, provides UAE-based employees with financial support in case their employment is terminated by the employer, which amounts to 20% of the ILOE revenues. This scheme represents a key step for the UAE's workforce and economy as it provides unemployed Emiratis and expatriate residents in the private and public sectors with a reasonable standard of living, directly contributing to the country's knowledge-based economy.

Due to its success in leading these two key programs, DIN expects to continue its growth trajectory.

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

In addition to the above product offerings, DIN is the authorized issuer of Involuntary Loss of Employment (ILOE) policies under the UAE's Unemployment Insurance Scheme. These policies, issued on behalf of the ILOE insurance pool of 9 A-rated national insurance firms, provides UAE-based Emiratis and residents with unemployment insurance in case of employment terminated by the employer.

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.

جمعية الإمارات للتأمين
Emirates Insurance Association

CREDIT RATINGS

FITCH AWARDS AN A RATING

In 2023, Fitch Ratings (Fitch) assigned DIN an 'A' rating. This grade certifies an expectation of low default risk over a range of projected scenarios. The rating is therefore a testament to DIN's strong and stable performance, risk management, and operational approach.

AM BEST CONFIRMS AN A- (POSITIVE) 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 while maintaining vigorous underwriting discipline and capital adequacy.

ADDITIONAL ACHIEVEMENTS

ABU DHABI - HEALTHCARE INFORMATION AND CYBER SECURITY STANDARD

The Abu Dhabi Healthcare Information and Cyber Security Standard (ADHICS) is critical for insurance companies because it protects sensitive information related to clients and their health insurance policies. Currently, DIN is implementing strong information and cyber security measures, and this was recognized by ADHICS with a score of 89.09% reflecting our level of compliance with regulations which helps 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 the UAE, Saudi Arabia, Bahrain, Qatar, Oman and Egypt. Furthermore, RGA has conducted a Quality Assurance Review for the Claims Assessments that have been executed by DIN and we received an overall score of above 95%

PARTNER ENGAGEMENT

DIN selects partners from leading 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.

OUR PARTNERSHIPS

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 option options, cashless treatment facilities, dedicated onsite case managers and arrangement of concierge services.

DubaiCare

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.

Remnto

- Remnto is a leading brand that manages health insurance solutions and drives innovation through a combination of technology and insurance-related expertise offered by a highly skilled and knowledgeable workforce. Members benefit from added value through unique offerings. We are committed to operating with integrity and maintaining the highest professional and ethical standards in every aspect of its business.

REMNTO

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.

mednet

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.

neuron نيورون

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.

NAS

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.

MSH DiotSiaci Group

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.

ecare

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.

Whealth International

International Reinsurance Partners

Hannover Re

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

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.

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.

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.

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.

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.

Munich RE

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

CCR

An expert in Enterprise Risk Management, CCR ranks among the world's top 30 reinsurers. 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.

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.

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.

LEADERSHIP TEAM

Under DIN's leadership, the company has reached new heights in its consistent growth, establishing its place as a leading player in the national insurance market. The leadership team prioritizes its employees, achieving operational excellence, and continuously fostering a customer-centric company culture.

ESG has emerged as a central focus for the company as it progresses on its sustainability journey. DIN's leadership team is dedicated to encouraging industry-wide sustainability efforts, prioritizing advancements in ESG performance 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**

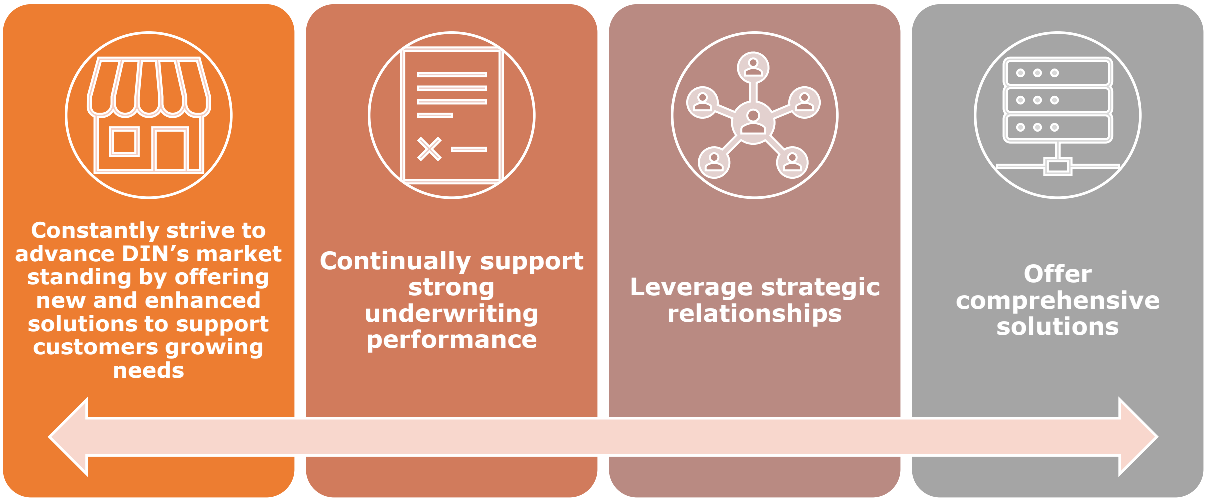
Bashar Jadallah
- **Head of Motor, Underwriting & Claims**

Ghanim Karam
- **Director, Workers Protection Program**

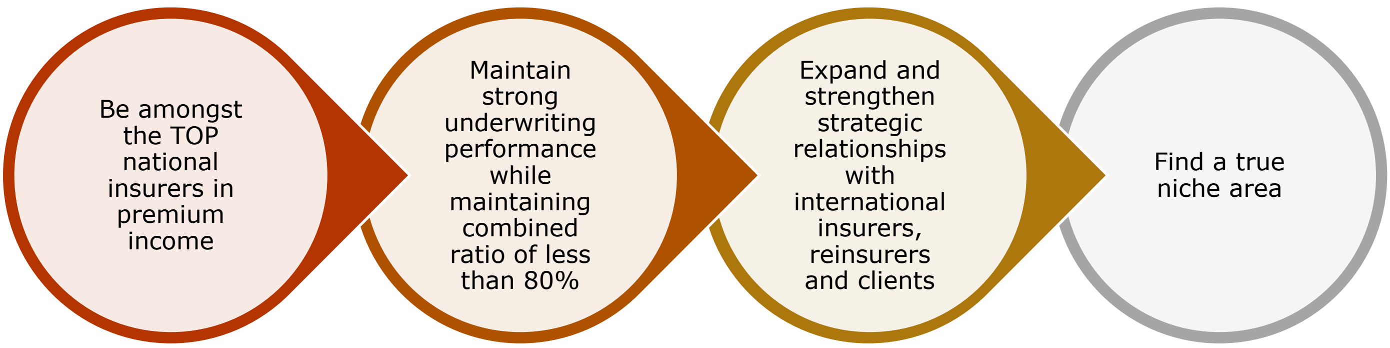
Business Pillars

STRATEGIC PILLARS

DIN is committed to being a leader in the UAE's insurance industry, providing comprehensive, innovative services and products that meet customers' evolving needs. Through its four strategic business pillars, DIN achieves a consistently strong performance for all stakeholders, leveraging partnerships with leading companies to deliver solutions that meet the highest international standards.



VISION



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


Commitment
Customer Care
Honesty And Integrity
Win-Win Insurance Solutions
Sense Of Urgency
Team Work
Quality

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

Ensuring Environmental, Social, and Governance (ESG) factors are taken into consideration in the insurance industry is crucial due to their long-term implications beyond the sector. Industry stakeholders and leaders must establish an effective framework to drive sustainable objectives and tackle key ESG issues like climate change and social inequity. As industry leaders, the DIN evaluates ESG factors' impact on underwriting and investment decisions. By placing ESG as a focus area in risk assessments and by prioritizing investments in companies and projects with a strong ESG track record, insurance companies can meaningfully contribute to sustainable goals.

As a market leader within the UAE's insurance market and private sector, DIN is committed to advancing its efforts and contributing towards social and environmental progress. DIN aims to become a leader in this area, integrating business and operational goals with sustainability and development goals. We believe that all organizations are responsible for providing services and developing products that are in alignment with sustainable objectives. For this reason, we aim to strategically incorporate sustainability considerations within operational decision-making to mitigate risks, foster lasting relationships with stakeholders and customers, and positively impact the social and environmental landscapes we operate in.

DIN's approach is centered around making progress towards achieving the following five Sustainable Development Goals (SDGs). As DIN continues its growth trajectory, advancing its sustainability journey will be a priority. Its business model and efforts are aligned with these material SDGs.

ALIGNING WITH SDGS

Aligning business objectives with the SDGs is imperative for companies aiming to contribute meaningfully to global sustainability. The SDGs provide a universally recognized framework addressing pressing social, economic, and environmental challenges. By aligning their objectives with the SDGs, companies contribute to these global goals while enhancing their corporate reputation and stakeholder trust. Ultimately, the integration of SDGs into business strategies not only addresses global challenges but also ensures long-term resilience and relevance in an evolving and socially conscious marketplace.

DIN aims to prioritize affordable healthcare and longevity as well as promote mental and physical well-being across all ages, ethnicities, and economic groups. By incorporating the SDGs into their strategies, insurers can proactively address environmental and social risks, contributing to a more sustainable and resilient future. In the context of an external environment with evolving risks and challenges, the insurance sector's commitment to the SDGs becomes instrumental in creating a more sustainable and secure future for communities and businesses alike.

DIN conducted an industry-related mapping of ESG issues in 2022, which led to the selection of SDGs that are most material to our operations and scope of impact. In direct proportion to this, the selected material SDGs were ranked in order of priority:

- Highest priority:
  - SDG 3 - Good Health and Wellbeing
- Secondary Priorities:
  - SDG 1 - No Poverty
  - SDG 5 - Gender Equality
  - SDG 8 - Decent Work and Economic Growth
- Underlying Priority:
  - SDG 13 - Climate Action

MATERIALIZING THE SUSTAINABLE DEVELOPMENT GOALS

DIN has been committed to sustainability since the beginning of 2020, with the goal of modernizing the organization's infrastructure to effectively handle ESG issues. The company has incorporated ESG factors into all aspects of its operations, including underwriting, investment decisions, and day-to-day operations, with the goal of achieving a targeted sustainability approach. Initiatives focused on the following:

1. **Inclusive and Affordable Health Insurance for Low-Income Employees**
   DIN is committed to making inclusive and affordable health insurance available to all, regardless of income. Since 2022, the company holds Participating Insurer Status making it one of the few insurance companies licensed by the

Dubai Health Authority (DHA) to provide the Essential Benefits Plan. As part of the screening process, DIN demonstrated its ability to provide customers with quality insurance packages at fixed prices (AED 550-650) and to maintain the necessary mechanisms and processes in place to effectively deliver this service.

This initiative directly addresses DIN's highest impact priority, SDG 3 (Good Health and Wellbeing), by ensuring that healthcare is available non-discriminately across the UAE to everyone through comprehensive health insurance policies.

2. **Evolving the role of telemedicine to assist healthcare coverage**
   Telemedicine has emerged as a key priority for DIN, particularly in recent years following the COVID-19 pandemic. Making telemedicine more efficiently accessible allows for uninterrupted access to critical healthcare services, and continues to provide convenient avenues for patients to seek medical care.

   DIN offers medical coverage which includes free virtual appointments with doctors under DubaiCare through two platforms, TrueDoc 24/7 and NOVITAS. Through a strategic partnership with DubaiCare and TrueDoc, DIN extended customer access to diverse telemedicine healthcare services at an affordable premium.

Over this time, ESG factors have been integrated across the company's processes and ways of working, notably its operations and underwriting and investment decision-making frameworks. By working to integrate sustainable practices directly into its existing and evolving operations, DIN sets itself apart as a leader in the insurance sector.

SUSTAINABILITY COMMITTEE

DIN's ESG governance is managed by its Sustainability Committee, which was established in 2021. Its key role is to achieve ESG-related goals, integrate ESG considerations across different parts of the company, and foster innovation as a core operational value for employees and management.

The Committee is in direct communication with the CEO and operates effectively across various functions of the company through a systematic chain of command, which includes decisionmakers and members of senior management from the following departments:

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is crucial for crafting a successful ESG strategy. By involving various stakeholders, we gain diverse perspectives on the key strategic considerations and focus areas. This engagement promotes transparency, builds trust, and also helps ensure that ESG concerns are effectively addressed. DIN captures stakeholder perspectives in decision-making processes through regular interactions, ensuring that all stakeholders are fully aware of the company's evolving requirements.

DIN proactively fosters a culture of open communication by requesting feedback from its stakeholders via various communication channels, including surveys, meetings, and focus groups, regarding many issues including ESG. Actively involving stakeholders positions the company to anticipate emerging ESG issues, manage risks, and capitalize on opportunities aligned with sustainable business practices.

<table>
<tr><th colspan="2">KEY STAKEHOLDERS</th><th>EXISTING METHODS OF ENGAGEMENT</th></tr>
<tr><td colspan="2">CUSTOMERS</td><td>• 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</td></tr>
<tr><td colspan="2">MANAGEMENT & EMPLOYEES</td><td>• Company events
• Open Door Policy
• Company Internal Announcements
• Performance Appraisals
• Exit Interviews</td></tr>
<tr><td colspan="2">SHAREHOLDERS</td><td>• Regular Communication
• Six shareholders are on the Board of Directors: regular interactions.
• The others: during the AGM</td></tr>
<tr><td rowspan="4">GOVERNMENT</td><td>Central Bank of the UAE</td><td>• Regular communication via reporting requirements and meetings
• Frequent Announcements</td></tr>
<tr><td>SCA</td><td>• Quarterly interaction for the submission of the financial results
• Interactions by email for new regulatory requirements</td></tr>
<tr><td>DFM</td><td>• Regular interaction through reporting requirements
• Interactions through webinars
• Frequent announcements</td></tr>
<tr><td>Dept. of Economy</td><td>• Annual interaction</td></tr>
<tr><td rowspan="4">BUSINESS PARTNER</td><td>Reinsurers</td><td rowspan="4">• Regular interaction related to business coordination, development, and agreement renewal</td></tr>
<tr><td>TPAs</td></tr>
<tr><td>Affinity Schemes</td></tr>
<tr><td>Brokers</td></tr>
<tr><td colspan="2">RATING AGENCY (Fitch, AM BEST, and Moody’s)</td><td>• Yearly interaction when conducting rating review</td></tr>
<tr><td colspan="2">COMMUNITY</td><td>• Regular local community-related initiatives, donations, and volunteering activities</td></tr>
</table>

MATERIALITY ASSESSMENT

The results of DIN's materiality assessment, detailing the topics which are material to our company, are outlined in the following table. These key material topics are routinely managed, monitored, and reported on.

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 Operations

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

Economic Impact

Insurance companies play a vital role in adding value to communities through their operational model. By providing insurance products that cover policies related to life, health, property, and more, companies like ours offer individuals and businesses financial security and protection against unexpected events and losses. The financial security enabled through insurance products and services stabilizes communities by mitigating the adverse effects of unforeseen events and facilitates risk management for businesses, enabling them to operate with confidence and invest in innovation and expansion. DIN is proud to support individuals and businesses throughout UAE in this manner.

Our company is also committed to continue providing this service for all members of the community, notably those that are typically underrepresented or may face difficulties accessing products and services in the industry. DIN’s leadership in this area and achievements in directly supporting economic empowerment and growth is demonstrated through its work with the Dubai Health Authority (DHA) and the UAE Workers Protection Program (WPP). For several years, DIN has been licensed by the DHA to offer essential benefits plans to support lower-income families, particularly employees earning below AED 4,000 a month. Since 2018, DIN has also led and administered the WPP Insurance Pool, which pays outstanding dues to workers in case of the financial failure of the employers. This program protects workers and contributes towards their wellbeing, mobility, and increased opportunities.

Leading the way in implementing the UAE's Involuntary Loss of Employment Scheme (ILOE), DIN is a crucial player that greatly strengthens the country's economic resilience. As the impetus behind ILOE, DIN is dedicated to reducing the negative consequences of unintentional job loss by offering essential financial support and aid to those who are impacted. Through its support of the ILOE program, DIN demonstrates its commitment to improving the nation's economic environment and enabling people to face times of financial instability with the required assistance.

DIN manages a strong portfolio of investments in the UAE and abroad, in quoted and unquoted shares and debt securities. These investments contribute significantly to stability and prosperity in the country’s economic landscape and GDP. In 2023, the company expanded its portfolio by forming three wholly owned subsidiaries, reflecting our commitment to growth.

Technological Innovation

Digitalization is crucial for insurance companies to streamline and improve operations, enhance the customer experience, and adapt and contribute to the evolving industry landscape. In 2023, DIN leveraged technology-related initiatives with the aim of enhancing operational efficiency, supporting compliance and innovation, and building skills across functions. Relevant initiatives included streamlining processes, reducing manual efforts through automation, optimizing workflows using digital tools, and harnessing actionable insights from data. Ultimately, DIN aims to build resilient and agile digital infrastructure that aligns with the company's long-term vision for growth and competitiveness.

In 2022, DIN strategically sought to make its business as user-friendly and accessible as possible, maximizing reach and transforming service delivery in the industry. It did so by improving its technology systems, enhancing customer experience by streamlining key information and claims through the DubaiCare app, and implementing various changes to optimize internal productivity across departments, from internal processes to digital operations on the road to full digitalization and online communication options for customer service.

Building upon this progress, over the course of 2023 DIN worked to continue strengthening the use of technology and innovation to improve our service delivery and back-end operations. Using cloud migration, our teams upgraded physical infrastructure to cloud-based solutions, which improved scalability, flexibility, and accessibility. We are also making the necessary changes to update our Customer Management System (CMS) service to fit these requirements.

To enhance data flow and improve communication across departments, we implemented a comprehensive system integration to combine separate IT systems into one centralized system, making customer service platforms more easily connected. An underlying priority within our digitalization initiatives is to conduct ongoing work on evolving cybersecurity measures and system. In 2023, we implemented advanced cybersecurity protocols, including firewalls, encryption, and regular security audits, to safeguard against potential threats.

Our immediate short-term plans in this area include the complete integration of two systems which will support the company in the area of information management and processing. In particular, the Beyontec system will facilitate the verification of policies, examination of client particulars, claims processing and quotation issuance across General, Medical and Motor departments. The Odoo system will support the input of client data and subsequent storage within the company's database.

In the long-term, DIN's technology, innovation and digitalization will centre around transformations to the company's Claims Management System, which was deployed this year, and the development of a Ticketing System. The company's Claims Management System will receive a software improvement to efficiently streamline and optimize processing workflows for Dubai, supporting arising local compliance requirements in addition to enhancing efficiency, accuracy and customer satisfaction.

The Ameyo Ticketing System will integrate customer interaction from different communications channels, such as voice, email, chat and social media, into a unified ticketing surface. The System will incorporate automation features and Service Level Agreement management, which will optimize workflow management by directing customers to the right agents and departments and ensure that issues are addressed within specified timelines. Agents and supervisors will be able to track the status of tickets in real-time through a centralized dashboard, and reporting and analytics data will provide the basis for informed decisions and continuous improvement.

Customer Satisfaction

DIN prides itself on the exceptional customer service provided by our dedicated employees across all our operations. Ensuring that our customers have a positive experience and are satisfied is a top priority in every decision we make. We are committed to building trust with this important stakeholder group by staying engaged and responsive to their evolving needs. Providing industry-leading customer service is crucial to us—we want every customer to feel valued, and this is central to our strategy. Remaining flexible and attentive to their feedback allows us to provide a high-quality customer experience, which we consider vital to our company's ongoing and long-term growth.

Our Customer Relationship Management (CRM) system, which helps us store and track customer data, allows us to provide hands-on services and tailor our products to customer needs and expectations. We have also increased the number of methods through which customers can directly reach out to us and offer numerous channels for our team members to receive feedback and lodged complaints. Our goal is to respond to each inquiry and concern promptly and effectively. As of 2023, customers can:

- **Call DIN using Ameyo**
  Using the Ameyo call centre toll free number, customers can speak directly with a representative. The platform allows us to respond promptly and redirect and resolve customer queries with a significantly increased efficiency.

- **Live chat with DIN using Zendesk**
  Our website features an online live chat, allowing customers to speak with a customer service representative in real-time.

- **Email DIN directly**
  Customers can communicate complaints over email to a dedicated customer support account, enabling the attachment of documents.

- **Message DIN using WhatsApp**
  Our team can be reached over WhatsApp through text messages, voice notes, as well as other multimedia files.

- **Visit DIN in person:**
  DIN employees are present at physical stores or service centers to discuss complaints face-to-face.

We believe in continually investing in our customer service and this will remain a cornerstone of our growth strategy. In fact, we anticipate tangible benefits from enhancing customer service processes, as staying engaged with our clients over time and improving the ways in which we do so will help us refine both our offerings and internal processes. Digitalization initiatives such as the integration of the Ameyo Ticketing System will streamline processes, as quick ticket creation, automated workflows, and centralized tracking will directly contribute to faster issue resolution, which will in turn reduce response times and increase the company's operational efficiency.

Data Protection and Customer Privacy

At DIN, we place great emphasis on data privacy as a priority in all of our operations. We work to stay in compliance with all relevant data laws and proactively ensure to safeguard all customer data through the implementation of our comprehensive Health Information & Security Policy which is aligned with the Abu Dhabi Healthcare Information and Cyber Security (ADHICS) & UAE National Electronic Security Authority (NESA) frameworks, covering all essential aspects of data security.

DIN conducts regular awareness training for all employees on data protection privacy and security and the company's policy as well as an orientation training program for employees, third parties and contractors. In 2023, 103 DIN employees received a total of 143 hours of training, building skills and knowledge in key areas relevant to data protection and customer privacy processes and policies. Notably, the company conducted an HR induction training on information security and cybersecurity, as well as led specialized sessions to raise awareness of phishing to protect clients' medical information.

	Type of training provided	Number of employees that completed the training	Number of total equivalent training hours
2021	1. HR Induction Training - Information Security and cybersecurity 69 138 Hours	69	138 hours
2022	1. DIN has mandated awareness program on Information & Cybersecurity covering PII and their responsibilities w.r.t Information & Cybersecurity during HR induction program 2. Periodic Trainings are conducted with in DIN to educate employees on entities information/cybersecurity /Privacy policies, procedures, guidelines etc. This also includes the following • Local /regulations requirements • Changes to existing policies, procedures, guidelines etc. • Cybersecurity threats • Industrial best practices 3. An awareness emails are rolled out to all employees of DIN pertaining to Information & Cybersecurity 4. All IT department staffs of DIN has undergone training on Anti Money Laundry (AML	103	206 Hours
2023	HR Induction Training - Information Security and cybersecurity Awareness of Phishing - Medical Department	103	143 Hours

The company implements a number of protocols to ensure the protection of data and customer privacy. We integrate security and privacy controls directly into our processes whenever possible, enact encryption and strong authentication protocols on all data, establish strict roles-based access, and use data masking technique to anonymize sensitive information in non-production environments. To ensure customer data is stored safely, we have launched an initiative to deploy data loss prevention (DLP) solutions, implementing endpoint security measures to secure computers and mobile devices.

We conduct regular audits and real-time monitoring of any deviations and incidents, which are reported to the regulator. Mechanisms are in place to inform the regulator of any security incidents, including breaches. We practice security testing, assessing data flows at rest, in transit and in use, identifying related risks and their impacts for subsequent discussion and mitigation. Our process also involves quarterly self-assessment submissions, which are made routinely through the Abu Dhabi Healthcare Information Security Programme (AAMEN) portal. In the situation that any security-related risk arises, DIN deploys incident response plans. A commitment to continuous improvement underscores efforts to stay current with security challenges and compliance requirements.

When sharing data with third-parties, such as vendors or partners, DIN undertakes a stringent due diligence and selection process. Criteria measuring vendors' security measures, compliance standards, strength of data privacy practices, and past track record are strictly assessed. Contracts with third parties establish clear guidelines for data handling and confidentiality. We ensure to share the minimal amount of information using data minimization principles, use secure data transfer protocols, including encryption, and conduct regular audits and assessments to monitor compliance of these agreed-upon standards.

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. We highly value our employees and consider our team integral to our success, reflected in the integration of high standards and values across its HR department. The Code of Ethics and Conduct ensures fair and respectful treatment for all employees, regardless of gender, nationality, or religion.

We prioritize diversity and inclusion, recognizing the strength it brings to our team. We firmly believe in investing in our people, retaining and attracting top talent by fostering a culture of teamwork and respect. DIN's supportive work environment identifies and nurtures talent while ensuring employee wellbeing.

DIN is proud to have maintained gender parity in our growing team and to offer permanent contracts to over 98% of our employees, providing them with stability and security. This approach helps to attract top talent and ensures our team feels empowered and motivated to drive our success and growth.

	Total Employees (Gender)		
	Female	Male	Total
2021	128	114	242
2022	139	139	278
2023	137	140	277

	Permanent employees			
	Female	Male	Female %	Male %
2021	128	114	53%	47%
2022	139	139	50%	50%
2023	137	140	50%	50%

	Temporary employees			
	Female	Male	Female %	Male %
2021	0	0	0%	0%
2022	1	3	25%	75%
2023	4	1	80%	20%

DIN's commitment to being a responsible employer also includes improving the employee experience and internal processes. To facilitate knowledge-sharing and encourage a positive work environment for all, DIN's Human Resources department has embraced digitization. Through innovative processes leveraging technology and automation, we have increased achievements in transparency, efficiency, and accuracy. We have also made all important HR policies and procedures freely available to all employees to facilitate understanding and compliance for all.

EMPLOYEE WELL-BEING

Ensuring the wellbeing of our employees is a key priority for DIN leadership. The company places a strong emphasis on supporting the mental and physical wellness of all our team members. Our benefits are tailored to their specific needs and are consistently being developed. Some of our most recently implemented benefit programs include an Esaad Card discounts, and the creation of a DIN Committee for Staff Happiness & Events.

DIN's workplace policies are designed to foster a supportive and healthy environment where everyone feels valued and respected. We are committed to maintaining a safe workplace for all, as reflected by our comprehensive Code of Conduct and dedicated policies addressing sexual harassment, non-discrimination, and human rights. By prioritizing employee wellbeing, we create and foster an environment where all employees are supported to thrive personally and professionally.

Lastly, DIN's has a Team Engagement Initiative enables Department Heads to strengthen team dynamics by organizing team outings outside office hours, cultivating a positive work environment and enhancing employee satisfaction.

RECRUITMENT

Managing and maintaining high-caliber recruitment practices is key to building an engaged and empowered workforce. It's also a core driver of growth and success for the company. For this reason, DIN is committed to attracting and retaining high quality talent across levels by offering opportunities for career progression, a positive and productive workplace, and competitive employee packages of benefits and incentives, including life insurance, medical insurance, disability and invalidity coverage (as per UAE Labor Law), an Annual Ticket, in addition to all other benefits provided as per the UAE Labor Law.

In 2023, DIN hired 60 employees, representing 21.66% of the company's 277 employees. This cohort reflected diversity in age and gender, a central recruitment priority for the company.

	Total New Hires (Gender)			
	Female	Male	Female%	Male%
2021	64	41	50.00%	35.96%
2022	42	46	30.22%	33.09%
2023	29	31	21.17%	22.14%

	Total New Hires (Age Group)					
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old%	Between 30-50 years old%	Over 50 years old%
2021	51	42	5	27.02%	9.43%	5.30%

2022	40	47	1	33.33%	26.40%	5.26%
2023	28	31	1	25.45%	16.85%	6.25%

	Total Employees that left (Gender)			
	Female	Male	Female%	Male%
2021	16	23	12.50%	20.18%
2022	33	19	23.74%	13.67%
2023	33	19	24.09%	13.57%

	Total employees that left (Age group)					
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old%	Between 30-50 years old%	Over 50 years old%
2021	8	29	2	4.24%	6.51%	2.12%
2022	21	27	4	17.50%	15.17%	21.05%
2023	32	20	0	29.09%	10.87%	0.00%

	Employee Turnover %	Employee Hirer %
2021	16.12%	43.39%
2022	18.71%	31.65%
2023	18.77%	21.66%

DIVERSITY & INCLUSION

DIN is committed to upholding and nurturing diversity and inclusion as a principal tenet of the company's culture, environment, and operations. The company advocates diversity in gender, nationality, age, religion, language, and increased representation of persons with disabilities. With a strong blend of gender and age groups, as well as a total of 18 nationalities represented across the workforce, DIN demonstrates powerful action in this area.

Indeed, DIN has demonstrated its position as a leader in gender equality in the country's private sector over multiple years by attracting and fostering female talent and is committed to being an employer of choice for women. DIN's employment statistics for 2023 showcase this approach with women well represented across all levels of the company. More than 55% of our entry-level employees are female demonstrating our commitment to encouraging women to enter the workforce and build professional experience. Female representation is also notable at other levels, reaching 46.15% at the mid-level, and increasing in senior management by 16% since the previous year to 34.09%.

Putting diversity and inclusion at the heart of our people strategy has supported DIN's efforts to leverage the benefits of a diverse workforce, including increased productivity, innovation, risk mitigation, enhanced reputation, and talent retention.

	TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER					
	Entry-Level		Mid-Level		Senior Management	
	Male	Female	Male	Female	Male	Female
2021	46.06%	53.94%	36.93%	63.07%	67.22%	32.78%
2022	47.34%	52.66%	47.44%	52.56%	71.43%	28.57%
2023	44.52%	55.48%	53.85%	46.15%	65.91%	34.09%

	TOTAL EMPLOYEES BY JOB CATEGORY AND BY AGE GROUP								
	Entry-Level			Mid-Level			Senior Management		
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2021	41.00%	58.00%	2.00%	37.00%	60.00%	3.00%	0.00%	66.00%	34.00%
2022	39.64%	58.58%	1.78%	25.00%	66.25%	8.75%	0.00%	74.29%	25.71%
2023	39.35%	60.65%	0.00%	20.51%	71.79%	7.69%	0.00%	77.27%	22.73%

	Total Number of Nationalities
2021	20
2022	19
2023	18

TRAINING & DEVELOPMENT

Providing our employees with training and development opportunities is a key component of DIN’s responsibility as an employer. This allows us to invest in our employees’ growth and wellbeing, enhance their skills and adaptability to market changes, and empower them to implement our ambitious strategic and business goals. In 2023, DIN successfully conducted over 250 hours of employee training, averaging 0.91 hours per employee throughout the year.

Over the course of 2023, we continued to develop our internal training program. We conducted trainings in a variety of areas, including Anti-Money Laundering (AML) and related compliance requirements. Training is provided to all employees as well as leadership, including the Board of Directors. To supplement our internal training programs designed to upskill employees with core operational competencies, DIN also collaborates with respected market players to provide our employees with additional external training and resources.

As a direct result of DIN's training and development programs, employee performance has improved across all departments, which has enabled the company's policy to reward professional growth and promote from within whenever possible. We offer a thorough employee training that covers phishing awareness, business communication, cyber security, and HR related information.

EMIRATIZATION

DIN, a UAE-home grown company, is committed to empowering UAE nationals in the workforce. Supporting Emiratization efforts is a core priority of our long-term diversity and inclusion strategy. This effort is showcased by our consistently strong Emiratization rate, which reached 32% in 2023 – a 2.0% increase compared to the previous year. The number of UAE nationals within DIN's workforce have also consistently surpassed Tawteen targets. These accomplishments have been recognized by the UAE government: in previous years, DIN was awarded a discount for permit applications as one of only 16 private sector companies that exceeded outlined Emiratization targets. DIN is also registered for NAFIS, an initiative which provides salary support for UAE nationals working in the private sector.

By supporting Emiratization efforts, as well as our Emirati employees, DIN underlines its commitment to a journey of sustainable growth and to contributing to the national economy's private sector. Lastly, we have successfully met our Emiratization targets set by both the Central Bank and the Ministry of Human Resources and Emiratisation (MOHRE).

	Number of UAE Nationals by Gender			
	Female	Male	Female %	Male %
2021	64	12	84.21%	15.79%
2022	70	15	82.35%	17.65%
2023	72	16	81.82%	18.18%

	Number of UAE Nationals by Job Category					
	Entry-Level	Mid-Level	Senior-to-Executive Level	Entry-Level %	Mid-Level %	Senior-to-Executive Level %
2021	8	5	3	50.00%	31.25%	18.75%
2022	38	33	5	50.00%	43.42%	6.58%
2023	56	27	5	63.64%	30.68%	5.68%

	Emiratization Rate
2021	31.4%
2022	30.6%
2023	32.0%

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

Climate change poses significant risks, from extreme weather events to rising sea levels, which can have a negative impact on businesses and communities. For insurers, this means facing financial risks in terms of assets as well as liabilities, for example as a result of natural disasters and climate-related losses. By incorporating climate considerations into business strategies, insurers can better manage these risks, which helps ensure their financial stability and protects policyholders. In this way, addressing climate change also presents opportunities for innovation and growth. Insurers can play a unique role and develop innovative products to address emerging climate risks and encourage environmentally responsible behavior among policyholders.

Over the course of 2023, DIN continued to support internal initiatives related to infrastructure, digitalization of processes, and raising awareness among staff to reduce the company’s environmental impact. As part of its commitment towards climate action, DIN has also continued to monitor insurance-related alliances who advocate for increased resources to help insurance companies develop net-zero plans and effectively manage climate change-related risks, notably the Net Zero Insurance Alliance (connected to the Glasgow Financial Alliance for Net Zero) and the Principles for Responsible Insurance (part of the United Nations Environment Program – Finance Initiative).

ENVIRONMENTAL FOOTPRINT

In alignment with DIN’s commitment to sustainable action, the company prioritizes transparency and accountability in evaluating and mitigating its environmental footprint. We recognize the importance of managing carbon-related impact and risks. Through yearly accounting, we track our Scope 1 and 2 emissions. Since 2021, we've introduced our emissions related to the impact of our business travels, gradually paving the way for a more sustainable approach to our operations.

<table>
<tr><th></th><th></th><th></th><th>Unit</th><th>2021</th><th>2022</th><th>2023</th></tr>
<tr><td rowspan="7">Energy Consumption</td><td rowspan="2">Fuel Consumption</td><td>Petrol</td><td>GJ</td><td>129.71</td><td>146.99</td><td>141.25</td></tr>
<tr><td>Diesel</td><td>-</td><td>Not Available</td><td>Not Available</td><td>Not Available</td></tr>
<tr><td colspan="2">Electricity Consumption</td><td>GJ</td><td>5,022.94</td><td>4,693.79</td><td>5,081.51</td></tr>
<tr><td colspan="2">Chilled Water</td><td>GJ</td><td>10,644.24</td><td>7,747.95</td><td>10,758.85</td></tr>
<tr><td colspan="3">Total Direct Energy Consumption</td><td>129.71</td><td>146.99</td><td>141.25</td></tr>
<tr><td colspan="3">Total Indirect Energy Consumption</td><td>15,667.17</td><td>12,441.73</td><td>15,840.36</td></tr>
<tr><td colspan="3">Total Energy Consumption</td><td>15,796.88</td><td>12,588.72</td><td>15,981.61</td></tr>
</table>

Energy Intensity (GJ/Employee)	2021	2022	2023
Direct Energy Intensity	0.54	0.52	0.42
Indirect Energy Intensity	64.74	44.12	47.43
Total Energy Intensity	**64.74**	**44.64**	**47.85**

Scope	Item	Unit	2021	2022	2023
Scope 1	Combustion of Fuels	MTCO2e	9.62	10.91	10.50
Scope 2	Electricity Purchased for Own Use	MTCO2e	598.99	526.10	569.55
	District Cooling	MTCO2e	353.11	238.67	331.42
Scope3	Category 6 - Business travel	MTCO2e	3,450.00	25,436.00	47,455.00

Scope	2021	2022	2023
Scope 1	9.62	10.91	10.50
Scope 2	952.09	764.76	900.97
Scope 3 (Category 6)	3,450.00	25,436.00	47,455.00
Total Emissions (MT CO2e)	**4,411.72**	**26,211.67**	**48,366.47**

Scope	2021	2022	2023
Scope 1 - Intensity	0.04	0.04	0.03
Scope 2- Intensity	3.93	2.71	2.70
Scope 3- Intensity (Category 6)	14.26	90.20	142.08
Total Emissions Intensity (MT Co2e/employee)	**18.23**	**92.95**	**144.81**

Water Consumption	2021	2022	2023
Total Water Consumption in m3	4,119.59	4,400.67	6,110.80
Total Water Consumption per Employee in m3/Employee	17.023	15.605	18.296

**New emission factors that are more accurate have been used to calculate the energy consumption for this year's report, also affecting the energy consumption calculation for the previous years.*

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 at the heart of DIN's strategy for long-term growth, as well as a core principle which enables us to uphold our vision and mission as we work to reach our goals. By setting high standards, prioritizing accountability across our operations, working collaboratively with our stakeholders, nurturing innovation, and consistently being transparent in our reporting, we have achieved and maintained a leading position in the country's insurance industry.

GOVERNANCE STRUCTURE & COMMITTEES

THE DIN BOARD OF DIRECTORS

DIN's Board of Directors guides the company's strategic vision and leads senior management to achieve its targets as the chief governance body. The Board is composed of seven experienced members, a number which has remained stable since the last Board elections in 2021. Members of the Board underwent yearly training on key topics as needed, in order to share and discuss any new developments in the insurance landscape, supporting members with the knowledge to drive DIN's long-term success. In 2023, members of the Board completed training, which consisted of sessions covering the topics of compliance and anti-money laundering (AML).

Encouraging diversity is another key priority for members of the Board, with a set target to increase women Board members up to 20%. The next opportunity to diversify the Board will take place during the next Board elections in 2024.

No	Name	Category	Duration as Director
1	Buti Obaid Almulla	Non-independent	33
2	Marwan Abdullah Al Rostomani	Non-independent	18
3	Khalid Abdul Wahid Al Rustomani	Non-independent	18
4	Ahmed Bin Issa AlSerkal	Independent	16
5	Abubakr Abdullah Al-Futtaim	Independent	21
6	Mohammed Ahmed Al Moosa	Independent	15
7	Abdullah Al-Huraiz	Independent	12

	Board of Directors			
	Female	Male	Female %	Male %
2021	0	7	0%	100%
2022	0	7	0%	100%
2023	0	7	0%	100%

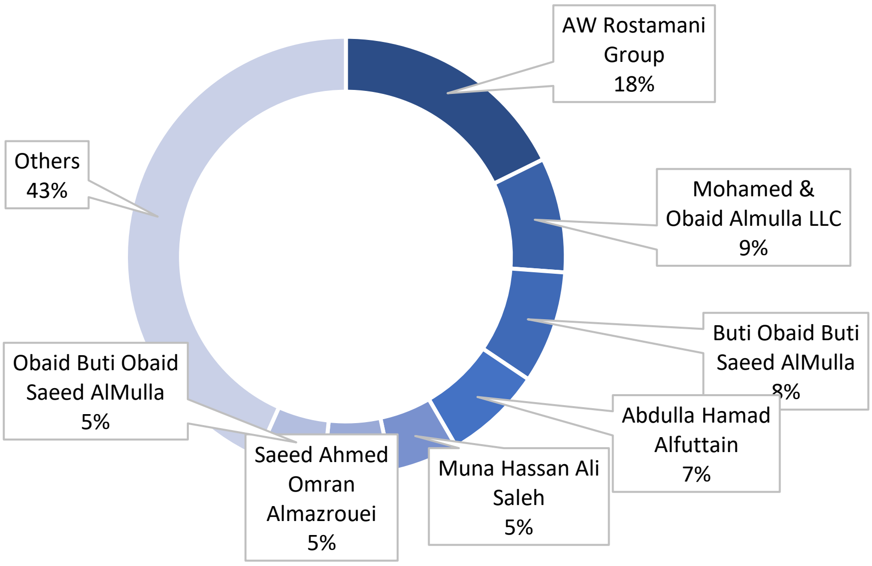
Board of Directors		
Below 30 years old %	Between 30-50 years old %	Over 50 years old %
0%	14%	86%
0%	14%	86%
0%	14%	86%

OUR OWNERSHIP STRUCTURE

The company's shareholder structure is composed of 129 different investors across the following categories:

Sector	Local	Gulf	Arabic	Foreign
Individuals	59.24%	1.89%	0.003%	0
Companies	38.71%	0	0	0
Governments	0	0	0	0

There are eight key majority shareholders, comprised of both corporations and individuals. This ownership structure has remained stable since 2021, with no major changes.



OUR GOVERNANCE COMMITTEES

DIN’s governance structure is composed of six specialized governance committees, all of which report directly to the Board of Directors. Their role is to support the Board in overseeing the implementation of the company’s strategy. They supervise key operational areas and are responsible for managing oversight of employee and management performance in line with company policies as well as external compliance requirements.

Audit Committee	Nomination & Remuneration Committee	Committee of Monitoring and Supervising Insiders’ Transactions	Risk Committee	Investment Committee	Sustainability 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	Responsible for overseeing and guiding Dubai Insurance's sustainability initiatives and practices. Its primary role is to ensure that the organization operates in an environmentally, socially, and economically responsible manner.

For more details on our Governance Structure, please refer to the 2023 Governance Report.

SUSTAINABLE GOVERNANCE

DIN’s Sustainability Committee plays a pivotal role in guiding the company’s sustainability journey. Reporting to the Board of Directors and CEO, the Committee works to set DIN’s sustainable vision and integrate it into operations and ways of working across the company. They develop strategies and initiatives to be implemented. DIN’s sustainable leadership monitors the execution and outcomes of these initiatives, all while ensuring compliance.

Managing remuneration policies across the organization is an important component of sustainable governance. These policies are developed by the Board of Directors or through an independent remuneration committee to ensure objectivity and adherence to consistent standards within departments and functions. Employees working in DIN's control functions of risk management, compliance, and internal audit are fixed. At the senior executive and management level, DIN has implemented a sustainability-aligned remuneration policy, which incorporates performance metrics related to ESG considerations. For all employees, regular reviews ensure ongoing alignment with organizational goals and industry standards. This aspect of sustainable governance is designed to strategically support sustainable transformation and reinforce responsible business practices.

COMPLIANCE WITH LEGAL & ETHICAL STANDARDS

ENSURING COMPLIANCE

Compliance with corporate governance laws and all applicable legal and financial regulations is a core priority for DIN and underpins how the company manages its operations. Through our comprehensive and robust governance structure, ensuring compliance, as well as operating with the highest ethical standards, is a consistent practice. DIN's governance and compliance framework is outlined and applied through the rigorous implementation of its policies, procedures, and protocols designed to guide day-to-day operations, our risk management approach, and promote responsible decision-making and business practices.

These policies and procedures are listed in the below table:

Complete List of DIN's Company Policies & Procedures
Code of Ethics and Conduct
HR Manual
Whistleblower policy
Supplier code of conduct
Data privacy policy
Anti-bribery & Anti-corruption policy
Anti-Fraud Policy
AML Policy and Procedures
Risk Management Policy
System Continuity Management Policy
Succession Plan
CEO Charter
Corporate Governance Framework
Board Charter
Audit Committee Charter
Risk Committee Charter

Related Parties
Board Member Agreement
Compensation Policy for Board
Compensation Policy for Staff
Conflict of Interest policy

DIN’s Code of Ethics and Conduct serves as a comprehensive, continuous reference for all employees to ensure that they have all the information they require to uphold compliance and all other professional and ethical expectations. All fundamental principles and policies upheld by the company are clearly outlined in the Code. These encompass practical guidance on important topics including data privacy, conflicts of interest, anti-corruption, and confidentiality. Employees are also provided with specific guidelines on how to ethically manage stakeholder engagement with external parties, including suppliers, customers and business partners.

To ensure that the Code provides actionable support to employees who may confront any ethical or compliance-related issues in the course of their work, DIN has also developed an ethical framework of action and a reporting protocol for any events that may put the company at risk. The Code underlines our commitment to upholding ethical and responsible business practices across the full scope of our operations and impact.

It is a key priority for DIN to ensure that its leadership and governance sets an example for all players in the industry. We aim to promote a strong corporate culture defined by teamwork, transparency, integrity, respect, and fairness, while placing operational excellence at the heart of all we do. The results of our efforts are showcased in this year’s compliance-related data. For the past three years, DIN has maintained its performance and commitment to working ethically and abiding by all applicable regulations, with zero reported instances of non-compliance with laws and regulations, and no confirmed incidents of corruption, including as relating to relationships with business partners. However, fines could not be avoided in some cases which require a submission within a tight timeline or missing a certain document. In 2023, fines were incurred for not providing some policyholders with attached certificates of continued health insurance as required by the Abu Dhabi Department of Health.

Total number of significant instances of non-compliance with laws and regulations	
Instances for which fines were incurred	**Instances for which non-monetary sanctions were incurred**

2021	1	0
2022	1	0
2023	1	0

	Total monetary value of fines for non-compliance with laws and regulations
2021	10,000
2022	30,000
2023	10,000

	Total number of operations assessed for risks related to corruption	**Percentage of operations assessed for risks related to corruption**
2021	0	0
2022	0	0
2023	0	0

	Number of confirmed incidents of corruption	**Nature of incidents**
2021	0	0
2022	0	0
2023	0	0

	Total number of confirmed incidents in which employees were dismissed or disciplined for corruption
2021	0
2022	0
2023	0

	Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption
2021	0
2022	0
2023	0

Ensuring compliance requirements are met and upholding this track record will continue to be a critical priority for DIN. To contribute to this goal, the company also aims to grow and nurture a culture of continuous improvement that leverages the potential of innovation. This will allow DIN to become more adaptable to industry changes, foster learning across teams, and promote long-term sustainable growth while continuing to prioritize ethical practices and legal/regulatory compliance.

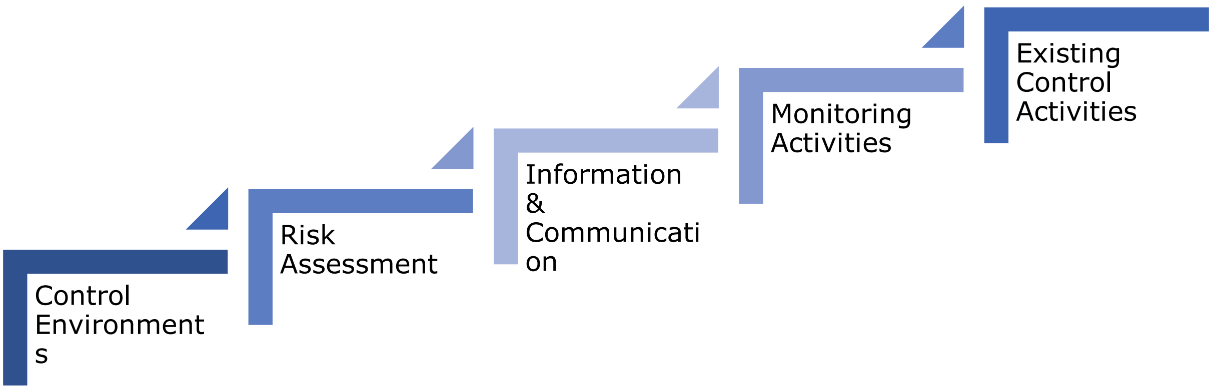
INSIGHT INTO AML POLICY

DIN's AML policy is a vital aspect of the company's approach to risk management. We have robust Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) policies in place to protect against risks faced by financial institutions. Audits are regularly conducted on our AML policies to ensure that they remain aligned with applicable regulations and requirements outlined by the UAE's Central Bank.

DIN leverages technology to implement and manage these policies. The company's integrated risk management system actively conducts key compliance protocols. Notably, it monitors Politically Exposed Persons (PEPs), screens prospective customers to prevent conducting business with sanctioned individuals and entities, and assesses client and product risk. Top-performing IT systems conduct real-time checks of all suspicious activities in tandem with other risk management protocols. These are regularly monitored and updated by the company's dedicated specialist consultant.

INTERNAL CONTROLS & RISK MANAGEMENT AT DIN

To monitor and maintain oversight of our operations' compliance with applicable regulations and to the Code's policies, we have strong and reliable internal control systems in place, which cover five central aspects outlined in the figure below.



More than 200 insurance related procedures with targeted KPIs are monitored to track progress on each of these components. DIN's Audit Committee is tasked with monitoring these control systems and ensure that they are working effectively and efficiently, as well as conducting regular reviews and implementing improvements.

The Risk Management Committee, alongside other governance committees and the Board of Directors, are responsible for managing these, and all other aspects, of the company's risk exposure to material financial and non-financial risks. It is a key priority for DIN's leadership teams to ensure that these varied protocols are applied rigorously to achieve an effective risk management approach that is embedded across all layers of strategic decision-making.

DEVELOPING OUR COMMUNITIES

DIN manages an impactful CSR program, which is a vital component of our value creation strategy. We are dedicated to making a positive impact throughout the community, beyond our operational landscape. The company aims to invest in the development of our communities and improve people's lives across the UAE. Over the course of 2023, DIN invested nearly AED 1.5 million to support a variety of initiatives at a national and community level, often engaging employees and stakeholders to make a difference. This value represents a substantial increase of over 85% compared to the previous year.

Over the course of the year, DIN contributed to multiple wide-reaching initiatives. These included the provision of financial support for those in need, support for initiatives that contribute to public health research and improvements, as well as the allocation of insurance policies to support members of the community.

Notably, DIN:

- Supported the Yak Al Aoun initiative, assisting financially distressed Dubai citizens and prosecution (AED 1,000,000)
- Supported the UAE Genome program, a national project aimed at using genetic data of UAE citizens for analysis and utilization to improve the public health of Emiratis (AED 243,000)
- Donated 20 vehicle insurance policies to Happiness cardholders designated as limited-income or as a person with disabilities.

The company also pursued various sponsorships this year, notably:

- UAE Labor Market Leadership Award (AED 250,000)
- World Worker's Day (AED 250,000)
- Two advertisements in "[Magazine]" to celebrate national events (AED 5,500)

As part of the CSR program, DIN led initiatives that successfully encouraged its employees to engage in the community and with each other.

Notably, DIN:

- Offered Esaad cards to all employees, enabling them to benefit from various discounts in schooling, retail, airlines, education, and more
- Had employees participate in Dubai Run, the city's biggest sport event
- Organized its annual Iftar gathering for all DIN employees

- Financed the social activities chosen by employees of each department, promoting interaction among colleagues

	Total Amount in AED	**Main contribution *(please describe briefly)***
2021	500,000.00	Payment to Islamic Affairs & Charitable activities Department
2022	800,000.00	Payment to Islamic Affairs & Charitable activities Department
2023	1,493,000.00	*Described in the text*

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 2023 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	5	
2-2	Entities included in the organization's sustainability reporting	G8: Sustainability reporting G9: Disclosure Practices	2	
2-3	Reporting period, frequency and contact point		2	
2-4	Restatements of information	G10: External Assurance	2	
2-5	External assurance		2	
Activities and workers				
2-6	Activities, value chain and other business relationships		5-15	
2-7	Employees	S3: Employee Turnover S4: Gender Diversity	30-34	
2-8	Workers who are not employees		30-34	
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2-9	Governance structure and composition	G1: Board Diversity	37-44	
2-10	Nomination and selection of the highest governance body	G2: Board Independence	37-44	

2-11	Chair of the highest governance body		37-44	
2-12	Role of the highest governance body in overseeing the management of impacts		37-44	
2-13	Delegation of responsibility for managing impacts		37-44	
2-14	Role of the highest governance body in sustainability reporting	G3: Incentivized Pay	37-44	
2-15	Conflicts of interest	G7: Ethics & Anti-Corruption	37-44	
2-16	Communication of critical concerns		37-44	
2-17	Collective knowledge of the highest governance body		37-44	
2-18	Evaluation of the performance of the highest governance body		37-44	
2-19	Remuneration policies	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio	37-44	
2-20	Process to determine remuneration	S2: Gender Pay Ratio	37-44	
2-21	Annual total compensation ratio	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio	37-44	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	E8, E9: Environmental Oversight	35-36	
2-23	Policy commitments		37-44	
2-24	Embedding policy commitments		37-44	
2-25	Processes to remediate negative impacts	G3: Incentivised Pay	37-44	
2-26	Mechanisms for seeking advice and raising concerns		26	

2-27	Compliance with laws and regulations		37-44	
2-28	Membership associations	S1: CEO Pay Ratio	6	
Stakeholder engagement				
2-29	Approach to stakeholder engagement		20	
2-30	Collective bargaining agreements			N/A
GRI 3: MATERIAL TOPICS				
GRI DISCLOSURE	**CONTENT**	**DFM DISCLOSURE**	**REFERENCE SECTION**	**NOTES**
3-1	Process to determine material topics		21-22	
3-2	List of material topics		21-22	
3-3	Management of material topics		21-22	
GRI 200: Economic Standard Series				
GRI 201: Economic Performance 2016				
GRI 201 Topic Specific				
3-3	Management Approach		24	
201-1	Direct economic value generated and distributed		24	
GRI 202 Topic Specific				
3-3	Management Approach		30	
202-2	Proportion of senior management hired from the local community	S11: Nationalisation	34	
GRI 205: Anti-Corruption 2016				
GRI 205 Topic Specific				
3-3	Management Approach		37-44	
205-1	Operations assessed for risks related to corruption		37-44	
205-2	Communication and training about anti-corruption policies and procedures		37-44	

205-3	Confirmed incidents of corruption and actions taken	G6: Ethics & Prevention of Corruption	37-44	
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302-1	Energy consumption within the organization	E3: Energy Usage	35-36	
302-2	Energy consumption outside of the organization	E4: Energy Intensity E5: Energy Mix	35-36	
302-3	Energy Intensity	E4: Energy Intensity E5: Energy Mix	35-36	
GRI 303: Water and Effluents 2018				
GRI 303 Topic Specific				
3-3	Management Approach		35-36	
303-5	Water Consumption	E6: Water Usage	35-36	
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3-3	Management Approach	E8 & E9: Environmental Oversight	35-36	
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	35-36	
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	35-36	
305-3	Other indirect (Scope 3) GHG emissions	E1: GHG Emissions	35-36	
305-4	GHG emissions intensity	E1: GHG Emissions E2: Emissions Intensity	35-36	
GRI 307: Environmental Compliance 2020				
GRI 306 Topic Specific				
3-3	Management Approach		35-36	
307-1		E7: Environmental Operations	35-36	
GRI 400: Social Standard Series				
GRI 401: Employment 2016				

GRI 401 Topic Specific				
3-3	Management Approach		30-34	
401-1	New employee hires and employee turnover	S3: Employee Turnover	30-34	
401-2	Benefits provided to full-time employees that are not provided to part-time employees		30-34	
GRI 404: Training & Education 2016				
GRI 404 Topic Specific				
3-3	Management Approach		30-34	
404-1	Average hours of training per year per employee		30-34	
404-2	Programs for upgrading employee skills and transition assistance programs		30-34	
404-3	Percentage of employees receiving regular performance and career development reviews		30-34	
GRI 405: Diversity and Equal Opportunity 2016				
GRI 405 Topic Specific				
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405-1	Diversity of governance bodies and employees	S4: Gender Diversity	30-34	
		S6: Non-Discrimination	30-34	
		S11: Nationalisation	30-34	
		G1: Board Diversity	37	
405-2	Median Compensation		30-34	
GRI 406: Non-Discrimination 2016				
GRI 406 Topic Specific				
3-3	Management Approach		30-34	
406-1	Incidents of discrimination and corrective actions taken	S6: Non-discrimination	30-34	
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3-3	Management Approach		44	
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GRI 418 Topic Specific				
3-3	Management Approach		27	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7: Data Privacy	27	