الإمـــارات للتأميـــن
Emirates Insurance

Emirates Insurance Company (PSC)

2023

Integrated Report

Emirates Insurance Company P.J.S.C.

Financial Statements

31 December 2023

Principal business address:
Emirates Insurance Company P.J.S.C.
P.O. Box: 3856
Abu Dhabi
UAE

Emirates Insurance Company P.J.S.C.

Financial Statements

Contents | ***Page***

BOARD OF DIRECTORS' ANNUAL REPORT 2023

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the annual report of Emirates Insurance Company P.S.C. ("EIC") detailing the progress we have made across our business for the fiscal year ended 31 December 2023.

2023 saw the 40th anniversary of Emirates Insurance Company commencing its underwriting activities. From humble beginnings in a small office in Hamdan Street we have grown to be an internationally recognized insurer and reinsurer with a strong record of profitability and professionalism. We had the opportunity to celebrate this notable landmark with many of our stakeholders during the year.

2023 is also marked by a very strong set of results in both our underwriting and investment businesses.

Macroeconomic picture

Encouraging increases in oil prices as well as welcome boosts to economic activity in the non-oil sectors contributed to a positive financial picture for the country's economy. The UAE recorded economic growth rates of 4.1% in 2023. Unfortunately, our region continues to be plagued by wars and violence. This, together with continuing conflicts in Europe, contribute to some economic instability globally.

Insurance Operations

In common with all insurance companies in the UAE as well as most of such institutions across the world, EIC presents its first full year results for 2023 under a new International Reporting standard, IFRS 17. The most obvious and noticeable change implemented this year is a comprehensive reorganization of the terminology and classification of our insurance results throughout the report. IFRS 17 does not affect the treatment of our investment portfolio results.

Under IAS8, the implementation of such a far-reaching new standard requires us- along with all other insurers in the UAE- to restate 2022 results using the IFRS17 methodology.

I am pleased to report that Insurance revenue increased to Aed1.134 billion, an increase of approximately 3% compared to 2022.

Our underwriting business returned an encouraging performance with strong underwriting results in nearly all areas of our business. Our total insurance income grew to Aed80m, an increase of 17% over 2022.

Investment Performance

EIC's investment activity generated a net income of AED 85.3m during FY 2023; 2.6x higher compared to AED 23.7m in FY 2022. Overall the compounded annual return on the total portfolio during FY 2023 was 10.2% outperforming our internal benchmark by 275bps.

The continued aim is to focus on preserving and growing shareholder value in the foreseeable future. Our investment performance in recent years serves as a testament to the resilience of our investment philosophy where we seek to capture higher market upsides during market uptrends and mitigate downside capture during periods of stress and dislocations.

Overall Performance

Our strong underwriting performance combined with our investment income outperformance generated a net profit for 2023 of Aed126.3m, a 126% increase from 2022, resulting in an Earnings per share of 0.84 fils.

Dividend Distribution

Based on the strong operating performance and considering our strong solvency margins, I am very pleased to confirm that the Board will be recommending a cash dividend of 55 fils per share, an increase of 10% over 2022. The company's ability to pay high dividends reflects our continuing financial strength and our commitment to shareholder returns.

Solvency Margin

Solvency margins are a measure of the financial strength of an insurance company and its ability to meet its commitments to policyholders. The Central Bank's regulations stipulate a common methodology for all insurers in the UAE to calculate this important indicator so that each company may be compared with its peers. I am pleased to report that EIC's solvency margin surplus (after proposed dividend of AED 82.5m) increased during the year and remains very strong at Aed 591m.

	(AED in 000's)	Values as of:	Annual Change	
Description	31/12/2022	31/12/2023	Amount	Percent
Own funds eligible to meet the SCR	798,209	915,182	116,973	15%
SCR Solvency Margin - Surplus / (Deficit)	494,695	591,317	96,622	20%

EIC's Credit Ratings

EIC enjoys A- credit ratings with stable outlooks from the international credit rating agencies, AM Best and Standard and Poor's. I am pleased to say both ratings were confirmed again in 2023.

Transactions with related Parties

The financial statements disclose related party transactions and balances in note 21. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Our Thanks

It gives me pleasure to express the appreciation of the Board of Directors towards our shareholders for their support and confidence. On behalf of our shareholders, I thank the management of EIC and its entire staff for their steadfast dedication and belief in EIC and its future.

My thanks are also due to EIC's many external stakeholders: customers, brokers, reinsurers and professional advisors who support us every day in our operations. We should also express our appreciation for the work of the UAE Central Bank in its regulation of the country's insurance industry.

The Board of Directors would also like to express sincere appreciation to His Highness Sheikh Mohammed Bin Zayed Al Nahyan, UAE President and Ruler of Abu Dhabi, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, for their invaluable support to the UAE business community and economic interests of the country. Moreover, we shall not forget to pay tribute to the memory of the late Sheikh Zayed Bin Sultan Al Nahyan and the late Sheikh Maktoum Bin Rashid Al Maktoum for their remarkable vision. The UAE owes to them its miraculous developments and achievements.

Yours faithfully,

A- Mazrui

ABDULLAH MOHAMMED AL MAZRUI
CHAIRMAN
28 February 2024

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders, Business Associates and Fellow Employees,

2023 saw the 40th anniversary of Emirates Insurance Company commencing its underwriting activities. A significant milestone in the history of our company and of the insurance industry in this country.

2023 was also a very significant year for the entire global insurance industry as it saw the introduction of the largest change in insurance accounting standards for a quarter century. I am proud that EIC was in full compliance with IFRS17 from Q1_2023 – a huge project skillfully managed by many colleagues across different departments but principally the Finance, Actuarial and IT teams. Today's annual report and accounts are the first full year reports we have published in IFRS17.

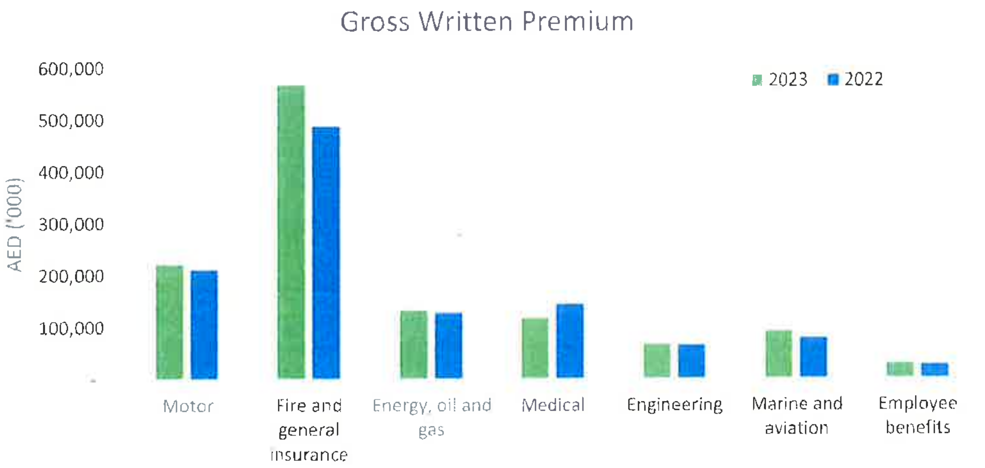
After all this, it is particularly pleasing to mark our 40th birthday with a set of very positive results in both our insurance and our investment businesses. Our Total Insurance Income increased by 17.5% to Aed80m. We also experienced an exceptionally strong investment performance, contributing Aed85m to the profit for the year.

Our net profit for 2023 has increased to Aed126.3 million resulting in earnings per share of 84 Fils, an increase of 126% over 2022.

Insurance Operations Report

Premium income

Although GWP is not reported under IFRS17, this remains an important metric for the company. Overall, EIC's Gross Premium Income increased by approximately 7% during the year to Aed1,221billion.



Insurance Service result before Reinsurance Contracts Held

Under IFRS17, our insurance revenue increased to Aed1,134b from Aed1,101b in 2022, while our insurance service expenses increased from 2022 by 64% to Aed686m.

In our domestic business, Motor continued to be a challenge for most of 2023 although in the last quarter we slowly began to see the effects of an improving market picture as the Central Bank's instructions regarding the motor tariff were reissued. I am pleased that the remedial underwriting steps taken to strengthen our profitability are showing encouraging signs of improving motor results in 2024.

In the medical class, the picture is already much more positive, as the action taken to reduce our exposure to this line, together with further pricing reviews, resulted in the medical portfolio returning to profitability in 2023.

Our domestic fire and general lines grew well although on a gross basis our fire account was affected by a large single fire loss, although most of that loss is recoverable from reinsurers.

Our international business performed well, especially in our property reinsurance business.

Net Expense from Reinsurance Contracts Held

The net expense from Reinsurance Contracts held dropped significantly by 42% from December 2022, mainly due to the recovery from reinsurers on the large fire claim mentioned above as well as some reorganization of our motor and medical segments.

Insurance service result

The Insurance service result increased by 44.6% from 2022 as the rest of our insurance business performed extremely well with particularly successful results in Fire and General Accident, Casualty, Engineering and International Property Fac. Indeed, all our commercial insurance and reinsurance segments performed well this year.

Insurance and Reinsurance finance (expenses)/income

Insurance and Reinsurance finance (expenses)/income relate to the effect of discounting of cash flows on insurance contract liabilities and reinsurance contract assets, driven by changes in market interest rates. The Net Insurance and reinsurance finance expenses decreased from a net income of Aed6.5m in 2022 to a net expense of Aed9.1m for the 2023 year due to the unwinding of the discounted interest from the prior year as well as changes in global interest rates.

Total Insurance income

Taking all these factors into account, our total insurance income (before unallocated expenses) improved by 17% from 2022 to Aed80m in 2023 with our loss ratio improving from 52.1 % to 48.9%. It is also very pleasing to see that the administrative cost containment efforts implemented by management continue paying dividends.

Investments

During 2023, EIC generated a total investment income of Aed165.5m. In retrospect, while cash seemed to be the obvious choice for low risk returns, EIC's dynamic investment management allowed us to target returns that proved to be much higher than cash on cash yields across money market instruments.

As such, during 2023, the main contributors to the portfolio's performance were Equities that added AED 116m to the total portfolio income translating to a Holding Period Return (HPR) of 16.7%. EIC's bond portfolio generated an HPR of 5.3%, reversing some unrealized losses from the Fed's aggressive rate hiking cycle in 2022. Other satellite holdings generated returns in the range of 6% to 8% while interest from money market funds jumped from AED 3.9m in 2022 to AED 7.9m.

Over the past 2 years, the key themes that drove market sentiments circulated around the world's major central bank's intervention on interest rates to balance out inflationary pressures as well as key developments across the geopolitical landscape. EIC closely monitored market sentiments across 16 broad asset class categories and dynamically rebalanced the portfolio to generate portfolio alpha. As such, EIC's investment portfolio has generated an annualized compounded return of 4.8% vs the benchmark's 2.0% since 2018 whilst targeting a risk of 7.2% as compared to the benchmark's 10.0%.

Emiratization and Corporate Social Responsibility

During 2023, EIC built further on the success of our e-team program that encourages the training and mentoring of UAE nationals working for the company. During 2023, and in line with priorities clearly identified by the Central Bank, we further increased our local citizens' staff contingent. Our excellent record in this field has been regularly commended by various government entities.

My Thanks

I would like to pay tribute to the wise leadership of our Board of Directors and particularly our Chairman, Mr. Abdullah Mohamed Al Mazrui.

Once again, my colleagues at EIC have worked extremely diligently for the company during the year to produce an excellent result. I commend them for their professionalism and hard work.

2024

As always, my colleagues and I look forward to a new year of challenges and opportunities in 2024. 2024 will also witness the introduction and implementation of a corporate tax regime in the UAE for the first time.

As a progressive and modern insurer and reinsurer we will not shirk the challenges that the macroeconomic scene as well as the local market throw at us. Our own digitalization journey will continue to progress, still further improving our business analysis capabilities and our customer service.

I also reflect that the same values and professionalism which have brought us so much success in the last 40 years will stand us in very good stead in the next 40.

Jason Light
Chief Executive Officer
28 February 2024

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Independent auditors' report

To the Shareholders of Emirates Insurance Company PJSC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Emirates Insurance Company PJSC ("the Company"), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Measurement of Insurance contract Liabilities	
See note 2(d), 3 and 8 to the financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Measurement of gross insurance contract liabilities is a key audit matter due to the financial significance to the financial statements, and the inherent complexity involved within the estimation process. The gross insurance contract liabilities comprise premium provisions (liability for remaining coverage – LRC) and claims provisions (liability for incurred claims – LIC). The Company has applied the Premium Allocation Approach ("PAA") for all groups of insurance contracts. The measurement process involves a number of actuarial estimation techniques. These techniques are reliant on historical data and a number of assumptions which are subjective in nature. Further, significant judgement is required in determining the appropriate measurement approach for distinct portfolios. Changes to estimation techniques and assumptions, can lead to a material impact on the measurement of insurance contract liabilities and a corresponding effect on the statement of profit or loss. Insurance contract liabilities measured using the PAA remain susceptible to a risk that an inappropriate amount of LIC is estimated due the following elements: • Methods to determine ultimate expected claims are inappropriately determined.	Our audit procedures, supported by our actuarial and accounting specialists, included: • Performing walkthroughs to understand and assess the design effectiveness and implementation of the controls over the underwriting, claims payments and reserving (estimation of LIC and LRC) processes. • Testing operating effectiveness of key controls over underwriting, claims payments and reserving process, including IT general and application controls. • Holding discussions with finance and actuarial staff and management's actuarial specialists to obtain an understanding of the following: - LIC and LRC estimation methodology; - Key assumptions used and changes thereof; and - Transition approach and the process followed. • Assessing the appropriateness of management's assessment to determine the classification of groups of insurance contracts; and the selection of the appropriate measurement approaches. • Evaluating methods and assumptions to determine the appropriateness of ultimate expected claims including ultimate claim ratios, frequency and severity of claims, and claims payment patterns. This included evaluating management's methodology against market practice. • Performing an independent calculation of LIC for a sample of insurance contract groups to challenge management's assumptions used within the LIC calculation.

Key Audit Matters (continued)

<table>
<tr><th colspan="2">Measurement of Insurance contract Liabilities</th></tr>
<tr><td colspan="2">See note 2(d), 3 and 8 to the financial statements.</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
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- Assumptions used in estimating ultimate expected claims are inappropriately developed.
- The methods, assumptions and data are inappropriately applied.

The measurement of these liabilities depends on complete and accurate data. If the data used in calculating the above insurance contract liabilities is not complete and accurate, then material impacts on financial statements may arise.

Specific audit and actuarial expertise is required to evaluate complex actuarial methodologies and assumptions.

<u>Transition to IFRS 17</u>

Transition to IFRS 17 Insurance Contracts ("IFRS 17") represents a material change to the recognition, measurement and presentation of insurance contracts. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"), the Company has recognized the impact upon transition to the new standard within equity and has restated the comparative financial information.

IFRS 17 also introduced disclosure requirements which require considerable management effort and interpretation in the preparation of the financial statements.

</td><td>

- Checking the mathematical accuracy of the methods, assumptions and data to measure the insurance contract liabilities.
- Evaluating management's method for determining expected premium receipts, including the methodology for allocation of expected premium receipts to the relevant accounting period.
- Assessing the competence, qualification, independence and integrity of the Company's external actuarial experts.
- Considering the terms of engagement between management specialists and the Company to understand the scope of work to be performed by management specialists, and evaluating whether the scope addresses the specific requirements of IFRS 17 implementation.
- Testing the completeness, accuracy and relevance of data used to determine LIC and LRC balances.
- Evaluating the new accounting policies adopted by the Company upon transition to IFRS 17. This involved challenging management on areas of judgement and methodology choices considering the IFRS 17 principles and market practice.
- Assessing the completeness and accuracy of disclosures within the financial statements in respect of the transition, LIC and LRC considering the disclosure requirements of IFRS 17.

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Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' annual report 2023 and Chief Executive Officer's report, which we obtained prior to the date of this auditors' report, and the remaining sections of the Company's Annual Report which are expected to be made available to us after that date.

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

Other Information (continued)

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, UAE Federal Law No. 48 of 2023 and the Financial Regulations for Insurance Companies issued on 28 December 2014, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Decree Law No. (32) of 2021, we report that for the year ended 31 December 2023:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Company;

v) as disclosed in note 7 to the financial statements, the Company has purchased shares during the year ended 31 December 2023;

Report on Other Legal and Regulatory Requirements (continued)

vi) note 21 to the financial statements discloses material related party transactions and the terms under which they were conducted;

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 Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2023; and

viii) note 33 to the financial statements discloses the social contributions made during the year ended 31 December 2023.

Further, as required by the UAE Federal Law No. 48 of 2023 and the Financial Regulations for Insurance Companies issued on 28 December 2014, we report that we have obtained all the information and explanations we considered necessary for the purposes of our audit.

KPMG Lower Gulf Limited

Maher Alkatout
Registration No.: 5453
Abu Dhabi, United Arab Emirates

Date 28 FEB 2024

Emirates Insurance Company P.J.S.C.

Statement of financial position
as at

	Note	31 December 2023 AED'000	31 December 2022 AED'000 (Restated*)	01 January 2022 AED'000 (Restated*)
Assets				
Cash and cash equivalents	5	**126,279**	127,748	180,080
Term deposits	6	**203,399**	180,537	66,516
Financial assets at amortised cost	7	**284,365**	233,700	196,165
Financial assets at fair value through other comprehensive income ("FVTOCI")	7	**797,208**	763,372	799,932
Financial assets at fair value through other comprehensive income ("FVTPL")	7	**309,523**	335,669	410,736
Insurance contract assets	8	**-**	2,376	-
Reinsurance contract assets	9	**626,566**	457,788	675,715
Other receivables and prepayments	10	**29,908**	27,637	35,063
Investment properties	11	**4,034**	4,286	4,810
Statutory deposit	12	**10,000**	10,000	10,000
Property and equipment	13	**8,615**	10,415	11,156
Total assets		**2,399,897**	2,153,528	2,390,173
Equity and liabilities				
Equity				
Share capital	14	**150,000**	150,000	150,000
Statutory reserve	15	**75,000**	75,000	75,000
General reserve	16	**600,000**	600,000	600,000
Reinsurance risk reserve	17	**11,712**	7,630	3,767
Fair value reserve		**252,078**	212,795	227,240
Retained earnings		**190,229**	102,117	130,517
Total equity		**1,279,019**	1,147,542	1,186,524
Liabilities				
Employee's end of service obligation	18	**20,725**	18,111	20,960
Provisions and other payables	19	**93,337**	35,918	42,035
Insurance contract liabilities	8	**990,671**	910,134	1,130,868
Reinsurance contract liabilities	9	**16,145**	41,823	9,786
Total Liabilities		**1,120,878**	1,005,986	1,203,649
Total Equity and Liabilities		**2,399,897**	2,153,528	2,390,173

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operations and cash flows of the Company as of, and for, the year ended 31 December 2023.

A - Mazrui

Chairman of the Board of Directors | Chief Executive Officer | Chief Financial Officer

The notes set out on pages 17 to 73 form an integral part of these financial statements.
The independent auditors' report is set out on pages 6 to 11.

* Comparative information has been restated on account of first-time adoption of IFRS 17 Insurance Contracts *(refer note 3)*

Emirates Insurance Company P.J.S.C.

Statement of profit or loss
for the year ended 31 December

	Note	**2023** **AED'000**	2022 (Restated*) AED'000
Insurance revenue	8	**1,133,944**	1,101,487
Insurance service expenses	8	**(685,995)**	(417,415)
Insurance service result before reinsurance contracts held		**447,949**	684,072
Allocation of reinsurance premiums	9	**(645,687)**	(645,226)
Amounts recoverable from reinsurers	9	**286,817**	22,774
Net expense from reinsurance contracts held		**(358,870)**	(622,452)
Insurance service result		**89,079**	61,620
Insurance finance (expense)/income for insurance contracts issued	8	**(30,256)**	20,832
Reinsurance finance income/(expense) from reinsurance contracts issued	9	**21,143**	(14,370)
Net insurance finance (expenses)/income		**(9,113)**	6,462
Total Insurance Income		**79,966**	68,082
Net investment income**	24	**83,920**	22,543
Income from investment properties	25	**1,364**	1,173
Total Investment income		**85,284**	23,716
Other expenses - Net		**(38,957)**	(35,997)
Profit for the period		**126,293**	55,801
Basic and diluted earnings per share	26	**0.84**	0.37

The notes set out on pages 17 to 73 form an integral part of these financial statements.

The independent auditors' report is set out on pages 6 to 11.

*Comparative information has been restated on account of first-time adoption of IFRS 17 Insurance Contracts (*refer note 3*).

**This includes interest income calculated using effective interest rate amounting to AED 27.8 million (2022: AED 23.1 million).

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

	2023 AED'000	2022 (Restated*) AED'000
Profit for the period	**126,293**	55,801
Items that will not be reclassified subsequently to statement of profit or loss:		
Changes in fair value of equity instruments at fair value through other comprehensive income – net	**79,439**	(12,258)
Items that are or may be reclassified subsequently to statement of profit or loss:		
Changes in fair value of debt instruments at fair value through other comprehensive income – net	**772**	(7,521)
Reversal for impairment loss on debt instruments measured at fair value through other comprehensive income	**(27)**	(4)
Other comprehensive income / (loss) for the period	**80,184**	(19,783)
Total comprehensive income for the period	**206,477**	36,018

The notes set out on pages 17 to 73 form an integral part of these financial statements.

The independent auditors' report is set out on pages 6 to 11.

* Comparative information has been restated on account of first-time adoption of IFRS 17 Insurance Contracts (*refer note 3)*

Statement of changes in shareholders' equity
for the year ended 31 December 2023

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Reinsurance risk reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2022, as previously reported *(Audited)*	150,000	75,000	600,000	3,767	227,240	116,748	1,172,755
Adjustment on initial application of IFRS 17 (Note 3)	-	-	-	-	-	13,769	13,769
Restated balance at 1 January 2022	**150,000**	**75,000**	**600,000**	**3,767**	**227,240**	**130,517**	**1,186,524**
Total comprehensive income:							
Profit for the period *(restated*)*	-	-	-	-	-	55,801	55,801
Other comprehensive loss for the period	-	-	-	-	(19,783)	-	(19,783)
Total comprehensive income / (loss) for the period *(restated*)*	-	-	-	-	(19,783)	55,801	36,018
Transactions with owners of the Company:							
Dividends	-	-	-	-	-	(75,000)	(75,000)
Total transactions with owners of the Company	-	-	-	-	-	(75,000)	(75,000)
Transfer to retained earnings on disposal of equity investments designated at FVOCI	-	-	-	-	5,338	(5,338)	-
Transfer from retained earnings to reinsurance risk reserve	-	-	-	3,863	-	(3,863)	-
Restated balance at 31 December 2022	150,000	75,000	600,000	7,630	212,795	102,117	1,147,542
Balance at 1 January 2023 as previously reported *(Audited)*	**150,000**	**75,000**	**600,000**	**7,630**	**212,795**	**104,280**	**1,149,705**
Adjustment on initial application of IFRS 17 (Note 3)	-	-	-	-	-	**(2,163)**	**(2,163)**
Restated balance at 1 January 2023	**150,000**	**75,000**	**600,000**	**7,630**	**212,795**	**102,117**	**1,147,542**
Total comprehensive income:							
Profit for the period	-	-	-	-	-	**126,293**	**126,293**
Other comprehensive income for the period	-	-	-	-	**80,184**	-	**80,184**
Total comprehensive income for the period	-	-	-	-	**80,184**	**126,293**	**206,477**
Transactions with owners of the Company:							
Dividends *(note 20)*	-	-	-	-	-	**(75,000)**	**(75,000)**
Total transactions with owners of the Company	-	-	-	-	-	**(75,000)**	**(75,000)**
Transfer to retained earnings on disposal of equity investments. designated at FVTOCI	-	-	-	-	**(40,901)**	**40,901**	-
Transfer from retained earnings to reinsurance risk reserve	-	-	-	**4,082**	-	**(4,082)**	-
Balance at 31 December 2023	**150,000**	**75,000**	**600,000**	**11,712**	**252,078**	**190,229**	**1,279,019**

The notes set out on pages 17 to 73 form an integral part of these financial statements.

* Comparative information has been restated on account of first-time adoption of IFRS 17 Insurance Contracts *(refer note 3)*

Emirates Insurance Company P.J.S.C.

Statement of cash flows

for the year ended 31 December

	Note	2023 AED'000	2022 (Restated*) AED'000
Cash flows from operating activities			
Profit for the period		**126,293**	55,801
Adjustments for:			
Depreciation of property and equipment	*13*	**3,289**	3,648
Depreciation of investment properties	*11*	**252**	524
Net gain on disposal of property and equipment		**(82)**	(42)
Net loss on disposal of investments in securities	*24*	**8,540**	719
Unrealised (gain) / loss on investments measured at FVTPL	*24*	**(38,473)**	27,497
Premium amortisation	*7*	**(1,049)**	238
Dividends from investments in securities	*24*	**(28,268)**	(29,819)
Reversal for expected credit losses on financial assets		**(1,199)**	(2,258)
Charge for employees' end of service benefit obligation	*18*	**4,678**	4,734
Interest income	*24*	**(27,808)**	(23,134)
Cash generated from operating activities		**46,173**	37,908
Decrease / (increase) in insurance contract assets		**2,376**	(2,376)
(Increase) / decrease in reinsurance contract assets		**(168,778)**	217,927
(Increase) / decrease in other receivables and prepayments		**(2,218)**	9,320
Increase / (decrease) in insurance contract liabilities		**81,717**	(218,530)
(Decrease) / increase in reinsurance contract liabilities		**(25,678)**	32,037
Increase/ (decrease) in provisions, reinsurance and other payables		**57,451**	(6,085)
Cash (used in) / generated from operating activities		**(8,957)**	70,201
Payment for employees' end of service benefit obligation	*18*	**(2,064)**	(7,583)
Net cash (used in) / generated from operating activities		**(11,021)**	62,618
Cash flows from investing activities			
Payments for purchase of property and equipment	*13*	**(1,538)**	(2,949)
Proceeds from disposal of property and equipment		**131**	84
Payments for purchase of financial assets		**(160,750)**	(140,527)
Proceeds from disposal of financial assets		**213,580**	166,470
Placement of term deposits		**(263,821)**	(154,854)
Maturities of term deposits		**240,959**	40,799
Dividends received		**28,268**	29,819
Interest income received		**27,755**	21,240
Net cash generated from / (used in) investing activities		**84,584**	(39,918)
Cash flows from financing activities			
Dividends paid		**(75,000)**	(75,000)
Repayment of lease liability		**(32)**	(32)
Net cash used in financing activities		**(75,032)**	(75,032)
Net decrease in cash and cash equivalents		**(1,469)**	(52,332)
Cash and cash equivalents at the beginning of the period		**127,748**	180,080
Cash and cash equivalents at the end of the period	*5*	**126,279**	127,748

The notes set out on pages 17 to 73 form an integral part of these financial statements.

The independent auditors' report is set out on pages 6 to 11.

* Comparative information has been restated on account of first-time adoption of IFRS 17 Insurance Contracts *(refer note 3)*

1 Legal status and activities

Emirates Insurance Company P.J.S.C. (the "Company") is a public joint stock company which was incorporated in Abu Dhabi, United Arab Emirates on 27 July 1982. The Company is registered in accordance with UAE Federal Law No.48 of 2023 concerning Insurance Companies and Agents and is governed by the provisions of the Federal Law No. (32) of 2021 concerning the commercial companies, Central bank of UAE Board decision No. (25) of 2014 pertinent to Financial Regulations for insurance companies and Insurance Authority's Board of Directors Decision No. (23) of 2019 concerning Instructions Organizing Reinsurance Operations, and is registered in the Insurance Companies Register of Central Bank of UAE under registration No. (2). The Company's principal activity is the writing of general insurance and reinsurance business of all classes. The Company operates through its head office in Abu Dhabi and branch offices in Dubai, Al Ain and Jebel Ali Freezone. The Company is domiciled in the United Arab Emirates and its registered office address is P.O. Box 3856, Abu Dhabi, United Arab Emirates.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with applicable requirements of the Federal Law No. (48) of 2023 concerning the Establishment of the Insurance Authority & Organisation of the Insurance Operations, the Federal Decree Law No. (32) of 2021 concerning the Commercial Companies, Insurance Authority Board of Directors' Decision No. (25) of 2014 pertinent to Financial Regulations for Insurance Companies and Insurance Authority's Board of Directors Decision No. (23) of 2019 Concerning Instructions Organizing Reinsurance Operations.

This is the first set of the Company's financial statements in which IFRS 17 Insurance Contracts have been applied. The related changes to material accounting policies are described in Note 3.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention except for the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are carried at fair values and insurance and reinsurance contracts which are measured at the estimated fulfilment cash flows that are expected to arise as the company fulfils its contractual obligations.

(c) Functional and reporting currency

These financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional currency. Except as indicated, the financial information presented in AED has been rounded to the nearest thousand.

(d) Use of judgments and estimates

In preparing the financial statements, management has made certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimates made by management that have a significant

2 Basis of preparation *(continued)*

(d) ***Use of estimates and judgment*** *(continued)*

risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

Insurance and reinsurance contracts

With the introduction of IFRS 17, insurance and reinsurance contracts require several estimates and judgments to be made for recognition and measurement which are described in note 3.

Impairment of amounts for insurance receivables

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Other estimates

Impairment of investment properties and building under property and equipment

Investment properties and buildings under property and equipment are assessed for impairment, when there are impairment indicators, using acceptable valuation techniques which are conducted by an independent third party valuator. The fair values are compared to the carrying amount, to assess any possible impairment. Management is satisfied that there are no impairment indicators present on 31 December 2023.

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

Classification and fair value of investments

Management designates at the time of acquisition of securities whether these should be classified as at Fair Value through Other Comprehensive Income ("FVOCI"), Fair Value through Profit or Loss ("FVTPL") or amortised cost. While making the judgments of whether investments in securities are as at FVOCI, FVTPL or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 "Financial Instruments". Management is satisfied that its investments in securities are appropriately classified.

Management decides on acquisition of an investment whether it should be classified as investments carried at fair value or amortised cost on the basis of both:

(a) its business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

2 Basis of preparation *(continued)*

(d) Use of estimates and judgment (continued)

For equity investments carried at fair value, management decides whether it should be classified as financial assets carried at FVOCI or FVTPL.

Investments in equity instruments are classified and measured at FVTPL except if the equity investment is not held for trading and is designated by the Company at FVOCI.

Further, even if the asset meets the amortised cost criteria the Company may choose at initial recognition to designate the financial asset as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3 Changes in material accounting policies

Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The Company has initially applied IFRS 17 from 1 January 2023. This standard has brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the company has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022.

Except for the changes below, the company has consistently applied the accounting policies as set out in Note 4 to all periods presented in these financial statements. The nature and effects of the key changes in the company's accounting policies resulting from its adoption of IFRS 17 are summarized below.

IFRS17 - Insurance Contracts

IFRS 17, 'Insurance contracts' is applicable for annual reporting periods commencing on 1 January 2023. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The key objectives of IFRS 17 are comparable recognition and measurement of contracts in the scope of the standard, the recognition of insurance service results based on the services provided to the policyholder and provision of disclosures that will enable the users of the financial statements to assess the impact of these contracts on the financial position, financial results and cash flows of the entity. The standard distinguishes between the sources of profit and quality of

3 Changes in material accounting policies *(continued)*

earnings between insurance service results and insurance finance income and expense (reflecting the time value of money and financial risk).

Insurance contracts

Definition and classification

The Company issues contracts that transfer either insurance risk or both insurance and financial risks. The Company does not issue contracts that transfer only financial risks.

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss. All references to insurance contracts in these financial statements apply to insurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

The Company does not write any investment contracts with discretionary participation features or insurance contracts with direct participation features.

Changes to classification and measurement

For the Company, IFRS 17 has not resulted in a material change in the classification of insurance contracts relative to IFRS 4.

Previously, the Company measured contracts at the line of business level under IFRS 4. IFRS 17 has introduced a new unit of account at which insurance and reinsurance contracts are measured. Contracts are grouped into a unit of account based on the portfolio, cohort and profitability group to which the contract belongs.

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

3 Changes in material accounting policies *(continued)*

Measurement approach

Premium Allocation Approach

The Company applies the premium allocation approach (PAA) to simplify the measurement of contracts for all groups. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Contracts written by the Company that have a coverage period of one year or less are automatically eligible for the PAA. The Company does write some contracts that have a coverage period exceeding one year and which were not automatically eligible. These are the Property, Motor (non-Fleet), Casualty, Energy and Engineering portfolios. For all the groups of contracts within the portfolio, the LRC measured under the PAA and the Gross measurement model were projected over the lifetime of the contracts, considering different reasonable scenarios, to determine if the differences were significant. The Company has found that for all these contracts the PAA provided a reasonable approximation of the Gross measurement model and were thus eligible for measurement under the PAA.

As the premium allocation approach ("PAA") is an optional simplified approach for the measurement of the liability of remaining coverage, an entity may choose to use the premium allocation approach when the measurement is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less.

Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

Insurance revenue and insurance service expenses are recognized in the income statement based on the concept of services provided during the period. The standard requires losses to be recognized immediately on contracts that are expected to be onerous. For insurance contracts measured under the PAA, it is assumed that contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The Company's focus is to grow a profitable and sustainable business and does not anticipate the recognition of onerous contracts except where the following have been identified:

- Relevant pricing decisions;
- Initial stages of a new business acquired where the underlying contracts are onerous; and
- Any other strategic decisions the management considers appropriate.

The Company applies the premium allocation approach to groups of insurance contracts that it issues and groups of reinsurance contracts that it holds where the coverage period is 12 months or less. The Company performed PAA eligibility assessment for the groups of contracts where the coverage period is more than 12 months. Based on the assessment performed, the Company expects all of its contracts to be eligible for PAA measurement model.

3 Changes in material accounting policies *(continued)*

Measurement approach *(continued)*

Premium Allocation Approach *(continued)*

The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting. An explicit risk adjustment for non-financial risk is estimated separately from the other estimates for the liability for incurred claims. This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment forms part of the fulfilment cash flows for a group of insurance contracts.

Insurance revenue and insurance service expenses

As the Company provides insurance contract services under the group of insurance contracts, it reduces the Liability for Remaining Coverage and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

For insurance contracts measured under the premium allocation approach, expected premium receipts are allocated to insurance revenue based on the passage of time. IFRS 17 requires losses to be recognised immediately on contracts that are expected to be onerous.

Insurance service expenses include incurred claims and benefits, other incurred directly attributable expenses, insurance acquisition cash flows amortisation, changes that relate to past service i.e., changes in the Fulfilment cash flows ("FCF") relating to the liability for incurred claims ("LIC"), changes that relate to future service (i.e., changes in the FCF that result in onerous contract losses or reversals of those losses) and insurance acquisition cash flows assets impairment.

Accounting policy choices

The following table sets out the accounting policy choices that the Company adopted:

	IFRS 17 options	**Adopted approach**
Insurance acquisition cash flows	Where the coverage period of each contract in the group at initial recognition is no more than one year, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cash flows when incurred or amortising them over the contract's coverage period.	The Company adopted the policy choice of amortising the insurance acquisition cash flows over the contract's period regardless of the total coverage period of the contracts.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	The Company has not accounted for an allowance for time value of money on the LRC for groups of contracts, since the contracts do not contain a significant financing component.

3 Changes in material accounting policies *(continued)*

Measurement approach *(continued)*

Accounting policy choices *(continued)*

Liability for Incurred Claims ("LIC") adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The Company has decided to adjust LIC cash flows for the time value of money, as claims are not expected to be paid within 12 months from the date of loss.
Insurance finance income and expenses	IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the PL or OCI option) is applied on a portfolio basis.	The Company has included changes in discount rates and other financial changes in profit or loss.
Disaggregation of risk adjustment	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service result and insurance finance income or expenses.	The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and plans to include the entire change within the insurance service result.

The Gross measurement model has not been applied by the Company, as the contracts written / held are either auto PAA eligible or have passed the PAA eligibility test carried out by the Company.

Variable fee approach is also not being applied as the Company does not issue any unit linked insurance contracts.

Areas of significant judgements

The following are key judgements and estimates which the Company applied as a result of IFRS 17. The Company has elected to determine cumulative results for each interim reporting period, and estimates made by the Company in previous interim financial statements will not be considered when applying IFRS 17 in subsequent interim periods or in the annual financial statements.

Discount rates

The Company uses the bottom-up approach for groups of contracts. Under the bottom-up approach, the discount rate is determined as the risk-free yield, adjusted for territory risk premiums. The risk-free curve itself will either be derived by the Company from risk free assets in the market, or the Company may choose to apply a published risk-free curve.

The yield curves that were used to discount the estimates of future cash flows are as follows:

Financial year	1 Year	5 Year	10 Year	20 Year	30 Year
31 December 2023	**4.55%**	**4.12%**	**4.27%**	**5.02%**	**3.37%**
31 December 2022	4.78%	4.44%	4.37%	5.26%	3.60%

3 Changes in material accounting policies *(continued)*

Areas of significant judgements *(continued)*

Risk adjustment

The Company estimates the risk adjustment on a value at risk (bootstrapping) / confidence level approach as this method allows the disclosure of confidence level as per IFRS 17 requirements. The Company uses stochastic techniques to estimate the probability distribution of the future cash flows which forms the basis for determining the risk adjustment.

The risk adjustment for the all the portfolios corresponds to a 75% confidence interval.

Onerous contracts – loss component

EIC assume that no contracts in the portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise. EIC assesses whether contracts that are not onerous at initial recognition have no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, EIC shall calculate the difference between:

(a) the carrying amount of the liability for remaining coverage; and
(b) the fulfilment cash flows that related to the remaining coverage of the group

A contract measured using the PAA is onerous if the fulfilment cash flows exceed the PAA Liability for remaining coverage. EIC will therefore use a combined ratio as a proxy for fulfilment cashflows, determined on the following basis (to ensure consistency with fulfilment cash flows):

- Based on expected claims and expenses rather than incurred amounts
- Includes the impact of the time value of money at locked-in rates
- Includes an allowance for the risk adjustment
- Includes an allowance for directly attributable expenses (which includes a portion of overheads) as required by IFRS 17
- Calculated at the most granular segmentation for which such assessments are available, which is currently at Actuarial Reserving class level

The key indicator EIC will use for the purpose of this assessment is the forward looking combined ratio derived as per the above points. Should this ratio exceed 100% for a given segment, this group shall be classified as onerous

Modification and derecognition

An insurance contract may be modified, either by agreement between the parties or as result of regulation. If the terms are modified, an entity must derecognise the original insurance contract and recognise the modified contract as a new contract, if and only if certain conditions as prescribed in IFRS 17 are satisfied. The exercise of a right included in the terms of a contract is not a modification. Any contract modification that changes the accounting model or the applicable standard for measuring the components of the insurance contract, is likely to result in derecognition.

3 Changes in material accounting policies *(continued)*

Areas of significant judgements *(continued)*

Modification and derecognition *(continued)*

If a contract modification meets none of the conditions for derecognition, any changes in cash flows caused by the modification are treated as changes in the estimates of the fulfilment cash flows. For contracts applying the premium allocation approach, any adjustments to premium receipts or insurance acquisition cash flows arising from a modification adjust the liability for remaining coverage and insurance revenue is allocated to the period for services provided (which would also require judgement in determining the period to which the modification applies).

Insurance revenue

Under IFRS 4, earned premiums are recognised as revenue proportionally over the period of coverage. Since PAA will be applicable for the portfolios, there will be no material change in the recognition of revenue under IFRS 17.

Contract boundaries

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundaries of each contract in a group. The period covered by the premiums within the contract boundary is the "coverage period', which is relevant when applying IFRS 17 requirements.

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligation that exist during the reporting period in which the Company can compel the policyholder to pay premium or has a substantive obligation to provide services. For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligation that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

Judgement might be required to assess the Company's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.

Measurement of expenses

The Company has defined acquisition expenses as the costs of selling, underwriting and starting issuing a group of insurance contracts as per IFRS 17 requirements. The Company had defined acquisition costs as attributable to a contract (or group of contracts) if the cost is incurred to acquire a specific contract or group of contracts (as opposed to new business in general).

The Company has defined all other expenses as maintenance expenses. The Company has defined maintenance costs as attributable if they could not have been avoided if the contract had not been entered into. Where this is unclear, the Company has determined that maintenance costs are attributable if that expense would continue in run-off. The Company has separated the outwards reinsurance costs from other expenses using a systematic allocation.

The Company defines such expenses as attributable to the reinsurance contracts in line with the principles for direct contracts. Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognized in other operating expenses as incurred. The Company performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly

3 Changes in material accounting policies *(continued)*

Areas of significant judgements *(continued)*

Measurement of expenses *(continued)*

attributable to fulfilling insurance and reinsurance contracts. Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. From a quantitative perspective, directly attributable expenses make up 78% of total expenses, leaving 22% of the expenses unallocated.

The Company allocates these using relevant proxies. Similar methods are consistently applied to allocate expenses of a similar nature. The Company does not pay (or recognise a liability, applying a standard other than IFRS 17) directly attributable acquisition costs before a group of insurance contracts is recognised. As such, no pre-recognition acquisition costs assets have been established.

Transition

On the date of initial application, 1 January 2023, the Company has applied IFRS 17 standard retrospectively (i.e. using the Full Retrospective Approach). Where the full retrospective approach is impracticable, IFRS 17 allows for alternative transition methods as follows.

- A modified retrospective approach that specifies modifications to full retrospective application. This approach allows insurers that lack limited information to achieve opening transition balances that are as close to the retrospective application as possible, depending on the amount of reasonable and supportable information available to that insurer.

  Each modification would increase the difference between the modified retrospective approach and the outcome that would have been obtained if a fully retrospective approach had been applied.

- A fair value approach that uses the fair value of the contracts at the date of transition to determine a value for the contractual service margin ('CSM'). The fair value approach enables an entity to determine the opening transition balances, even if the entity does not have reasonable and supportable information about the contracts that exist at the transition date.

The Company applied the Full Retrospective Approach to calculate the transition impact.

Impact on transition to IFRS 17

Management understands that the adoption of IFRS 17 have an impact on the amounts reported and disclosures made in these financial statements in respect of its insurance contracts issued and reinsurance contracts held. Based on assessments undertaken, opening equity is impacted due to the following:

- risk adjustments assumptions
- impact of onerous contracts, if identified
- impact of discounting
- expected non-performance risk of reinsurers
- deferment of acquisition costs

3 Changes in material accounting policies *(continued)*

Areas of significant judgements *(continued)*

Impact on transition to IFRS 17 *(continued)*

The impact on the Company's financial information on adoption of IFRS 17 is summarised as below:

	AED '000	
Equity	**1 January 2023**	**1 January 2022**
Balance under IFRS 4	1,149,705	1,172,755
Restated balance under IFRS 17	1,147,542	1,186,524
Transition Impact	(2,163)	13,769
- Margin release	(6,570)	23,229
- New risk adjustment	(12,212)	(16,769)
- Discounting	16,673	6,404
- Loss component adjustment	(54)	905
Transition impact (Percentage)	(0.19)%	1.17%

Impact on presentation and disclosures on transition to IFRS 17

In the statement of financial position, deferred acquisition costs and insurance related receivables are no longer presented separately but form part of the insurance contract liabilities. Reinsurance payables and unearned commission income are also no longer presented separately but form part of the reinsurance contract assets. This change in presentation will lead to a reduction in total assets, offset by a reduction in total liabilities.

4 Material accounting policies

Leases

At inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimate of costs to dismantle and remove the underlying assets or to restore the underlying asset or the site on which it is located, less any lease incentives received. Subsequently, the right of use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability.

4 Material accounting policies *(continued)*

Leases *(continued)*

As a lessee *(continued)*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

(b) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'income from investment properties'.

4 Material accounting policies *(continued)*

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to statement of profit or loss in the period they are incurred.

Depreciation is calculated so as to write off the cost of property and equipment less their estimated residual values, on a straight-line basis over their expected useful economic lives. The useful lives used for this purpose are:

	Years
Buildings	15
Furniture, fixtures and office equipment	4
Motor vehicles	4
Computer equipment and accessories	4

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Capital work in progress

Capital work in progress is stated at cost. When commissioned, capital work in progress is transferred to the appropriate property and equipment category and is depreciated in accordance with Company's policy.

Investment properties

Investment properties which are properties held to earn rentals and/or for capital appreciation, are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated using the straight-line method to reduce the cost of investment properties to their estimated residual values over their expected useful life of 15 years. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising on the disposal or retirement of an investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss. An investment property's carrying amount is written down

4 Material accounting policies *(continued)*

Investment properties *(continued)*

immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

4 Material accounting policies *(continued)*

Employees' end of service benefits

Defined benefit plan

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final basic 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.

Defined contribution plan

The Company pays its obligations for UAE citizens into a Social Security and UAE Pension Fund in accordance with the Federal Law No. (7) of 1999 for Pension and Social Security.

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 time-frame established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL), which are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets

The Company classifies its financial assets under the following categories: financial assets at amortised cost, financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI).

Financial assets at amortised cost and the effective interest method

Cash and cash equivalents

Cash and cash equivalents which include cash on hand and deposits held at call with banks with original maturities of three months or less, are classified as financial assets at amortised cost.

Other receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as financial assets 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.

Investments at amortised cost

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.

4 Material accounting policies *(continued)*

Financial assets *(continued)*

Financial assets at amortised cost and the effective interest method *(continued)*

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs except if they are designated as at FVTPL. They are subsequently measured at amortised cost using the effective interest method less any impairment.

Subsequent to initial recognition, the Company is required to reclassify debt instruments from amortised cost to FVTPL if the objective of the business model changes so that the amortised cost criteria is no longer met.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company 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.

Financial assets at FVTPL

Debt instrument financial assets that do not meet the amortised cost criteria or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Subsequent to initial recognition, the Company is required to reclassify debt instruments from FVTPL to amortised cost if the objective of the business model changes so that the amortised cost criteria starts to be met and the instrument's contractual cash flows meet the amortised cost criteria. Reclassification of debt instruments designated as at FVTPL at initial recognition is not permitted.

Investments in equity instruments are mandatorily classified as at FVTPL, unless the Company designates an investment that is not held for trading as at FVOCI at initial recognition as described in the note below.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognised in statement of profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised in statement of profit or loss when the Company's right to receive the dividends is established and is included in the 'net investment income' line item in the statement of profit and loss.

4 Material accounting policies *(continued)*

Financial assets *(continued)*

At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Cumulative change in FVOCI. When the asset is disposed of, the cumulative gain or loss previously accumulated in the Cumulative change in FVOCI is not reclassified to statement of profit or loss, but is reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in statement of profit or loss when the Company's right to receive the dividends is established unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in the statement of profit or loss and are included in 'net investment income' in the statement of profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or fair value through other comprehensive income, insurance receivables and bank balances including term deposits. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECL for bank balances, term deposits and debt instruments at amortised cost or fair value through other comprehensive income are determined using the low credit risk expedient, and therefore recognise a 12 month ECL, as they are held with reputable financial institutions. The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company always recognises lifetime ECL for insurance receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument.

4 Material accounting policies *(continued)*

Financial assets *(continued)*

Impairment of financial assets *(continued)*

Definition of default:

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of insurance receivables, when the amounts are long past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit or loss.

Measurement and recognition of expected credit losses:

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. There is no discounting effect on the insurance receivables as these are interest free and has a lifetime of less than one year.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

4 Material accounting policies *(continued)*

Financial assets *(continued)*

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities comprised of insurance payables and other liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term liabilities when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign currency rate risks, including interest rate swaps and foreign currency forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit of loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement profit or loss depends on the nature of the hedge relationship.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Shareholders.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.

4 Material accounting policies *(continued)*

Insurance and reinsurance contracts

The company offers insurance contract services and reduces its liability for remaining coverage while recognizing insurance revenue. The amount of insurance revenue recognized reflects the exchange of services for an amount that the company expects to be entitled to. For detailed information on the recognition and measurement of income under insurance and reinsurance contracts, please refer to Note 3.

Dividend income

Dividend income is recognised when the Company's right to receive the payment has been established.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Foreign currencies

For the purpose of these financial statements, UAE Dirhams (AED) is the functional and the presentation currency of the Company. Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the statement of profit or loss in the period in which they arise.

4.1 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Company has not early adopted any of the forthcoming new or amended standards in preparing this condensed interim financial information.

Forthcoming requirements	***Effective date***
• Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
• Amendments to IAS 1 – Non-current Liabilities with Covenants	1 January 2024
• Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	1 January 2024
• Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/a*
• Amendments to IAS 21 - Lack of Exchangeability	1 January 2025

N/a* Available for optional adoption/ effective date deferred indefinitely.

4.1 Standards issued but not yet effective *(continued)*

The following new and amended standards do not have a significant impact on the Company's financial information except for IFRS 17 (refer note 3):

New standards or amendments	***Effective date***
• IFRS 17 Insurance contracts	1 January 2023
• Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	1 January 2023
• Amendments to IAS 8 - Definition of Accounting Estimate	1 January 2023
• Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• Amendments to IAS 12 - International Tax Reform—Pillar Two Model Rules	23 May 2023

5 Cash and cash equivalents

	31 December 2023 AED'000	31December 2022 AED'000
Cash at banks inside UAE	**125,881**	126,823
Cash at banks outside UAE	**400**	919
Cash in hand	**24**	33
Cash and bank balances	**126,305**	127,775
Term deposits	**203,453**	180,591
	329,758	308,366
Less: deposits with original maturities of three months or more	**(203,453)**	(180,591)
Cash and cash equivalents	**126,305**	127,775
Less: allowance for expected credit losses	**(26)**	(27)
	126,279	127,748

6 Term deposits

Term deposits are fixed deposits with original maturity ranges between 12 months and two years (*2022: 12 months and two years*). Interest rate on term deposits ranges between 2.00% and 6.00% (*2022:* 0.72% and 6.00%) per annum. All term deposits are placed with banks and financial institutions within the UAE. Loss allowance of AED 54 thousand *(2022: AED 54 thousand)* is recognized for the deposits.

7 Investments in securities

The Company's investments at the end of the reporting period are detailed below:

	31 December 2023 AED'000	31 December 2022 AED'000
Financial assets at amortised cost		
Fixed income portfolio at amortised cost - UAE	**147,759**	179,701
Fixed income portfolio at amortised cost – Outside UAE	**136,861**	54,246
Less: allowance for expected credit losses	**(255)**	(247)
	284,365	233,700
Financial assets at fair value through other comprehensive income ("FVOCI")		
Quoted UAE equity securities	**560,607**	535,650
Unquoted UAE equity securities	**3,092**	3,075
Investment funds	**176,911**	167,803
Unquoted overseas equity securities	**2,093**	3,111
Investment in bond portfolio	**54,505**	53,733
	797,208	763,372
Financial assets at fair value through profit or loss		
Quoted UAE equity securities	**42,978**	32,149
Unquoted UAE equity securities	**965**	965
Investment funds	**62,766**	68,749
Unquoted overseas equity securities	**31,136**	27,967
Investment in bond portfolio	**171,678**	205,839
	309,523	335,669

The movement in investments during the year is as follows:

	2023	2022
Financial assets at amortised cost		
Amortised cost at the beginning of the year	**233,700**	196,165
Purchases	**79,701**	79,176
Maturities	**(30,077)**	(41,487)
Premium amortisation	**1,049**	(238)
Allowance for expected credit losses	**(8)**	84
Amortised cost at the end of the year	**284,365**	233,700

7 Investments in securities *(continued)*

	31 December 2023 AED'000	31 December 2022 AED'000
Financial assets at fair value through other Comprehensive income		
Fair value at the beginning of the year	**763,372**	799,932
Purchases	**3,834**	24,175
Disposals	**(50,209)**	(40,956)
Change in fair values	**80,211**	(19,779)
Fair value at the end of the year	**797,208**	763,372

	31 December 2023 AED'000	31 December 2022 AED'000
Financial assets at fair value through profit or loss		
Fair value at the beginning of the year	**335,669**	410,736
Purchases	**77,215**	37,176
Disposals	**(141,834)**	(84,746)
Change in fair values	**38,473**	(27,497)
Fair value at the end of the year	**309,523**	335,669

The geographical distribution of investments is as follows:

	31 December 2023 AED'000	31 December 2022 AED'000
Within UAE	**820,177**	580,074
Outside UAE	**571,174**	752,914
	1,391,351	1,332,988

8 Insurance contract assets and insurance contract liabilities

At 31 December 2023
AED ('000')

	Liability for remaining coverage		Liability for incurred claims		Total Liability
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract assets as at 31/12/2022	(12,464)	-	9,692	396	(2,376)
Insurance contract liabilities as at 31/12/2022	158,427	4,805	708,380	38,522	910,134
Net insurance contract liabilities as at 31/12/2022	**145,963**	**4,805**	**718,072**	**38,918**	**907,758**
Insurance revenue	**(1,133,944)**	-	-	-	**(1,133,944)**
Insurance service expenses					
Incurred claims and other expenses	-	(4,810)	393,361	6,287	394,838
Amortisation of insurance acquisition cash flows	130,795	-	-	-	130,795
Losses on onerous contracts and reversals of those losses	-	745	-	-	745
Changes to liabilities for incurred claims	-	-	161,834	(2,217)	159,617
Transfer of investment components	-	-	-	-	-
Insurance service expenses	**130,795**	**(4,065)**	**555,195**	**4,070**	**685,995**
Insurance service result before reinsurance contracts held	**(1,003,149)**	**(4,065)**	**555,195**	**4,070**	**(447,949)**
Interest accreted	-	-	27,873	-	27,873
Effect of changes in interest rates and other financial assumptions	-	-	2,383	-	2,383
Net foreign exchange income / (expenses)	-	-	-	-	-
Insurance finance expenses from insurance contracts issued	-	-	**30,256**	-	**30,256**
Total changes in the statement of comprehensive income	**(1,003,149)**	**(4,065)**	**585,451**	**4,070**	**(417,693)**
Cash flows					
Premiums received	1,170,600	-	-	-	1,170,600
Claims and other expenses paid	-	-	(535,319)	-	(535,319)
Insurance acquisition cash flows paid	(134,675)	-	-	-	(134,675)
Total cash flows	**1,035,925**	-	**(535,319)**	-	**500,606**
Net insurance contract liabilities as at 31/12/2023	**178,739**	**740**	**768,204**	**42,988**	**990,671**
Insurance contract assets as at 31/12/2023	-	-	-	-	-
Insurance contract liabilities as at 31/12/2023	178,739	740	768,204	42,988	990,671
Net insurance contract liabilities as at 31/12/2023	**178,739**	**740**	**768,204**	**42,988**	**990,671**

Notes to the condensed interim financial information

8 Insurance contract assets and insurance contract liabilities *(continued)*

At 31 December 2022 *(Restated)*
AED ('000')

	Liability for remaining coverage		Liability for incurred claims		Total Liability
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract assets as at 31/12/2021	-	-	-	-	-
Insurance contract liabilities as at 31/12/2021	52,396	4,581	1,015,563	58,328	1,130,868
Net insurance contract liabilities as at 31/12/2021	52,396	4,581	1,015,563	58,328	1,130,868
Insurance revenue	(1,101,487)	-	-	-	(1,101,487)
Insurance service expenses					
Incurred claims and other expenses	-	(4,572)	363,539	6,757	365,724
Amortisation of insurance acquisition cash flows	118,142	-	-	-	118,142
Losses on onerous contracts and reversals of those losses	-	4,796	-	-	4,796
Changes to liabilities for incurred claims	-	-	(45,081)	(26,166)	(71,247)
Transfer of investment components	-	-	-	-	-
Insurance service expenses	118,142	224	318,458	(19,409)	417,415
Insurance service result before reinsurance contracts held	(983,345)	224	318,458	(19,409)	(684,072)
Interest accreted	-	-	11,423	-	11,423
Effect of changes in interest rates and other financial assumptions	-	-	(32,255)	-	(32,255)
Net foreign exchange income / (expenses)	-	-	-	-	-
Insurance finance income from insurance contracts issued	-	-	(20,832)	-	(20,832)
Total changes in the statement of comprehensive income	(983,345)	224	297,626	(19,409)	(704,904)
Cash flows					
Premiums received	1,200,685	-	-	-	1,200,685
Claims and other expenses paid	-	-	(595,118)	-	(595,118)
Insurance acquisition cash flows paid	(123,773)	-	-	-	(123,773)
Total cash flows	1,076,912	-	(595,118)	-	481,794
Net insurance contract liabilities as at 31/12/2022	145,963	4,805	718,071	38,919	907,758
Insurance contract assets as at 31/12/2022	(12,464)	-	9,692	396	(2,376)
Insurance contract liabilities as at 31/12/2022	158,427	4,805	708,380	38,522	910,134
Net insurance contract liabilities as at 31/12/2022	145,963	4,805	718,071	38,919	907,758

9 Reinsurance contract assets and reinsurance contract liabilities

At 31 December 2023

AED ('000')	Asset for remaining coverage		Amounts recoverable on incurred claims		Total Asset
	Non-loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Reinsurance contract assets as at 31/12/2022	(128,445)	-	560,308	25,925	457,788
Reinsurance contract liabilities as at 31/12/2022	(68,415)	-	25,811	781	(41,823)
Net reinsurance contract assets as at 31/12/2022	**(196,860)**	**-**	**586,119**	**26,706**	**415,965**
Allocation of reinsurance premiums	**(645,687)**	**-**	**-**	**-**	**(645,687)**
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses incurred in the period	-	-	172,886	4,366	177,252
Adjustments for onerous underlying contracts	-	-	-	-	-
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	108,096	1,469	109,565
Transfer of pre-recognition cash flows	-	-	-	-	-
Transfer of reinsurance investment components	(35,691)	-	35,691	-	-
Amounts recoverable from reinsurers	**(35,691)**	**-**	**316,673**	**5,835**	**286,817**
Net (expense) / income from reinsurance contracts held	**(681,378)**	**-**	**316,673**	**5,835**	**(358,870)**
Interest accreted	-	-	19,864	-	19,864
Effect of changes in interest rates and other financial assumptions	-	-	1,279	-	1,279
Effect of changes in the risk of non-performance by reinsurers	-	-	-	-	-
Net foreign exchange income / (expenses)	-	-	-	-	-
Reinsurance finance income from reinsurance contracts held	**-**	**-**	**21,143**	**-**	**21,143**
Total changes in the statement of comprehensive income	**(681,378)**	**-**	**337,816**	**5,835**	**(337,727)**
Cash flows					
Premiums paid	735,864	-	-	-	735,864
Amounts received	-	-	(203,681)	-	(203,681)
Total cash flows	**735,864**	**-**	**(203,681)**	**-**	**532,183**
Net reinsurance contract assets as at 31/12/2023	**(142,374)**	**-**	**720,254**	**32,541**	**610,421**
Reinsurance contract assets as at 31/12/2023	(93,346)	-	688,428	31,484	626,566
Reinsurance contract liabilities as at 31/12/2023	(49,028)	-	31,826	1,057	(16,145)
Net reinsurance contract assets as at 31/12/2023	**(142,374)**	**-**	**720,254**	**32,541**	**610,421**

9 Reinsurance contract assets and reinsurance contract liabilities *(continued)*

At 31 December 2022 *(Restated)*

AED ('000')	Asset for remaining coverage		Amounts recoverable on incurred claims		
	Non-loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total Asset
Reinsurance contract assets as at 31/12/2021	(112,868)	634	749,145	38,804	675,715
Reinsurance contract liabilities as at 31/12/2021	(40,589)	-	28,049	2,754	(9,786)
Net reinsurance contract assets as at 31/12/2021	(153,457)	634	777,194	41,558	665,929
Allocation of reinsurance premiums	(645,226)	-	-	-	(645,226)
Amounts recoverable from reinsurers	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	122,303	3,820	126,123
Adjustments for onerous underlying contracts	-	(634)	-	-	(634)
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(84,769)	(17,946)	(102,715)
Transfer of pre-recognition cash flows	-	-	-	-	-
Transfer of reinsurance investment components	(8,090)	-	8,090	-	-
Amounts recoverable from reinsurers	(8,090)	(634)	45,624	(14,126)	22,774
Net (expense) / income from reinsurance contracts held	(653,316)	(634)	45,624	(14,126)	(622,452)
Interest accreted	-	-	7,494	440	7,934
Effect of changes in interest rates and other financial assumptions	-	-	(21,137)	(1,167)	(22,304)
Effect of changes in the risk of non-performance by reinsurers	-	-	-	-	-
Net foreign exchange income / (expenses)	-	-	-	-	-
Reinsurance finance expense from reinsurance contracts held	-	-	(13,643)	(727)	(14,370)
Total changes in the statement of comprehensive income	(653,316)	(634)	31,981	(14,853)	(636,822)
Cash flows					
Premiums paid	609,914	-	-	-	609,914
Amounts received	-	-	(223,056)	-	(223,056)
Total cash flows	609,914	-	(223,056)	-	386,858
Net reinsurance contract assets as at 31/12/2022	(196,859)	-	586,119	26,705	415,965
Reinsurance contract assets as at 31/12/2022	(128,445)	-	560,308	25,925	457,788
Reinsurance contract liabilities as at 31/12/2022	(68,414)	-	25,810	781	(41,823)
Net reinsurance contract assets as at 31/12/2022	(196,859)	-	586,119	26,705	415,965

10 Other receivables and prepayments

	31 December 2023 AED '000	31 December 2022 (Restated) AED '000
Vat receivable in insurance and reinsurance contracts - net	**12,906**	10,400
Receivable from employees	**2,600**	1,945
Prepayments	**1,489**	1,208
Others	**12,913**	14,084
	29,908	27,637

11 Investment properties

	Abu Dhabi building AED'000	Al Ain building AED'000	Mussafah building AED'000	Right of Use leased assets AED'000	Total AED'000
Cost					
At 1 January 2022	24,737	7,833	2,588	644	35,802
At 1 January 2023	24,737	7,833	2,588	644	35,802
At 31 December 2023	**24,737**	**7,833**	**2,588**	**644**	**35,802**
Accumulated depreciation					
At 1 January 2022	21,446	7,027	2,519	-	30,992
Charge for the year	397	58	69	-	524
At 1 January 2023	21,843	7,085	2,588	-	31,516
Charge for the year	194	58	-	-	252
At 31 December 2023	**22,037**	**7,143**	**2,588**	**-**	**31,768**
Carrying amount					
At 31 December 2023	**2,700**	**690**	**-**	**644**	**4,034**
At 31 December 2022	2,894	748	-	644	4,286

11 Investment properties *(continued)*

The property rental income earned by the Company and the direct operating expenses including depreciation arising on the investment properties are as follows:

	31 December 2023 AED '000	31 December 2022 AED '000
Rental income	**2,891**	3,000
Direct operating expenses	**(1,527)**	(1,827)
	1,364	1,173

The Company's investment properties comprise the following:

Abu Dhabi Head Office building

The construction of this building was completed in 1987. The Company occupies three floors of the building for its Head Office with the remaining twelve floors available for letting to third parties. As at 31 December 2023, the fair value of this property is estimated to be AED 43,700 thousand *(31 December 2022: AED 41,500 thousand).*

Al Ain building

The construction of this building was completed in 1992. The Company is utilising half of the second mezzanine floor for housing its Al Ain Branch office with the remaining space available for letting to third parties. As at 31 December 2023, the fair value of this property is estimated to be AED 9,550 thousand *(31 December 2022: AED 10,493 thousand).*

Mussafah building

The construction of this building was completed in 2008. The Company is utilising half of the warehouse area for storage purposes with the remaining warehouse area available for letting to third parties. The front side of the building is being used for Mussafah branch. As at 31 December 2023, the fair value of this property is estimated to be AED 6,350 thousand *(31 December 2022 AED 6,050 thousand).*

Land on which the Abu Dhabi Building and Al Ain Building were constructed has been allotted free of cost by the Executive Council of Abu Dhabi, and land on which Mussafah building is constructed is leased under a long term lease from the Abu Dhabi Municipality and Town Planning Department.

The disclosed fair value of the Company's investment properties as at 31 December 2023 and 31 December 2022 are based on the valuation carried out on the respective dates by independent valuers having the appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

11 Investment properties *(continued)*

The fair value was determined using the Capitalization Approach, Discounted Cash Flow Method and Direct Comparable Methodology. The main assumptions in the valuation model is the CAP rate ranging from 7% to 12% and the rental rates. Rental rates have been obtained based on capitalisation approach, market comparable approach, term and revision approach and tenancy information. In estimating the fair value of the properties, the highest and best use of the properties is considered as their current use. There has been no change in the valuation techniques used during the year. The inputs used in the valuation are not based on observable market data and thus the valuation techniques are considered as Level 3 fair value measurements.

12 Statutory deposit

In accordance with the requirements of UAE Federal Law No. (48) of 2023 concerning insurance companies and Agents, the Company maintains a bank deposit of AED 10,000,000 *(31 December 2022: AED 10,000,000)* which cannot be utilised without the consent of the Central Bank of UAE.

13 Property and equipment

	Building AED'000	Furniture, fixtures and office equipment AED'000	Motor vehicles AED'000	Computer equipment and accessories AED'000	Capital Work-in-progress AED'000	Total AED'000
Cost						
At 1 January 2022	26,075	4,650	769	22,557	917	54,968
Additions	214	34	64	736	1,901	2,949
Disposals	-	-	(54)	-	-	(54)
Transfers	-	-	-	1,783	(1,783)	-
At 1 January 2023	**26,289**	**4,684**	**779**	**25,076**	**1,035**	**57,863**
Additions	**-**	**21**	**523**	**253**	**741**	**1,538**
Disposals	**-**	**(929)**	**(515)**	**(4,659)**	**-**	**(6,103)**
Transfers	**-**	**-**	**-**	**1,404**	**(1,404)**	**-**
At 31 December 2023	**26,289**	**3,776**	**787**	**22,074**	**372**	**53,298**
Accumulated depreciation						
At 1 January 2022	19,858	4,191	656	19,107	-	43,812
Charge for the year	1,363	320	32	1,933	-	3,648
Disposals	-	-	(12)	-	-	(12)
At 1 January 2023	**21,221**	**4,511**	**676**	**21,040**	**-**	**47,448**
Charge for the year	**1,187**	**172**	**71**	**1,859**	**-**	**3,289**
Disposals	**-**	**(930)**	**(465)**	**(4,659)**	**-**	**(6,054)**
At 31 December 2023	**22,408**	**3,753**	**282**	**18,240**	**-**	**44,683**
Carrying amount						
At 31 December 2023	**3,881**	**24**	**505**	**3,834**	**372**	**8,615**
At 31 December 2022	5,068	173	103	4,036	1,035	10,415

13 Property and equipment *(continued)*

At 31 December 2023, based on the recent valuation reports, the carrying amount of the building is less than its fair value and therefore no impairment is recognised. Building represents Abu Dhabi Head Office Building as shown in note 11 and is located with-in UAE.

All other property and equipment are also located in the United Arab Emirates.

14 Issued and paid up share capital

	31 December 2023 AED'000	31 December 2022 AED'000
Authorised:		
150,000,000 *(2022: 150,000,000)* shares of AED 1 each	**150,000**	150,000
Allotted, issued and fully paid:		
150,000,000 *(2022: 150,000,000)* shares of AED 1 each	**150,000**	150,000

At 31 December 2023, a total of 17,719,999 shares were held by Al Maamoura Diversified Global Holding Company *(2022 : 17,719,999 shares)*, 131,883,942 *(31 December 2022 132,139,094)* shares by UAE nationals, 127,750 *(31 December 2022: 124,900)* shares by Kuwaiti nationals, 6,059 *(31 December 2022: 5,757)* shares by Saudi nationals and 12,250 *(31 December 2022: 10,250)* shares by Bahraini national.

15 Statutory reserves

In accordance with the UAE Federal Law No. (32) of 2021 concerning Commercial Companies and the Company's Articles of Association, 10% of profit is to be transferred to a non-distributable reserve until the balance of the reserve equals 50% of the Company's paid up share capital. This reserve is not available for dividend distribution.

16 General reserve

Transfers to and from the general reserve are made at the discretion of the Board of Directors. This reserve may be used for such purposes as the Directors deem fit. The Company has not transferred any amount from retained earnings to general reserve during the year ended 31 December 2023 and 31 December 2022.

17 Reinsurance risk reserve

In accordance with Article (34) to Insurance Authority's Board of Directors Decision No. (23) of 2019, insurance companies incorporated in the State and licensed by the Central Bank of UAE shall bind in the preparation of its annual financial statements and its final accounts to allocate an amount equal to 0.5% (five per thousand) of the total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Company deals to pay what is due to the Company or default in its financial position. The provision shall be accounted year after year based on the reinsurance premiums ceded and may not be disposed of without the written approval of the Director General. The decision is effective from 1 December

17 Reinsurance risk reserve *(continued)*

2020. Accordingly, an amount of AED 11,712 thousands (31 December 2022: AED 7,630 thousands) has been recorded in equity as a reinsurance default risk reserve as at 31 December 2023.
During the period the Company has transferred AED 4.08 million from retained earnings to reinsurance risk reserve. *(31 December 2022: AED 3.9 million).*

18 Employees' end of service benefit obligation

	31 December 2023 AED '000	31 December 2022 AED '000
As at 1 January	**18,111**	20,960
Charge for the year	**4,678**	4,734
Paid during the year	**(2,064)**	(7,583)
As at 31 December	**20,725**	18,111

During the year, the Company paid pension contributions in respect of UAE national employees amounting to AED 1,550 thousand *(31 December 2022: AED 1,431 thousand).*

19 Provisions and other payables

	31 December 2023 AED'000	31 December 2022 Restated AED'000
Accruals and other liabilities	**22,576**	22,881
Deferred income	**801**	713
Other insurance payables	**69,960**	12,324
	93,337	35,918

20 Proposed cash dividends

In respect of the current year, the Board of Directors propose a cash dividend of AED 0.55 per share *(31 December 2022: AED 0.50 per share)* amounting to AED 82,500 thousand *(31 December 2022: AED 75,000 thousand).* The dividends proposed in 2022 were paid during the year.

The cash dividend is subject to the approval of the Shareholders at the forthcoming Annual General Meeting.

21 Related parties

Related parties include the Directors of the Company and those entities in which they have the ability to control or exercise significant influence in financial and operational decisions.

Directors are expected to avoid any action, position or interest that conflict with an interest of the Company. Details of all transactions in which a director and/or related parties might have actual or potential conflicts are provided to the Board of Directors for their review and approval. When a potential conflict of interest arises, the directors concerned neither participate in the discussions nor exercise any influence over other members of the Board. If a major shareholder or a Director has any conflict of interests with any matter to be considered by the Board of Directors and the Board of Directors determines that such a matter is significant, the decision thereon by the Board of Directors shall be made in the presence of all directors and in the absence of the interested director's vote.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, being the directors, chief executive officer and his direct reports.

The Company maintains significant balances with these related parties which arise from commercial transactions in the ordinary course of business at commercial rates as follows.

	31 December 2023 AED'000	31 December 2022 AED'000
Due from policy holders (Directors' affiliates) *(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)*	**30,375**	18,742
Due to policy holders (Directors' affiliates) *(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)*	**2,228**	3,080

During the period, the Company entered into the following transactions with related parties:

	31 December 2023 AED'000	31 December 2022 AED'000
Gross premiums written from Directors' affiliates	**36,066**	38,126
Gross claims paid to Directors' affiliates	**2,272**	1,147
Directors' remuneration for the year	**2,550**	2,458

The remuneration of the Board of Directors is subject to approval by the shareholders and as per limits set by the UAE Federal Law No. (32) of 2021 concerning Commercial Companies.

21 Related parties *(continued)*

Remuneration of key management personnel:

Short term benefits	**16,168**	15,744
Post-employment benefits	**1,093**	473
	17,261	16,217

The remuneration of key management personnel is based on the remuneration agreed in their employment contracts as approved by the Board of Directors.

22 Insurance contracts

	31 December 2023 AED'000	31 December 2022 AED'000
Insurance contract assets		
Motor	**-**	-
Domestic Non-motor	**-**	2,376
International	**-**	-
	-	2,376
Insurance contract liabilities		
Motor	**111,016**	92,684
Domestic Non-motor	**621,089**	556,650
International	**258,566**	260,800
	990,671	910,134
Net Insurance contract liabilities		
Motor	**111,016**	92,684
Domestic Non-motor	**621,089**	554,274
International	**258,566**	260,800
	990,671	907,758

23 Re-insurance contracts

	31 December 2023 AED'000	31 December 2022 AED'000
Reinsurance contract assets		
Motor	**20,790**	12,610
Domestic Non-motor	**443,493**	344,268
International	**162,283**	100,910
	626,566	457,788
Reinsurance contract liabilities		
Motor	**822**	10,089
Domestic Non-motor	**15,323**	31,734
International	-	-
	16,145	41,823
Net Insurance contract assets		
Motor	**19,968**	2,521
Domestic Non-motor	**428,170**	312,534
International	**162,283**	100,910
	610,421	415,965

24 Net investment income

	31 December 2023 AED'000	31 December 2022 AED'000
Dividends from investments in securities	**28,268**	29,819
Unrealised gain / (loss) on investments measured at fair value through profit or loss – net	**38,473**	(27,497)
Net loss on disposal of investments	**(8,540)**	(719)
Interest on bonds	**19,951**	19,193
Interest on bank deposits	**7,857**	3,941
Investment expenses	**(2,089)**	(2,194)
	83,920	22,543

25 Income from investment properties

Rental income	**2,891**	3,000
Direct operating expenses including depreciation	**(1,527)**	(1,827)
	1,364	1,173

26 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares used to calculate basic earnings per share, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and shares data used in the earnings per share computations:

	31 December 2023	31 December 2022 Restated
Profit for the year (AED '000)	**126,293**	55,801
Weighted average number of ordinary shares (shares in '000)	**150,000**	150,000
Earnings per share for the year – basic and diluted (AED)	**0.84**	0.37

27 Commitments and contingent liabilities

	31 December 2023 AED'000	31 December 2022 AED'000
Commitments in respect of investments	**10,113**	18,536
Bank guarantees	**4,185**	7,855

The above bank guarantees were issued in the normal course of business.

Legal proceedings

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position

28 Segment information

The Company has adopted IFRS 8 *Operating Segments* with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Company is organised into two main business segments:

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

Primary segment information - Business segments

The following is an analysis of the Company's revenue and results by business segments

	Underwriting		**Investments**		**Total**	
	31 December 2023 AED'000	31 December 2022 AED'000	**31 December 2023 AED'000**	31 December 2022 AED'000	**31 December 2023 AED'000**	31 December 2022 AED'000
Segment revenue	**1,420,761**	1,124,261	**86,811**	25,543	**1,507,572**	1,149,804
Segment result	**79,966**	68,082	**85,284**	23,716	**165,250**	91,798
Unallocated expenses					**(38,957)**	(35,997)
Profit for the year					**126,293**	55,801

The following is an analysis of the Company's assets and liabilities by business segments:

	Underwriting		**Investments**		**Total**	
	31 December 2023 AED'000	31 December 2022 AED'000	**31 December 2023 AED'000**	31 December 2022 AED'000	**31 December 2023 AED'000**	31 December 2022 AED'000
Segment assets	**658,977**	492,159	**1,604,641**	1,523,621	**2,263,618**	2,015,780
Unallocated assets					**136,279**	137,748
Total assets					**2,399,897**	2,153,528
Segment liabilities	**1,099,066**	986,826	**1,087**	1,049	**1,100,153**	987,875
Unallocated liabilities					**20,725**	18,111
Total liabilities					**1,120,878**	1,005,986

28 Segment information *(continued)*

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

Secondary segment information - Revenue by underwriting departments

Analysis of the Company's segment revenue (Insurance revenue) classified by major underwriting departments are as below:

	31 December 2023 AED'000	31 December 2022 AED'000
Insurance Revenue		
Motor	**209,729**	217,775
Domestic Non-motor	**775,704**	752,191
International	**148,511**	131,521
	1,133,944	1,101,487

Secondary segment information - Geographical segment

The Company's underwriting business is based entirely within UAE, except for treaty reinsurance arrangements which are held with companies based primarily in Europe. All the investments of the Company are held in UAE except for the investments in managed portfolios and other securities which are held in the United States of America (USA) and Europe.

Total revenues and total assets of the underwriting and investment segments by geographical location are detailed below:

	Revenue		**Total assets**	
	2023 AED '000	2022 AED '000	**2023 AED '000**	2022 AED '000
UAE	**1,269,159**	931,439	**1,770,981**	1,371,234
USA	**30,195**	37,594	**626,793**	726,407
Europe	**208,219**	180,771	**2,123**	55,887
	1,507,572	1,149,804	**2,399,897**	2,153,528

29 Insurance risks

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.

29 Insurance risks *(continued)*

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the estimated amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from 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 Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The Company manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

Claims development process

The following schedules reflect the actual claim payments with previous estimates of the undiscounted amounts of the claim for the last five years on an accident year basis:

Motor – Gross:

Accident year	2019 and earlier AED'000	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	Total AED'000
At the end of the accident year	633,442	149,555	138,377	135,279	133,242	1,189,895
One year later	605,265	143,124	142,831	143,790	-	1,035,010
Two years later	600,533	143,231	142,291	-	-	886,055
Three years later	1,337,564	142,944	-	-	-	1,480,508
Four years later	1,329,806	-	-	-	-	1,329,806
Gross estimates of the undiscounted amount of the claims	1,329,806	142,944	142,291	143,790	133,242	1,892,073
Cumulative payments to date	(1,326,593)	(139,916)	(137,999)	(130,707)	(93,326)	(1,828,541)
Gross undiscounted liabilities for incurred claims	**3,213**	**3,028**	**4,292**	**13,083**	**39,916**	**63,532**
Effect of discounting						**(1,389)**
Effect of risk adjustment						**2,892**
Others*						**16,814**
Total gross liabilities for incurred claims						**81,849**

29 Insurance risks *(continued)*

Motor - net:

Accident year	2019 and earlier AED'000	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	Total AED'000
At the end of the accident year	542,805	134,208	127,151	105,972	111,241	1,021,377
One year later	535,771	130,378	130,884	113,634	-	910,667
Two years later	532,470	129,414	130,470	-	-	792,354
Three years later	1,210,056	128,593	-	-	-	1,338,649
Four years later	1,205,966	-	-	-	-	1,205,966
Net estimates of the undiscounted amount of the claims	1,205,966	128,593	130,470	113,634	111,241	1,689,904
Cumulative payments to date	(1,202,855)	(126,953)	(126,711)	(104,288)	(79,608)	(1,640,415)
Net undiscounted liabilities for incurred claims	**3,111**	**1,640**	**3,759**	**9,346**	**31,633**	**49,489**
Effect of discounting						**(756)**
Effect of risk adjustment						**2,245**
Others**						**(6,554)**
Total net liabilities for incurred claims						**44,424**

Non-Motor – gross:

Accident year	2019 and earlier AED'000	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	Total AED'000
At the end of the accident year	1,866,744	580,493	523,300	341,173	434,833	3,746,543
One year later	1,981,927	388,851	436,914	305,514	-	3,113,206
Two years later	1,753,214	368,843	428,467	-	-	2,550,524
Three years later	3,494,040	345,268	-	-	-	3,839,308
Four years later	3,388,958	-	-	-	-	3,388,958
Gross estimates of the undiscounted amount of the claims	3,388,958	345,268	428,467	305,514	434,833	4,903,040
Cumulative payments to date	(3,296,035)	(249,385)	(350,036)	(200,269)	(115,409)	(4,211,134)
Gross undiscounted liabilities for incurred claims	**92,923**	**95,883**	**78,431**	**105,245**	**319,424**	**691,906**
Effect of discounting						(42,290)
Effect of risk adjustment						40,096
Others*						39,631
Total gross liabilities for incurred claims						**729,343**

29 Insurance risks *(continued)*

Non-Motor - net:

Accident year	2019 and earlier AED'000	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	Total AED'000
At the end of the accident year	561,187	161,842	105,591	114,832	85,657	1,029,109
One year later	593,165	160,922	97,015	117,383	-	968,485
Two years later	618,041	161,170	93,092	-	-	872,303
Three years later	1,104,226	151,860	-	-	-	1,256,086
Four years later	1,068,997	-	-	-	-	1,068,997
Net estimates of the undiscounted amount of the claims	1,068,997	151,860	93,092	117,383	85,657	1,516,989
Cumulative payments to date	(1,022,598)	(123,758)	(78,750)	(97,734)	(44,756)	(1,367,596)
Net undiscounted liabilities for incurred claims	**46,399**	**28,102**	**14,342**	**19,649**	**40,901**	**149,393**
Effect of discounting						**(9,936)**
Effect of risk adjustment						**8,201**
Others**						**(133,685)**
Total net liabilities for incurred claims						**13,973**

* Others includes Gross Unallocated loss adjustment expenses reserve and Insurance claims payable.
* *Others includes Net Unallocated loss adjustment expenses reserve, and Net (re)insurance claims payable.

Frequency and severity of claims

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

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. Property insurance contracts are subdivided into four risk categories: fire, business interruption, weather damage and theft. The insurance risk arising from these contracts is not concentrated in any of the Emirates of the UAE in which the Company operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and an element of the claims provision includes incurred but not reported reserve (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling

29 Insurance risks *(continued)*

claims already notified to the Company, 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 Company 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 Company 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 Company 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 Company'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 premiums earned.

	31 December 2023		31 December 2022	
Type of risk	**Gross loss ratio**	**Net loss ratio**	Gross loss ratio	Net loss ratio
Motor	**68%**	**72%**	63%	68%
Non-Motor	**39%**	**30%**	13%	41%

Process used to decide on assumptions

The risks associated with the insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. Internal data is derived mostly from the Company's quarterly claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Company has reviewed the individual

29 Insurance risks *(continued)*

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.

Concentration of insurance risk

The Company's underwriting business is based entirely within the UAE and other GCC countries, except for international energy business written in Afro-Asia. Treaty reinsurance arrangements are placed with companies based in UK and Europe.

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangements with other parties for reinsurance purposes.

To minimise its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentration of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers. Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements.

	31 December 2023		31 December 2022	
Type of risk	**Gross**	**Net**	Gross	Net
	AED'000	**AED'000**	AED'000	AED'000
Motor				
UAE	**8,852,160**	**8,002,498**	8,419,909	5,739,137
Non-Motor				
UAE	**433,400,422**	**43,158,657**	362,923,114	37,262,623
GCC countries	**6,844,428**	**1,940,989**	6,442,623	2,156,351
Others	**12,113,874**	**6,064,713**	12,453,179	5,501,982
	452,358,724	**51,164,359**	381,818,916	44,920,956
Grand total	**461,210,884**	**59,166,857**	390,238,825	50,660,093

29 Insurance risks *(continued)*

Sensitivity of underwriting profit and losses

Sensitivity of insurance contracts (*AED'000)*

	2023				2022			
	LIC as at 31 December	**Impact on LIC**	**Impact on profit**	**Impact on equity**	LIC as at 31 December	Impact on LIC	Impact on profit	Impact on equity
Insurance contract liabilities	**811,192**				756,990			
Reinsurance contract assets	**(752,795)**				(612,824)			
Net Insurance contract liabilities	**58,397**				144,166			
Discount rate + 0.5%								
Insurance contract liabilities		**(220)**	**220**	**220**		(218)	218	218
Reinsurance contract assets		**164**	**(164)**	**(164)**		139	(139)	(139)
Net Insurance contract liabilities		**(56)**	**56**	**56**		(79)	79	79
Discount rate - 0.5%								
Insurance contract liabilities		**220**	**(220)**	**(220)**		219	(219)	(219)
Reinsurance contract assets		**(164)**	**164**	**164**		140	(140)	(140)
Net Insurance contract liabilities		**56**	**(56)**	**(56)**		358	(358)	(358)
Risk adjustment +5%								
Insurance contract liabilities		**2,149**	**(2,149)**	**(2,149)**		1,946	(1,946)	(1,946)
Reinsurance contract assets		**(1,627)**	**1,627**	**1,627**		(1,335)	1,335	1,335
Net Insurance contract liabilities		**522**	**(522)**	**(522)**		611	(611)	(611)
Risk adjustment -5%								
Insurance contract liabilities		**(2,149)**	**2,149**	**2,149**		(1,946)	1,946	1,946
Reinsurance contract assets		**1,627**	**(1,627)**	**(1,627)**		1,335	(1,335)	(1,335)
Net Insurance contract liabilities		**(522)**	**522**	**522**		(611)	611	611

29 Insurance risks *(continued)*

The contribution by the insurance operations in the profit of the Company amounts to AED 79,966 thousand for the year ended 31 December 2023 *(31 December 2022: AED 68,082 thousand).* The Company does not foresee any major impact from insurance operations due to the following reasons:

The Company has an overall risk retention level of 33% *(31 December 2022: 32%)* and the same is mainly contributed by one class of business i.e., Motor line wherein the retention level is 88% *(31 December 2022: 65%).* However, in this class the liabilities are adequately covered by excess of loss reinsurance programs to guard against major financial impact.

The Company's 76% volume of business *(31 December 2022: 75%)* has low risk retention. The Company has limited exposure in high retention areas like Motor, and as a result the Company is comfortable to maintain a net loss ratio in the range of 50% - 60% and does not foresee any serious financial impact in the insurance net profit.

30 Financial instruments

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are equity price risk, credit risk, foreign currency risk and interest rate risk.

Capital risk management

The Company's objectives when managing capital are:

- to comply with the insurance capital requirements required by UAE Federal Law No. (48) of 2023 concerning the formation of Insurance Authority of UAE and the Regulations;
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the year. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

The table below summarizes the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

30 Financial instruments *(continued)*

Capital risk management *(continued)*

	31 December 2023* AED '000	31 December 2022 AED '000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**323,866**	303,514
Minimum Guarantee Fund (MGF)	**109,035**	108,832
Own Funds		
- Basic Own Funds	**997,682**	798,209
- Ancillary Own Funds	-	-
Own funds eligible to meet the MCR	**997,682**	798,209
MCR Solvency Margin - Surplus	**897,682**	698,209
SCR Solvency Margin - Surplus	**673,817**	494,695
MGF Solvency Margin - Surplus	**888,648**	689,377

* The disclosed amounts do not include the proposed dividend of AED 82.5 million, as mentioned in Note 20.

Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 4 to the financial statements.

Categories of financial instruments

	31 December 2023 AED '000	31 December 2022 (Restated) AED '000
Financial assets		
Statutory deposit	**10,000**	10,000
Financial assets at amortised cost	**284,365**	233,700
Financial assets measured at FVOCI	**797,208**	763,372
Financial assets measured at FVTPL	**309,523**	335,669
Other receivables	**16,902**	17,237
Term deposits	**203,399**	180,537
Cash and cash equivalents	**126,279**	127,748
	1,747,676	1,668,263

30 Financial instruments *(continued)*

	31 December 2023 AED '000	31 December 2022 (Restated) AED '000
Financial liabilities		
Other payables	**65,138**	7,411
Accruals and other liabilities	**17,893**	18,617
	83,031	26,028

Market price risk management

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investments in quoted securities held by it directly or through investment managers. The Company limits market risk by actively monitoring the key factors that affect stock and the market movements, including analysis of the operational and financial performance of the investees.

Sensitivity analysis

At 31 December 2023, if the equity prices are 5% higher/lower and all the other variables were held constant, the Company's:

- Profit for the year would increase/decrease by AED 11,510 thousand *(2022: AED* 12,975 *thousand),* as a result of the changes in fair value of investments designated at FVTPL; and

- Other comprehensive income for the year would increase/decrease by AED 38,488 thousand *(2022: AED* 36,746 *thousand),* as a result of the changes in fair value investments designated at FVOCI.

Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Key areas where the Company is exposed to credit risk are:
- Insurance/reinsurance contract assets
- Other receivables
- Financial investments
- amounts due from banks for its bank balances and term deposits;

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

30 Financial instruments *(continued)*

Credit risk management *(continued)*

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policy holder. The creditworthiness of re-insurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

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

For insurance receivables the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Below include further details on the loss allowance for these assets respectively.

The movement for expected credit losses during the year is as follows:

	Insurance contracts AED'000	Bank balances and term deposits AED'000	Financial assets at amortised cost AED'000	Financial assets at FVOCI AED'000	Total AED'000
Impairment losses as at 1 January 2022	21,570	60	331	31	21,992
Loss (reversal) / allowance for the year	(2,204)	21	(84)	(4)	(2,271)
Impairment losses as at 31 December 2022	19,366	81	247	27	19,721
Impairment losses as at 1 January 2023	**19,366**	**81**	**247**	**27**	**19,721**
Loss (reversal) / allowance for the year	**(1,180)**	**(1)**	**8**	**(27)**	**(1,200)**
Impairment losses as at 31 December 2023	**18,186**	**80**	**255**	**-**	**18,521**

Management believes that the concentration of credit risk is mitigated by high credit rating and financial stability of its policy holders.

The credit risk on liquid funds is limited because the counterparties are major banks operating in the UAE and are highly regulated by the Central Bank of UAE. The Company's exposure to bond portfolio

30 Financial instruments *(continued)*

Credit risk management *(continued)*

is monitored on a regular basis, and all investments are done in bonds which meet the minimum credit rating criteria set and approved by the Board of Directors, in addition to limiting the concentration in a single counterparty. A summary of the company's exposure to credit risk for financial assets at amortised cost, term deposits and bank balances, reinsurance contract assets and financial assets at FVTOCI are as below;

	31 December 2023 AED'000	31 December 2022 AED'000
Financial assets at amortised cost		
(Based on AM Best, S&P, Moody's & Fitch Ratings)		
AAA	**1,205**	-
AA	**48,369**	36,817
A	**90,284**	83,247
BBB	**101,126**	80,325
BB	**27,094**	18,334
B	**16,542**	15,224
	284,620	233,947
Bank balances and Term deposits		
(Based on AM Best, S&P, Moody's & Fitch Ratings)		
AA	**3,898**	-
A	**266,073**	207,393
BBB	**68,617**	109,509
	338,588	316,902
Reinsurance contract assets		
(Based on AM Best, S&P, Moody's & Fitch Ratings)		
AAA	**17,165**	31,410
AA	**174,003**	135,459
A	**372,488**	245,003
BBB	**61,546**	40,235
BB	**1,364**	5,681
	626,566	457,788

30 Financial instruments *(continued)*

Credit risk management *(continued)*

	31 December 2023 AED'000	31 December 2022 AED'000
Financial assets at FVTOCI		
(Based on AM Best, S&P, Moody's & Fitch Ratings)		
AAA	**43,951**	29,228
AA	**191,851**	188,079
A	**334,322**	331,117
BBB	**160,148**	150,530
BB	**31,625**	29,492
B	**8,792**	8,627
Unrated equity instruments	**26,519**	26,299
	797,208	763,372

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

Foreign currency risk management

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		**Liabilities**	
	2023 AED '000	2022 AED '000	**2023 AED '000**	2022 AED '000
US Dollars	**148,733**	157,656	**68,050**	132,338
Euro	**12,260**	8,161	**8,899**	1,933
British Pounds	**3,461**	2,153	**1,520**	821
Saudi Riyals	**3,219**	2,608	**2,178**	904
Indian Rupees	**2,017**	-	**4**	4
South Korean Won	**3,029**	435	**-**	-
Others	**5,531**	4,893	**2,115**	2,334
	178,250	175,906	**82,766**	138,334

30 Financial instruments *(continued)*

Foreign currency risk management*(continued)*

The Company is mainly exposed on the above foreign currency denominated balances, except for US Dollars denominated balances as AED is pegged to the US Dollar and other GCC currencies which are pegged to the US Dollar. At 31 December 2023, if the exchange rates of unpegged currencies increased/decreased by 5% against AED, with all variables held constant, the Company's profit and equity would have been higher / lower by AED 688 thousand *(2022: AED 528 thousand)* mainly as a result of foreign exchange gain / (loss) on translation of outstanding receivables, payables and bank balances denominated in these currencies.

Liquidity risk management

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. Bank facilities, the policy holders and the re-insurers, are the major sources of funding for the Company and the liquidity risk for the Company is assessed to be low. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities with maturities determined on the basis of the remaining period from the end of the reporting period to the contractual maturity/repayment date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

	Effective interest rate	0 - 180 days AED'000	181 - 365 Days AED'000	More than 1 year AED'000	Carrying Amount AED'000
At 31 December 2023					
Other payables		**64,130**	**5,830**	-	**69,960**
Accruals and other liabilities		**9,524**	-	-	**9,524**
Insurance contract liabilities*		-	-	-	**990,671**
Reinsurance contract liabilities*		-	-	-	**16,145**
Total		**73,654**	**5,830**	-	**1,086,300**

	Effective interest rate	0 - 180 days AED'000	181 - 365 Days AED'000	More than 1 year AED'000	Carrying Amount AED'000
At 31 December 2022 (Restated)					
Other payables		9,280	3,044	-	12,324
Accruals and other liabilities		12,323	-	-	12,323
Insurance contract liabilities*		-	-	-	910,134
Reinsurance contract* liabilities		-	-	-	41,823
Total		21,603	3,044	-	976,604

30 Financial instruments *(continued)*

Liquidity risk management *(continued)*

*As per IFRS-17 (132b), an entity is not required to include insurance and reinsurance contract liabilities measured under the premium allocation approach in the maturity profile, and accordingly these balances are excluded and only carrying amount are disclosed.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to cash flow interest rate risk as there are no financial assets or financial liabilities carried at variable interest rates. The Company is exposed to fair value interest rate risk due to investments in quoted bonds carried at fixed interest rates. These investments are measured at FVTPL and amortised cost category. Term deposits with banks are also carried at fixed interest rates, however, these are not subject to fair value interest rate risk, as these have a maximum maturity period of 12 months and are frequently repriced.

Sensitivity analysis

At 31 December 2023, if market interest rates had been 50 basis points higher / lower and all the other variables were held constant, the Company's profit for the year would decrease / increase by AED 858 thousand *(2022: AED 1,029 thousand)*, as a result of the changes in fair value of quoted bonds measured at FVTPL.

At 31 December 2023, if market interest rates had been 50 basis points higher / lower and all the other variables were held constant, the fair value of quoted bonds measured at amortised cost would decrease / increase by AED 1,423 thousand *(2022: AED 1,170 thousand)*.

Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This includes legal and compliance risk and excludes strategic and reputational risk.

The Risk committee at EIC is tasked with reviewing the overall risk profile of the Company for appropriateness and to monitor the risk management techniques employed within the divisions and at the corporate level. This task includes a comprehensive annual review of all operational risks to

which EIC are exposed to. All risks identified have been categorized according to impact, likelihood and the management controls in place to mitigate. A financial impact assessment was conducted to identify the twenty largest risks in terms of the monetary amount as per the maximum probable loss EIC could be exposed to.

The twenty largest risks were reviewed and where applicable additional controls were designed and implemented or existing controls were refined, to reduce the potential financial impact. The Risk committee reviews the internal controls mitigating the top twenty risks to ensure they are up to date and in line with the business processes and discuss potential control gaps which could represent a significant weakness. The Board of Directors annually review, discuss and approve the top twenty risks, the risk appetite of the company and the risk assessment as presented by the Risk committee.

30 Financial instruments *(continued)*

Fair value of financial instruments

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 31 December 2023				
Financial assets measured at fair value through other comprehensive income				
Quoted UAE equity securities	496,583	64,024	-	560,607
Unquoted UAE equity securities	-	-	3,092	3,092
Investment funds	99,253	67,384	10,274	176,911
Unquoted overseas equity securities	-	-	2,093	2,093
Investment in bond portfolio	8,700	32,506	13,299*	54,505
	604,536	163,914	28,758	797,208
Financial assets measured at fair value through profit or loss				
Quoted UAE equity securities	24,714	18,264	-	42,978
Unquoted UAE equity securities	-	-	965	965
Investment funds	36,596	22,895	3,275	62,766
Unquoted overseas equity securities	-	-	31,136	31,136
Investment in bond portfolio	132,996	15,691	22,991*	171,678
	194,306	56,850	58,367	309,523
Total	798,842	220,764	87,125	1,106,731

30 Financial instruments *(continued)*

Fair value of financial instruments *(continued)*

At 31 December 2022	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets measured at fair value through other comprehensive income				
Quoted UAE equity securities	535,174	476	-	535,650
Unquoted UAE equity securities	-	-	3,075	3,075
Investment funds	159,132	-	8,671	167,803
Unquoted overseas equity securities	-	-	3,111	3,111
Investment in bond portfolio	40,609	-	13,124*	53,733
	734,915	476	27,981	763,372
Financial assets measured at fair value through profit or loss				
Quoted UAE equity securities	32,149	-	-	32,149
Unquoted UAE equity securities	-	-	965	965
Investment funds	53,395	7,227	8,127	68,749
Unquoted overseas equity securities	-	-	27,967	27,967
Investment in bond portfolio	173,965	15,288	16,586*	205,839
	259,509	22,515	53,645	335,669
Total	994,424	22,991	81,626	1,099,041

There were no transfers between Level 1 and Level 2 fair value measurements except for investment in five securities which are transferred to level 2 due to in-active market, and no transfers into or out of Level 3 fair value measurements during the period except for those as shown in the reconciliation in the below table.

The investments in quoted equities and bond portfolio are valued based on quoted prices in an active market and thus these have been classified as Level 1.

*These investments are made through investment funds and are valued using the net assets value (NAV) of those funds.

For investments under Level 3, the fair values are based on Net Asset Values (NAV).

Sensitivity analysis for investments under Level 3

For the fair values of investments under level 3, reasonably possible changes at the reporting date to the unobservable inputs would have the following effects.

Total comprehensive income	Increase AED'000	Decrease AED'000
Equity securities 31 December 2023		
Adjusted net asset value (5% movement)	**4,356**	**(4,356)**
31 December 2022		
Adjusted net asset value (5% movement)	4,081	(4,081)

30 Financial instruments *(continued)*

Fair value of financial instruments *(continued)*

Reconciliation of Level 3 fair value measurements:

	Financial assets measured at fair value through profit or loss AED'000	Financial assets measured at fair value through other comprehensive income AED'000	Total AED'000
At 31 December 2023			
Opening balance	**53,645**	**27,981**	**81,626**
Purchases	**5,300**	**3,834**	**9,134**
Disposals	**(4,792)**	**(1,308)**	**(6,100)**
Transfers	-	-	-
Total gains or (losses):			
- in profit or loss	**4,214**	-	**4,214**
- in other comprehensive income	-	**(1,749)**	**(1,749)**
Closing balance	**58,367**	**28,758**	**87,125**
At 31 December 2022			
Opening balance	58,345	28,768	87,113
Purchases	9,139	3,697	12,836
Disposals	(3,312)	(2,730)	(6,042)
Transfers	(7,294)	-	(7,294)
Total gains or (losses):			
- in profit or loss	(3,233)	-	(3,233)
- in other comprehensive income	-	(1,754)	(1,754)
Closing balance	53,645	27,981	81,626

Fair value of financial instruments that are not measured at fair value (but fair value disclosures are required):

	31 December 2023		31 December 2022	
	Carrying amount AED'000	**Fair value AED'000**	Carrying amount AED'000	Fair value AED'000
Financial assets				
Investments at amortised cost	**284,365**	**275,798**	233,700	224,540

Investments at amortised cost comprise mainly of fixed income bonds and sukuks. The fair value of these bonds and sukuks are determined based on quoted prices in an active market and classified as Level 1 fair value measurement, except for investments having fair value of AED 52.05 million *(31 December 2022: AED 3.25 million)*, classified at Level 2 based on observable prices as at 31 December 2023.

31 Corporate tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for these annual financial statements.

Since the corporate tax was introduced only recently, this may create tax risks in UAE that are more significant than in other countries. The Company has assessed the deferred tax implications for the year and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material. The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

32 Supervision Fees

In accordance with Article 6 of the Federal Law no 48 of 2023 regulating insurance companies, below supervision fees are payable to central bank of UAE for the year 2023.

Description	**Medical Insurance AED'000**	**Property and Liability AED'000**	**Total AED'000**
Direct written premiums	140,506	875,336	**1,015,842**
Assumed Business			
- Foreign		149,364	**149,364**
- Local		55,400	**55,400**
Total Assumed Business		204,764	**204,764**
Gross written premiums	140,506	1,080,100	**1,220,606**
Local Assumed business		55,400	**55,400**
Gross premiums excl. local assumed business	140,506	1,024,700	**1,165,206**
Ratio by Council of Ministers decision	0.40%	0.50%	
Total Fees to be paid for the year 2023	**562**	**5,124**	**5,686**

33 Social contributions

The social contribution made during the year amount to AED Nil (*31 December 2022: AED Nil*).

34 Audit fees

The audit fees charged during the year amount to AED 345 thousand (*31 December 2022: AED 150 thousand*).

The audit related fees charged during the year amount to AED 465 thousand (*31 December 2022: AED 351.3 thousand*).

35 Approval of financial statements

These financial statements were approved by the Board of Directors and authorised for issue in their meeting on 28 FEB 2024

Corporate Governance Report

For the Financial Year Ending 31 December 2023

CONTENTS

INTRODUCTION

The Company's Board of Directors ("the **Board**") is committed to promoting good corporate governance within the Company. Consistent with its aim of being a leader in corporate governance in the UAE and the region, the Company has adopted extensive corporate governance guidelines in the Corporate Governance Manual in line with the principles set out in the UAE Central Bank Corporate Governance Regulations and Standards for Insurance Companies, the UAE Securities and Commodities Authority on Corporate Governance and international best practice.

The Company recognizes the benefit of good corporate governance for all stakeholders and the Corporate Governance Manual is designed to ensure efficient, dynamic and entrepreneurial management throughout the Company.

This is the Company's fifteenth Corporate Governance Report and is published in compliance with the UAE Central Bank Corporate Governance Regulations for Insurance Companies and the Board of Directors' Resolution No. 3 R.M of 2020 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

Emirates Insurance Company adopted the Central Bank of UAE Corporate Governance Regulation for the Insurance Companies during 2023, and carried out a comprehensive gap analysis in order to enhance the Company's Corporate Governance framework. The Company is on track to achieve the Year 1 deliverables by the due date (30 April 2024) and has commenced work on the Year 3 deliverables (30 April 2026).

The report reflects the Company's corporate governance framework as of 31 December 2023, and this report will be filed with SCA, published on the Company's and Abu Dhabi Securities Exchange website, included in the AGM and made available to all shareholders before the upcoming AGM.

AM BEST AND S&P GLOBAL CREDIT RATINGS

S&P Global and AM Best, has renewed EIC A- credit and insurer financial strength rating with a stable outlook during 2023. In its ratings, the rating agencies observes EIC's long track record of above average performance, as well as our extremely strong capital adequacy. They also recognise the tight management of our business development strategy and their expectation of continuing robust results and financial strength in the future. In all its business relationships, Emirates Insurance Company strives to demonstrate technical excellence, high value customer service as well as full transparency and probity.

Emirates Insurance Company enjoys financial ratings on par with many of the world's leading insurers and reinsurers.

SUSTAINABILITY REPORT

Emirates Insurance Company issued its first ESG Report during 2021, which showcases the Company' sustainability. The Company is aligned with the reporting ESG disclosures and guidelines produced by the Abu Dhabi Securities Exchange ADX. These guidelines emphasise 31 specific indicators under environmental, social and governance topics, which are deemed essential for reporting by the Sustainable Stock Exchange Initiative and the World Federation of Exchanges. As the Company's experience and expertise in sustainability reporting grows, it aims to meet as many as possible relevant to insurance companies' objectives. The company will continue reporting our progress on this very important topic every year and disclose it to all our stakeholders through ADX and across the Company's social media platforms.

OVERVIEW OF THE CORPORATE GOVERNANCE FRAMEWORK

The Corporate Governance Manual sets out the requirements in relation to the appointment and composition of the Board and the role of the Chairman of the Board (the "Chairman") and the Chief Executive Officer ("CEO"). Furthermore, the Corporate Governance Manual contains a list of matters reserved for the Board and requirements in relation to Board meetings and voting procedures and the maintenance and monitoring of internal control systems.

The following policies and procedures are contained in the Corporate Governance framework:

CGP00	Board of Director Charter - Corporate Governance Guidelines
CGP01	Investor Relationship Policy
CGP02	Other professional fees charged for 2023
CGP03	Board and Committee Member Remuneration Policy
CGP04	Code of Business Conduct for Board Members
CGP05	Code of Ethics - Employees
CGP06	Confidential Reporting Fraud Policy
CGP07	Dividend Policy
CGP08	External Auditor Policy
CGP09	Insider Dealing and Conflict of Interest
CGP10	Terms of Reference: Executive Committee
CGP11	Terms of Reference: Audit Committee
CGP12	Terms of Reference: Nominations and Remuneration Committee
CGP13	Terms of Reference: Investment Committee
CGP14	Internal Control
CGP15	Complaints Reporting Policy
CGP16	Terms of Reference: Reinsurance
CGP17	Terms of Reference: Insider Trading Committee
CGP18	Anti Money Laundering Policy
CGP20	Terms of Reference: Board Risk Committee

FORMATION OF BOARD OF DIRECTORS

The Articles of Association of the Company provide for nine Directors, elected at the General Assembly of the Shareholders by secret ballot.

At the Annual General Meeting held on 25 March 2022 and 27 May 2022, the following Directors were elected/appointed for period ending 2025:

No	Name	Elected / Appointed	Special Remarks
1	Mr. Abdullah Al Mazrui	Elected	
2	Mr. Saoud Essa Al Mulla	Elected	
3	Skh. Abdul Aziz Al Moalla	Elected	Resigned in August 2023 due to personal reasons
4	Mr. Mohammed Saeed Al-Ghafli	Elected	
5	Mr. Mubarak Abdulla Al Mazrouei	Elected	
6	Mr. Saeed Ateeq Al Baloushi	Elected	
7	Mr. Nabil Mahmood Sleiman	Elected	
8	Mr. Mohamed Fadhel Al Darmaki	Elected	
9	M/s Amal Balkhair Al Ameri	Elected	
10	Sheikha. Lubna Al Moalla	Appointed	Appointed in Nov 2023 after obtaining all the required approval from the regulators. Formal approval of her appointment will be requested from the Shareholders at the upcoming AGM for the remaining period ending 2025.

BOARD OF DIRECTORS' PROFILES

Mr. Abdullah Al Mazrui
Chairman of the Board, Non-Independent Member- Non Executive
Director since 1995
BA (Honour), Chapman University, California – USA
Representative of Al Mazrui Investment
Other Board appointments:
- Chairman of the Union of Arab Chambers
- Chairman of the Federation of the UAE Chambers of Commerce and Industry (FCCI)
- Chairman of Abu Dhabi Chamber of Commerce and Industry
- Board Member of Investcorp.
- Chairman of Depa United Group PJSC

Mr. Saoud Essa Al Mulla
Vice Chairman of the Board, Independent Member- Non Executive
Director since 2019
Bachelor of Commerce in Finance (Canada), CFA Certified
Other Board appointments:
- Board Member of Massar Solutions
- Board Member at Abu Dhabi Investment Company (Invest AD)
- Board Member at Invest AD Brookfield Managers
- Executive Director, Real Assets for the Abu Dhabi Investment Council

Skh. Abdulaziz Al Moalla *(Resigned in August 2023)*
Independent Member- Non Executive
Director since 2019 – August 2023
Masters Degree in Human Resource Management
Current Position:
Senior Manager – Team Leader Banking Supervision Department at Central Bank

Other Board appointments:
- Umm Al Qaiwain General Investments Co. (P.S.C)

Mr. Mubarak Abdulla Al Mazrouei
Independent Member- Non Executive
Director since 2019
Bachelor's Degree

Mr. Mohamed Fadhel Al Darmaki
Independent Member- Non Executive
Director since 2022
Masters Degree in International Relations – London (UK)

Mr. Mohammed Saeed Al Ghafli
Independent Member- Non Executive
Director since 2019
Masters Degree of Business Administration

Other Board appointments: • None	**Other Board Appointments:** • Executive Director at Super Awafi Mineral Water LLC. • Executive Director at Manazif Properties UAE. • Shareholder Representative PASCO Paving Stone Co,	**Other Board Appointments:** • Chairman of Power Spray. Electromechanical LLC. • Chairman of Galleria Trading LLC. • Board member of Abu Dhabi Cooperative Society • Board Member Roots Land LLC.
Mr. Nabil Mahmood Sleiman Independent Member- Non Executive Director since 2022 Ph.D. the University of Denver, USA, CFA **Current Position:** • Chief Investment Officer at Al Dhabi Capital **Previous Positions:** • Chief Investment Officer at San Francisco Global Asset Advisor • Portfolio Manager at Manning & Napier Advisors • Deputy Portfolio Manager, Abu Dhabi Investment Authority (ADIA) • Senior Analyst, Global Equities • Lecturer at the University of Denver USA	**Mr. Saeed Ateeq Al Baloushi** Independent Member- Non Executive Director since 2022 Masters Degree in Business Administration, UAE **Current Position:** • Director of Platform Human Capital – Group HC & Corporate Services and Communications at Mubadala Investment Company **Previous Positions:** • Head of HR Services MDC Business Management Services at Mubadala Company. • HR Manager at Emirates Steel Industries. • Manager – HR & Administration at Emirates Advanced Investment Group. • Manager / Performance & Dev. Counselling at Etisalat	**Ms. Amal Balkhair Al Ameri** Independent Member- Non Executive Director since 2022 BA in Business Sciences, Concentration Accounting. Zayed University CMA Certified **Current Position:** • Senior Vice President, Mubadala Investment Company. **Other Board Appointments:** • Sanad investment development company – Mubadala • Yahsat ARCC Member
Sheikha Lubna Al Moalla *(Appointed in November 2023)* Independent Member- Non Executive Director since 2023 BA in Human Resources, Higher Colleges of Technology, Dubai **Other Board appointments:** • None		

BOARD OF DIRECTORS AND BOARD COMMITTEE MEMBER REMUNERATION

The Nomination and Remuneration Committee propose the remuneration of Directors and Board Committee members to the Board of Directors for approval. Final approval will be requested from the shareholders at the Annual Assembly Meeting.

The proposed total remuneration for Directors and Board Committee members for 2023 (subject to the shareholders' approval in the coming AGM) is AED 3,990,833/- which is less than 10% of the profits of the company. No other allowances or fees were paid to the Board of Directors during 2023. The Board of Directors were paid AED 2,700,000/- for 2022.

As per the approved Board and Committee Remuneration Policy (CGP03), the Committee's chairperson is paid AED 12,500 per meeting attended and the Committee's member is paid AED 10,000 per meeting attended.

BOARD MEETINGS DURING THE YEAR

The Board is required to meet at least six (6) times per year and the quorum for a meeting of the Board is a majority of its members. During the financial year ending 31 December 2023, the following meetings were held:

Board Member Name	26-Jan	28-Feb	29-Mar	12-May	12-Oct	14-Nov
Mr. Abdullah Al Mazrui	✓	✓	✓	A	✓	✓
Mr. Saoud Essa Al Mulla	A	✓	✓	✓	✓	✓
Skh. Abdulaziz Al Moalla	✓	✓	✓	✓	N/A	N/A
Mr. Mohammed Saeed Al Ghafli	✓	✓	✓	✓	✓	✓
Mr. Mubarak Abdulla Al Mazrouei	A	✓	✓	✓	✓	✓
Mr. Saeed Ateeq Al Baloushi	✓	A	✓	✓	✓	✓
Mr. Nabil Mahmood Sleiman	✓	✓	A	✓	✓	✓
Mr. Mohamed Fadhel Al Darmaki	✓	A	✓	✓	✓	✓
M/s Amal Balkhair Al Ameri	✓	✓	✓	✓	A	✓
Sheikha Lubna Al Moalla	N/A	N/A	N/A	N/A	N/A	✓

✓ : Attended A: Absent N/A: Not Member

The Board approved the following resolutions during the Year:

- Board Resolution issued on 28/02/2023 to approve 2022 Financial Statements.
- Board Resolution issued on 28/02/2023 to approve transfer of Reinsurance reserve from Retained earnings.
- Board Resolution issued on 12/05/2023 to approve the financial results for Quarter One of 2023.
- Board Resolution issued by circulation on 14/08/2023 to approve the financial results for Quarter Two of 2023.
- Board Resolution issued by circulation on 14/11/2023 to approve the financial results for Quarter Three of 2023.

BOARD AUTHORITY AND DELEGATION THEREOF

The Board has the powers necessary to achieve the Company's objectives subject to the Company's Articles of Association, a resolution of its Shareholders and any applicable laws.

The Senior Management, comprising Chief Executive Officer and other Chief Officers as well as Senior Managers, are responsible to implement the Company strategy and to manage the day-to-day affairs of the Company according to the business plans and activities approved by the Board, protecting the Shareholder interests and adopting best and successful practices.

The following matters have not been delegated to management and are deemed to be Reserved Matters:

- Strategy and management.
- Board membership and other appointments.
- Remuneration.

- Structure and capital.
- Financial reporting and controls.
- Internal controls.
- Contracts and expenditure.
- Communication.
- Delegation of authority.
- Corporate governance matters.
- Policies (not including matters of procedure).

All other powers and authorities of the Board and executive management are pursuant to the approved Corporate Governance Manual. The Board has delegated certain Reserved Matters to committees established under the Corporate Governance Manual.

The Board may also delegate Reserved Matters to Executive Management, by specific or general delegation.

There have been no amendments to the authority delegated to the Management during 2023. The Power of Attorney of the Chairman, the CEO, and the CFO was renewed during 2022, and will expire on 15/09/2025.

DEALINGS OF THE DIRECTORS IN SECURITIES

INSIDER DEALING AND CONFLICT OF INTEREST POLICY

The Insider Dealing and Conflict of Interest Policy (CG09) sets out the procedures that EIC's Directors and Employees must follow when dealing in EIC's shares. The objective of this Policy is to clarify the Company's position in respect to the Company's directors and employees dealing in the Company's shares as well as to implement controls, reduce any potential risks that could contravene the regulators requirements and avoid any conflicts of interest.

Non-compliance with the policy is regarded as a serious misconduct.

PROHIBITIONS UNDER THE INSIDER DEALING AND CONFLICT OF INTEREST POLICY

The chairman and the members of the board of directors of the company, its general manager, and any of its employees who have knowledge of material information of the company, shall not deal by themselves or for their accounts through others or for others in any other capacity, in the Securities of the company itself, or Securities of the mother, subsidiary, sister or affiliate company of such company, if the Securities of any of these companies are listed on the Market, during the following periods:
A. Ten (10) working days prior to the announcement of any material information, unless the information was a result of sudden or unforeseen circumstances.
B. Fifteen (15) days prior to the end of the financial quarterly, semi-annual or annual period until the disclosure of the financial statements.

DISCLOSURE REQUIREMENTS

- The number of shares owned by Board Members must be disclosed within 15 (fifteen) days as from their assumption of membership and also at the end of each financial year.
- The trades affected by Restricted Persons during the current year must be disclosed at the end of each financial year.
- The names of Shareholders (including Board Members and Employees) who own, or who's holding together with their minor children reaches, 5% or more of the

Company's shares. This information should be submitted to the ADX every time the holding increases by 1% of the Company's shares over and above the 5%.

The Audit Committee is responsible for reviewing the Insider Dealing and Conflict of Interest Policy as and when required.

STATEMENT OF TRANSACTIONS OF THE BOARD OF DIRECTORS AND RELATED PERSONS DURING 2023

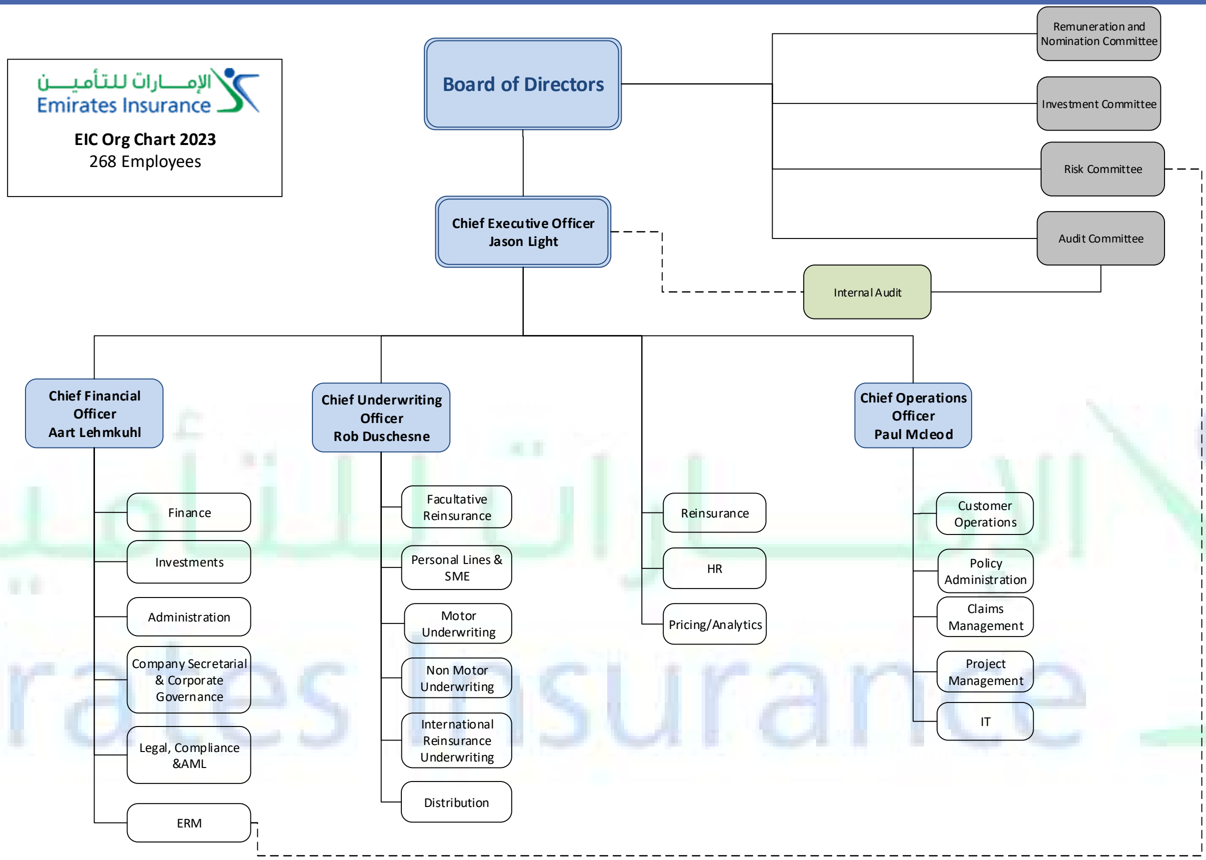
Name	Position / Relationship	Shares held as of 31/12/2023	Total Sale Transactions	Total Purchase Transaction
Mr. Abdullah Al Mazrui	Chairman	0	0	0
Mr. Saoud Essa Al Mulla	Vice Chairman	0	0	0
Skh. Abdulaziz Al Moalla	Board Member (Resigned in Aug 2023)	100,000	0	0
Mr. Mohammed Saeed Al Ghafli	Board Member	0	0	0
Mr. Mubarak Abdulla Al Mazrouei	Board Member	0	0	0
Mr. Saeed Ateeq Al Baloushi	Board Member	0	0	0
Mr. Nabil Mahmood Sleiman	Board Member	0	0	0
Mr. Mohamed Fadhel Al Darmaki	Board Member	0	0	0
Ms. Amal Balkhair Al Ameri	Board Member	0	0	0
Ms. Allia Abdull Al Mazrui	Chairman's Daughter	318,709	0	298,709
Sheikha. Lubna Al Moalla	Board Member (Appointed in Nov 2023)	0	0	0

RELATED PARTY TRANSACTIONS RECORDED DURING FY 2023

During the financial year ended 2023, the Company recorded the following related party transactions:

Board Member	Insurance Purchased – Premium in AED	Insurance Claim Settled in AED
Mr. Abdullah Al Mazrui (Al Mazrui Investment)	36,049,528/-	2,057,759/-

ORGANZATION CHART



EXECUTIVE MANAGEMENT

Jason Light, Chief Executive Officer
Joined EIC in May 2007
MBA from Manchester Business School, UK

Jason has more than 35 years' experience within the insurance industry. After spending the early years of his career as a reinsurance broker, he joined the Renewal and Reconstruction team at Lloyd's in 1995 and was later appointed the founding Managing Director of Lloyd's Japan, Lloyd's retail insurance business in Japan. Immediately prior to joining Emirates Insurance Company in May 2007, he was CEO of Hemayah Insurance, Toyota's ALJ's captive insurance business in Saudi Arabia. During 2019, Mr. Jason was selected as one of the Best CEOs in the region by one of leading US business magazine Forbes.

Aart Lehmkuhl, Chief Financial Officer
Joined EIC in January 2007
Holds B.Com Acc & B.Com (Hons) Chartered Accountant (South Africa)

Aart is a Chartered Accountant in South Africa and holds an Honours Degree in Accounting. He has also completed an Executive Development Program and a Diploma in Islamic Finance. His career in the financial services industry has spanned over a 37 year period and has focused on financial, technical and operational management. He served as director on several Boards of insurance companies in South Africa and was Chief Executive Officer of a private hospital in Oman for nearly 3 years.

As Chief Financial Officer, he is responsible for the financial soundness and activities of the company and manages the strategy and operations of the investment of the company. He is also responsible for Company Secretarial and Administration. He is the Chairman of the Executive Risk Committee.

Robert Duchesne, Chief Underwriting Officer (National)
Joined EIC in January 2019

Rob, in his role as the Chief Underwriting Officer comes with more than 35 years' experience within the insurance industry. After spending the early years of his career in various underwriting positions in the London Market, he joined RSA Dubai in 2005 as Regional Property Director. In 2015, he was promoted to Head of Property, Construction and Engineering Global Specialty Lines at RSA London. Immediately prior to joining Emirates Insurance Company, he was Head of Commercial Underwriting at Towergate Underwriting Group London.

Paul McLeod, Chief Operating Officer
Joined EIC in October 2016 and retired in November 2023

Paul has more than 30 years' experience in the international business environment in a wide range of industries, from mining, distribution and processing and manufacturing, through to retail and financial services. Initially working as a management consultant, in 1999 Paul joined American International Group to develop their Malaysian joint venture AIG-Software International. During his career at AIG, Paul held various roles in Operations and Systems in Hong Kong, Bangkok, Melbourne and

Dubai, in both regional and in-country roles. Immediately prior to joining Emirates Insurance in 2016, Paul ran the local integration for the Middle East & North Africa zone for AIG's Global Business Transformation program.

Paul Macleod has retired during November 2023.

EXECUTIVE COMPENSATION

Remuneration paid to senior management for 2023 were as follows:

Designation	Date of Joining	Salary and Allowances	Bonuses
Chief Executive Officer	20-May-2007	2,060,844/-	TBC
Chief Financial Officer	08-Jan-2007	1,523,712/-	TBC
Chief Underwriting Officer	13-Jan-2019	1,151,340/-	TBC
Chief Operating Officer	19-Oct-2016	1,214,610/-	TBC

EXTERNAL AUDITORS

Based on the recommendation of the Audit Committee, the Board of Directors are responsible to propose an independent auditor, for the confirmation of the Shareholders at the Annual General Meeting.

The Audit Committee evaluates the auditors by considering a number of key criteria, including trends in audit methodology, international resources, personnel and cost. The auditor of the Company must have a strong reputation and be well known in the field of audit, classified in the category of "Big Four".

The external auditor shall review the standard of the financial statements and will monitor the Company's accounts. They have the right to review all of the Company's books, records, documents, and any other requested data considered necessary by the auditors.

Based on the above criteria, KPMG was reappointed as EICs' external auditor at the AGM on 28 March 2023

KPMG was established in the Lower Gulf in 1973 and has grown to over 1,300 professionals, led by more than 90 partners and directors, across six regional offices. Over the last 40 years, KPMG has worked with leading industry players across the region, helping identify and manage risks and capitalize opportunities - making them a preferred professional services provider.

Year appointed as EIC Auditor	Since 2019
Partner last changed	2023
Partner	Maher Al Katout
Audit fees for 2023	AED 895,000/-
Details of services provided	Financials, and Regulatory Reports
Other professional fees charged for 2023	AED 105,000/-
Details of other professional services provided	IFRS17 review
Other audit services	None

Details of other professional services provided	N/A
Fees	N/A

The external auditor shall attend the General Assembly Meeting and ensure the validity of the procedures followed in the Shareholders invitation to the meeting. The auditor will also be required to express an opinion regarding the financial health of the company.

KPMG presented their 2023 management report to the Audit Committee and Board of Directors. The management report indicated that no discovery of any financial irregularities during 2023.

Management will take corrective action and implement the recommendations, where practical, proposed by the auditors. No qualified opinions were made by the external auditor during 2023.

COMMITTEES

The Company has the following governance and management Committees:

AUDIT COMMITTEE

The principal role of the Audit Committee is to oversee the effectiveness of the controls in the areas of operational and balance sheet risk, corporate governance, legal and regulatory compliance and financial reporting across the Company.

The Audit committee has adopted a formal term of reference which has been approved by the Chairman of the Board. The Committee are satisfied it has met its responsibilities for the year in compliance with its terms of reference.

The Audit Committee considered and recommended the Internal Audit charter for approval by the by the Chairman of the Board.

PURPOSE OF THE AUDIT COMMITTEE

The purpose of the Committee is to enable the Board to fulfil its responsibilities in relation to the oversight of:

- The integrity of the Company's financial statements.
- The qualifications, independence and performance of the Company's external auditors.
- The qualifications, independence and performance of the Company's Internal Audit Department.
- The Company's internal controls, including internal controls over financial reporting and disclosure.
- The Company's compliance with legal and regulatory requirements, and with the Company's Compliance Policies, including but not limited to, the Code of Ethics Policy and the Anti- Money Laundering Policy.
- The Company's compliance with legal and regulatory requirements relating to Corporate Governance, Compliance and Code of Ethics Policy.

No other responsibilities were assigned to the Audit Committee by the Board during the year.

The Chairman of the Audit Committee acknowledges the responsibility of the Committee system in the Company, and he has reviewed its work mechanism and ensured its effectiveness.

DUTIES OF THE AUDIT COMMITTEE

The principal duties of the Audit Committee are:

- To oversee the relationship with the external auditors and monitor their independence.
- To review and report to the Board on the Company's annual and quarterly financial statements.
- To review the Company's Share Dealing Policy.
- To review and report to the board on the Company's accounting policies and practices.
- To review, monitor and report to the Board on the remit and effectiveness of the internal audit function and review and approve the annual internal audit plan.
- To review the Company's Whistle Blowing Policy.
- To consider such other matters as may be requested by the Board.

AUTHORITY OF THE AUDIT COMMITTEE

The Audit Committee is authorized, by the Board, to examine any activity within its terms of reference, to have unrestricted access to the Company's external auditors and to obtain, at the Company's expense, professional advice on any matter within its terms of reference. The Audit Committee is authorized to seek any information it requires from any Employee or Director, and all Employees and Directors will be directed to co-operate with any request made by the Audit Committee.

COMPOSITION AND ATTENDANCE OF THE AUDIT COMMITTEE

The Audit Committee held four meetings during 2023, the table below shows the meetings were held:

Committee Member Name	27-Feb	12-May	14-Aug	11-Dec
Mr. Nabil Mahmood Sleiman *(Committee Chairman from Dec 2023)*	A	✓	✓	✓
Skh. Abdulaziz Al Moalla *(Committee Chairman until Aug 2023)*	✓	✓	✓	N/A
Mr. Mohammed Saeed Al Ghafli	✓	✓	✓	✓
Mr. Mohamed Fadhel Al Darmaki	✓	✓	✓	✓

✓: attended A: absent N/A: Not Member

NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee is to assist in fulfilling the Board's responsibilities relating to compensation of EIC staff. The Committee shall advise the Board on the remuneration philosophy of EIC in respect of all employees (including Senior Executives) and shall recommend the remuneration payable and conditions of employment to be offered by EIC.

The Chairman of the Nomination and Remuneration Committee acknowledges the responsibility of the Committee system in the Company, and he has reviewed its work mechanism and ensured its effectiveness.

The committee shall further assist the board in discharging its duties in relation to:

- verification of ongoing independence of Independent Board Members.
- formulation and annual review of the Policies on granting remunerations, benefits, incentives and salaries to Board Members and Employees of the Company and the Committee shall verify that remunerations and benefits granted to the Senior Executive Management of the Company are reasonable and in line with the Company's performance.
- determination of the Company's needs for qualified staff at the level of the Senior Executive Management and Employees and the basis of their selection.
- formulation, supervision of application and annual review of the Company's Human Resources and Training Policy.
- organization and follow-up of procedures of nomination to the membership of the board of directors in line with applicable laws and regulations as well as this Resolution.

COMPOSITION AND ATTENDANCE OF THE NOMINATION AND REMUNERATION COMMITTEES

The Nomination and Remuneration Committee conducted three meetings during 2023. The table below shows the meetings were held:

Members	Jan 23	Feb 23	Oct 23
Mr. Saeed Ateeq Al Baloushi (Chairman)	✓	✓	✓
Mr. Saoud Essa Al Mulla	✓	✓	✓
Skh. Abdulaziz Al Moalla (Committee Member until Aug 2023)	✓	✓	N/A

✓: attended   A: absent   N/A: Not Member

INVESTMENT COMMITTEE

The Board of Directors established an Investment Committee due to the size and specialised nature of the Portfolio. The purpose of the Investment Committee is to effectively supervise, monitor, and evaluate the Company's Investment Performance.

The Chairman of the Investment Committee acknowledges the responsibility of the Committee system in the Company, and he has reviewed its work mechanism and ensured its effectiveness.

The Investment Committee will discharge its responsibilities in a prudent manner and in the best interest of the Company's Stakeholders through an investment program guided by:

- An Investment Policy Statement that clearly identifies the risk appetite, objectives, and guidelines that will be followed for the investment program.
- A Strategic Asset Allocation model that will allow the firm to meet its investment objectives.
- A suitable due diligence process that is well documented.
- All applicable rules and regulations that may be defined by the Central Bank (or any other relevant regulating body) and the Company's Board of Directors from time to time.

COMPOSITION AND ATTENDANCE OF THE INVESTMENT COMMITTEE

The Investment Committee conducted Three meetings during 2023. The table below shows the meetings were held:

Members	01-May	05-Oct	19-Dec
Mr. Saoud Essa Al Mulla (Chairman)	✓	✓	✓
Mr. Nabil Mahmood Sleiman	✓	✓	✓
Ms. Amal Balkhair Al Ameri	A	✓	✓

✓: attended A: absent N/A: Not Member

BOARD RISK COMMITTEE

In accordance with the Central Bank of the UAE requirements, Emirates Insurance Company has formed a Board Risk committee (BRC) during 2023. The BRC is responsible for proposing the Company's risk management policies, risk tolerance and risk appetite to the Board for approval, and to follow up on their implementation and update them on an annual basis. The Committee ensures that risk assessments are performed regularly, monitor the risk management process, and receive assurance regarding the risk management framework.

The Chairperson of the Risk Committee acknowledges the responsibility of the Committee system in the Company, and she has reviewed its work mechanism and ensured its effectiveness.

The purpose of the Committee is to enable the Board to fulfil its responsibilities in relation to the oversight of:

- The implementation of an effective risk management culture and internal control framework across the Company and the Group. In order to promote a sound corporate culture, the Board must establish the "tone from the top" by promoting risk awareness within a strong risk culture, and setting the expectation that all Staff are responsible for ensuring that the Company operates within the established Risk Governance Framework, Risk Appetite and Risk Limits.
- effectively assists the Board of Directors by providing leadership, direction and supervision of the risk acceptance framework, taking the risk and the management of the risk acceptance.
- Recommend the risk portfolio that the Company can bear, evaluate and review the effectiveness and design of the risk management framework, its impact on the Company's activities, provide independent and objective advice to develop the policies of the Board of Directors and monitor the activities of the Company.
- The Chairperson of the BRC is responsible for ensuring the Committee's overall effectiveness and that the Committee properly complies with all of its stated objectives.

COMPOSITION AND ATTENDANCE OF THE BOARD RISK COMMITTEE

The BRC conducted one meeting during 2023. The table below shows the meetings were held:

Members	09 Nov
Ms. Amal Balkhair Al Ameri (Chairperson)	✓
Mr. Mubarak Abdulla Al Mazrouei	✓
Mr. Mohamed Fadhel Al Darmaki	✓

✓: attended

The Company's Risk Management framework involves identifying, assessing, monitoring and reporting risks across the organization. In addition, a corporate risk assessment is undertaken annually with the CEO and Management Committee to determine and evaluate the material exposures facing the Company; ensuring risk management is closely aligned to the Company's strategic and business objectives. Identified risks are reported to the Board Risk Committee.

The Board of Directors is responsible for reviewing the effectiveness of the risk management process, confirming the Company's risk appetite and ensuring risk management is embedded and cascaded down to Senior Management and all staff.

The Board, through its Risk Committee, also assesses the effectiveness of the overall process for identifying and assessing risks and providing its view to the CEO and Management Committee.

During Q4 2023, the Company strengthened its risk management function with the appointment of Mr. Bhaskar Vedula as the Head of Risk, reporting into the Board Risk Committee. Mr. Bhaskar holds an MBA (Finance), CMA (USA), CPCU (The Institutes – USA), ACMA (Associate of Institute of the Cost Accountants of India), Associate in Risk Management (ARM) (The Institutes – USA), Chartered Fellow - Chartered Institute for Securities & Investment and Fellow of the Chartered Insurance Institute (FCII) - UK. He possesses over 20 years of work experience to his credit, predominantly in the second line of defence handling Compliance & Risk Management in the insurance sector.

Mr. Khaled Tamimi appointed as the Compliance Officer in Nov 2023, Mr. Khaled holds a bachelor's degree in economics, Certified Anti-Money Laundering Specialist (CAMS) and an ICA International Diploma in Governance, Risk & Compliance from the International Compliance Association (ICA). He holds approximately 16 years of work experience to his credit.

MANAGEMENT FOLLOW-UP AND SUPERVISION OF INSIDERS COMMITTEE (INSIDER TRADING COMMITTEE)

As required by SCA, the Board of Directors approved the formation of the Follow-up and Supervision of the Insider Transactions Committee include the CFO and the Compliance Officer, as a committee member.

The Chairman of the Follow-up and Supervision of Insiders Committee acknowledges the responsibility of the Committee system in the Company, and he has reviewed its work mechanism and ensured its effectiveness.

DUTIES OF MANAGEMENT FOLLOW-UP AND SUPERVISION OF INSIDERS COMMITTEE

- Prepare a special and comprehensive register for all insiders, including persons who could be considered as insiders on a temporary basis and who are entitled to or have access to inside information of the Company prior to publication.
- The record shall also include prior and subsequent disclosures of the insiders.
- Manage, monitor and supervise insider trading.
- Update the Insiders Register.
- Submit the register and periodic reports of the insiders to ADX, SCA upon requests.
- Respond to the insiders inquires and inform them with the prohibited trading periods.
- Update the Insider Policy according to authority requirements and inform the Board of these changes.
- Inform the CEO and CFO on any breaches.

The Committee did not meet during 2023 as no significant trades took place during the financial year.

APPOINTED ACTUARIES

As per the Central Bank Regulatory requirements, the Board reappointed Lux Actuaries & Consultants to provide Actuarial services to the company for 2023.

Lux Actuaries & Consultants is an independent actuarial consultancy who provides pragmatic solutions that take account of the local market and the needs of their clients, unconstrained by any overriding corporate policy.

Founded in 2005, Lux has experienced impressive growth while maintaining uncompromising service standards and building a strong reputation in the regions of its operations. Lux works with some of the largest insurance companies in the Gulf and Southeastern Europe

Number of years as EIC actuary	Since 2015
Partner	Shivash Bhagaloo
Annual fees earned for 2023	AED 261,500/-
Registration ID Number	38
Details of services provided	Actuary Services, quarterly, annually and on an Ad Hoc basis

INTERNAL CONTROL

OVERVIEW

The Board has overall responsibility for ensuring the application, review and efficiency of the Company's internal control systems. The Board has delegated certain responsibilities to the Audit Committee, as described in greater detail earlier in this report. The system of internal control is designed to manage risks associated with the conduct of the Company's business rather than eliminates the risk of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all Employees understand their roles and obligations.

The Company's internal control systems include the following:

- Consideration and approval by the Board of the Company's strategic objectives and the risks associated with seeking to achieve them.
- Review and approval by the Board of financial statements and forecasts, and regular operational and financial reviews of performance against budgets and forecasts.
- Monitoring by management and the risk management team of risks to achieving business objectives and actions taken to mitigate them.
- Review of the scope and results of internal audit work across the Company and of the implementation of the recommendations of the committee.
- Review of accounting policies and practices, the scope of the work of the external auditors and any significant issues arising from that work; and
- A Whistle Blowing Policy enabling employees to report possible wrongdoing in confidence.

INTERNAL CONTROL MANAGEMENT

THE BOARD OF DIRECTORS:

- The Board of Directors shall issue the internal control system following consultation with the management and it shall be implemented by the Risk Department.
- The Board of Directors shall determine the objectives, duties and powers of the internal control department that shall enjoy adequate independence to perform its duties and shall directly report to the board of directors.
- The Board of Directors shall conduct an annual review to ensure efficiency of the internal control system in the Company and its subsidiaries and disclose the results to shareholders through the corporate governance annual report.

EXECUTIVE COMMITTEE:

The role of the Executive Committee is to ensure that all pillar heads and managers adhere to the control manuals on a day-to-day basis. The approvals of any expenditure, the hiring of any new staff, the underwriting of all the risks, the payment of claims and the management of investments are all encapsulated in the control manuals; hence management is responsible to ensure the controls are followed. Management is also responsible for reviewing the manuals and updating the manuals on an ongoing basis.

INTERNAL CONTROL FUNCTIONS:

Internal Audit, Risk Management, Compliance and Actuarial functions form the Internal Control functions. The Company adopts on a three lines of defence approach, where the 2nd line comprising of compliance and risk management and the 3rd line comprising of internal audit provide independent assurance on the activities carried out by the business (1st line).

INTERNAL CONTROL INCIDENT REPORTING:

Any serious incident or breaches of internal controls, identified by external auditors, or internal auditors, are reported to the Audit Committee who will review the incident and decide on appropriate action.

This department works to report any violations of internal controls or serious incidents identified by the internal or external auditor to the Audit Committee, which in turn takes appropriate measures by reviewing the incident and taking appropriate action.

No significant incidents occurred during 2023.

INTERNAL CONTROL AREAS

The risks of the company have been identified and control manuals have been drawn up to manage the risks through internal controls as shown in the table below:

Document Ref	Document Title
IC.E.1	Internal Control Environment
IC.E.2	Treaty Reinsurance
IC.E.3	Actuarial Reserving
IC.E.4	Social Media Policy
IC.F.1	Provision for Bad Debts and the Implementation of IFRS 9
IC.F.2	PPW Management Policy and Inter-Department Mandate
IC.F.3	Investments
IC.F.4	Credit Risk Management (Excl. International)
IC.F.5	Administrative Approvals Framework
IC.F.6	Anti-Money Laundering (AML), Combating the Financing of Terrorism (CTF) / Transaction Monitoring Control Framework.
IC.F.7	Corporate Image Policy
IC.F.8	Credit Risk Management (International)
IC.O.1	Claims Framework
IC.U.1	Non-Motor Underwriting including Management of Facultative Reinsurance Placement
IC.U.2	Motor Underwriting
IC.U.3	Medical Underwriting
IC.U.4	International Energy/ Property Facultative
IC.U.5	Marketing/ Distribution Processes including Commission Management
IC.U.6	Specialty Lines including Casualty Underwriting
IC.U.7	Management of Fronting

INTERNAL AUDIT

The Internal Audit department provides independent, objective assurance over the Company's risk management and internal control systems and provides consulting activities designed to add value and improve the Company's operations. Annual risk-based Internal audit plans are developed to evaluate the design and operating effectiveness of internal controls for key business processes. Further, recommendations and associated management actions are subject to a periodic follow up monitoring and reporting process to ensure the timely close out of audit actions.

The Internal Audit function is headed by Mrs Taslin Tejrar (in post since March 2021). The function maintains its independence from management by functionally reporting to the Audit Committee and administratively to the CEO. This reporting structure is formalised in the Audit Committee Terms of Reference as approved by the Board which is further documented in the Internal Audit Charter that is reviewed and approved annually by the Audit Committee.

In 2023, a number of reports summarising the results of internal audits conducted were issued by the Internal Audit department and presented to the Audit Committee. Internal Audit periodically presents the outcomes related to delivery of the annual Internal Audit plan to Audit Committee.

INTERNAL AUDIT ACTIVITIES DURING THE YEAR

The Internal Audit department conducted the following audit work during the year of 2023:

No.	Areas	Number of Audit
1	TPA monitoring and oversight review	1
2	AML / CFT Review	1
3	Claims Key Controls	1
4	Broker Terms of Business Agreements (ToBAs)	1
5	IT Governance Audit	1
6	Internal Control of Financial Reporting (ICoFR) - Management Assurance	1
7	Customer Branches – Focus on Cash Collections	1

No major issues were reported during 2023.

WHISTLEBLOWING POLICY

The Corporate Governance Manual contains a Whistleblowing Policy which was formulated to provide stakeholders an opportunity to access the Committee in good faith in case they observe any unethical or improper practices in the Company. The Company's management also has specific responsibility for facilitating the operation of the policy and ensuring impartial and independent investigations are carried out.

Internal Audit investigate cases as per the policy guidance. Any case where a there is an accusation of material misconduct by EIC employees will be reported to the Audit Committee and the Board of Directors, identifying the root cause supported by evidential conclusions.

Website address for Whistleblowing: https://eminsco.com/policy_center

No incidents were reported during the year 2023.

MATERIAL VIOLATIONS DURING THE YEAR

During 2023 no material violations were reported.

CORPORATE SOCIAL RESPONSIBILITY

Emirates Insurance Company is one of the sponsors of the ABSHER program, which contributes to increasing the national workforce in the private sector. Emirates Insurance Company supports the program by providing discounted insurance premium rates to UAE citizens working in the private sector.

GENERAL INFORMATION

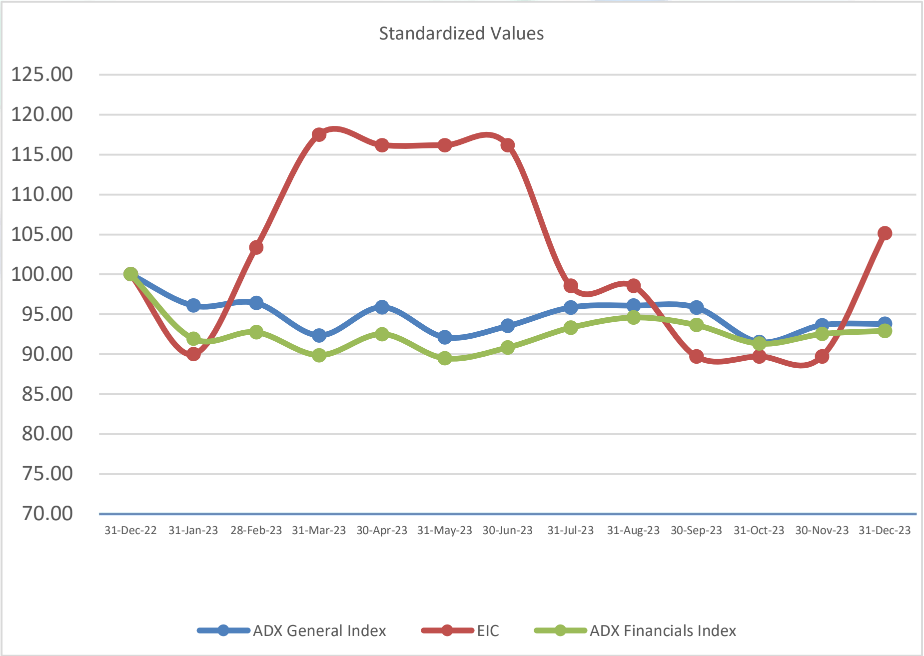
SHARE PROFORMANCE

SHARE PRICE MOVEMENT

The below table shows the share price of EIC during year 2023:

Month End	High	Low	Closing	Shares Traded
Jan-23	6.80	6.12	6.12	554,456
Feb-23	7.03	6.12	7.03	126,862
Mar-23	8.08	7.20	7.99	304,915
Apr-23	7.99	7.90	7.90	10,482
May-23	7.75	6.29	6.70	21,806
Jun-23	6.93	6.03	6.70	36,829
Jul-23	6.70	6.10	6.10	250,000
Aug-23	6.10	6.10	6.10	7,291
Sep-23	7.01	6.10	6.10	5,215
Oct-23	7.15	6.90	7.15	17,448
Nov-23	6.80	6.12	6.12	554,456
Dec-23	7.03	6.12	7.03	126,862
Total shares traded during the year				1,335,304
Shares turnover percentage				0.89%

SHARE PRICE PERFORMANCE COMPARISON



SHAREHOLDERS

MAJOR SHAREHOLDERS

The following table contains the details of the three largest Shareholders in the company:

Major Shareholders	Shares	Percentage Holding
Al Mazrui Investments	22,676,427	15.12%
Al Dhabi Investments	18,500,000	12.33%
Al Mamoura Diversified Global Holding Company	17,719,999	11.81%

COMPOSITION OF SHAREHOLDERS – REGION WISE

Shareholder Categories		No. of shares	% Ownership
Individual	Local	70,836,958	47.22%
	GCC	38,275	0.03%
	Arab	0	0 %
Companies	Local	61,296,984	40.87%
	GCC	107,784	0.07%
	Arab	0	0 %
Government	Local	17,719,999	11.81%
	GCC	0	0 %
	Arab	0	0 %
Total		**150,000,000**	**100%**

DISTRIBUTION OF SHAREHOLDERS ACCORDING TO SHARE VOLUME

Number of Shares	Number of Shareholders	Number of Shares owned	Number Shares percentage owns from the Capitals share
Less than 50,000	137	1,498,839	1.00%
50,000 & less than 500,000	114	17,785,110	11.86%
500,000 & less than 5,000,000	37	46,630,648	31.08%
More than 5,000,000	7	84,085,403	56.06%

INVESTOR RELATIONSHIP INFORMATION

Email Address: InvestorRelations@eminsco.com

Website Address: https://eminsco.com/investor-relations

Phone Number: 02-6981513

ACTION TAKEN ON INVESTOR RELATION INFORMATION

- The Company has published information and disclosed data to the regulatory authorities, markets, or investors through its external website.
- A special investor relations page has been dedicated to the company's website and is updated continuously.

SPECIAL DECISIONS PRESENTED AT THE GENERAL ASSEMBLY HELD DURING 2023

No special resolution was adopted by the shareholders during 2023.

BOARD SECRETARY

Name of Secretary: Mr. Aart Lehmkuhl
Date of Appointed: April 2022
Education: Chartered Accountant in South Africa and holds an Honours Degree in Accounting
Responsibility:

- Prepare agenda of the meetings.
- Prepare minutes for boards meetings.
- Pass any resolutions for Boards Approval.
- Housekeeping requirements.
- Supervises AGM, and Boards election.

SIGNIFICANT EVENTS

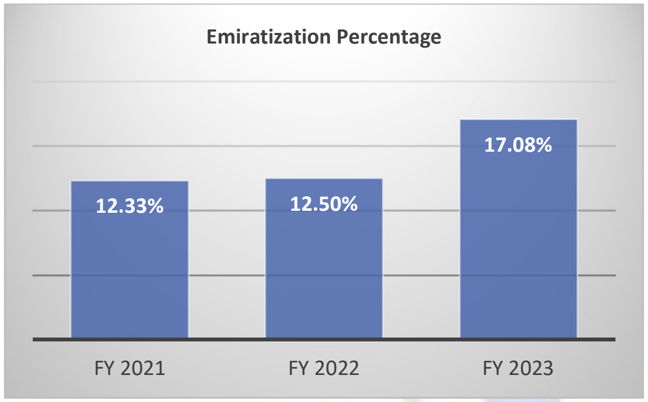
In common with all insurance companies in the UAE as well as the majority of such institutions across the world, EIC presented its results for Q1 2023 under the new International Reporting standard, IFRS 17. The most obvious and noticeable change implemented is a comprehensive reorganization of the terminology and classification of our insurance results throughout the report.

EIC began preparing for the introduction of the new standard in 2019 with the support of external consultants. In applying IFRS17, to support the extensive actuarial calculations, the company also implemented a new actuarial system to process the necessary historical data in order to determine risk adjusted provisions as well as to calculate discounted values of future payments and receipts.

EIC was one of only 4 UAE Insurance Companies to Implement IFRS 17 successfully and as per the original deadlines set by the CBUAE and did not require the extension provided by the CBUAE to all insurance companies to comply with IFRS17 implementation.

EMIRATIZATION

Year	Percentage	Targeted Points	Achieved Points
2021	12.33%	98	136
2022	12.50%	118	122
2023	17.08%	164	175



STATEMENT OF INNOVATIVE PROJECT AND INITIATIVES

During 2023 the Company launched an App which simplifies and speeds up the claims processing for motor claims. The company also automated several manual processes to automated processes using "Bots".

The Company considers it is substantially compliant with UAE Central Bank Corporate Governance Regulations for Insurance Companies and the Board of Directors' Resolution of the Security Commodity Authority No. 3 R.M of 2020 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies

The Board of Directors of EIC remain fully committed to achieving the utmost standard of conformity with the law and regulations of the UAE and the adherence to the international best practices of corporate governance.

Chairman of Board of Directors
Date: 28 February 2024

Amal

Chairman of Audit Committee

Chairman of Investment Committee

Chairman of Nomination and Remuneration Committee

Chairman of Risk Committee

Sustainability Report

2023

CONTENTS

ABOUT US

(102-1), (102-2), (102-3), (102-4), (102-5), (102-6), (102-7), (102-16)

One of the pioneering insurance companies in the region, Emirates Insurance Company (EIC) was incorporated in 1982 under Royal Decree. Listed on the Abu Dhabi Securities Market, it is one of the longest established insurance companies in the United Arab Emirates. EIC has an authorized and issued share capital of AED 150 million, with assets in excess of AED 2.4 billion. EIC’s three major shareholders are Al Mazrui Investments (15.12%), Al Dhabi Investments (12.33%) and Mubadala (the domestic sovereign wealth fund of the Abu Dhabi government (11.81%).

EIC has a vision to be a national force in the insurance industry, combining professional resources and skills with customer focus to deliver profitable growth.

EIC is primarily involved in corporate lines business in the UAE and specialty reinsurance lines in Africa, the Middle East and Asia. The company has built a loyal customer base by offering Fire & General Accident, Engineering, Marine, Energy, Medical, Life and Motor Insurance and reinsurance to its clients.

EIC employs around 281 employees across the UAE. Our extensive branch network includes our head office in Abu Dhabi, an office in Dubai, a major branch in Al Ain, further outlets inside Abu Dhabi and Al Ain traffic departments and ADNOC testing facilities and our Tamm Centre network in Western Region.

CORE VALUES

- Engagement : thorough understanding and responding to our stakeholder’s needs.
- Excellence : through expertise, efficiency and sound decision-making in all we do.
- Sustainability : through balance in economic, societal and environmental development.
- Integrity : through uncompromising commitment to transparency and ethical principles

To underscore commitment to our values, and to provide our stakeholders with additional information relevant to our communities and the environment, we are pleased to present EIC’s Sustainability Report. This report demonstrates our performance across multiple indicators of environmental, social, and governance-related operations and activities in 2023.

As an insurance company, we are investing in the holistic wellbeing and protection of our clients. With this in mind, we invested in the development of digital solutions to enable customers to complete transactions from the safety and comfort of their homes. We have also supported our customers with an extensive network of vendors, add-ons and benefits on a range of different products as well as dedicated customer support.

We are proud of EIC's continued positive wider contribution to our stakeholders. Employees are at the core of our business and we are committed to helping them become the best they can be. We regularly provide a comprehensive suite of learning and development courses and opportunities. Additionally, we promote Emiratisation through employee hiring and customised career development plans. (102-14)

As we move into a progressive future, we want to ensure we keep enhancing our commitments towards sustainable partnerships, policies and products. We will achieve this through investing in the activities described in this report and strategise to develop them further by incorporating the best practices from sustainability. We hope that our stakeholders, whom we would like to thank for their support in the creation of this report, continue to back us to achieve our vision and shared values. The process of publishing this report has been a reflective experience and has enabled us to learn how to integrate sustainable practices into our daily operations, systems, and policies. It has also further motivated us to nurture a culture of responsible environmental, social, and governing practices.

In 2023, we continued to focus on becoming an ever more responsible and reliable business, ensuring the long-term benefits for our customers and employees, our local communities, and our environment. Doing so will truly enable our vision to continue to be a trusted insurer in the UAE and beyond.

VISION AND MISSION

Our Vision is:

To be the most respected insurance company in the Gulf region known for our integrity, consistency, great customer experience and excellent shareholder returns.

Mission

" To operate our national company to International standards."

- Sound underwriting skill: provide competitive products and ensure EIC's superior profitability.
- Proactive sales approach: target most attractive client relationships.
- Performance culture and compensation of individual contribution: attract most talented staff.
- Need-driven product offering: closely align product development with client requirements.
- Uncompromising Risk Management Philosophy: Not only to underwriting decisions but also Investment management.

Our Mission Presupposes

- A clear course for sustained profitable growth and value creation for our stake holders.
- Operating within our Risk Appetite
- Actions consistently geared to the individual needs of our clients.
- A strong capital base, integrated risk management and the concentration of our resources on commercial success.
- The strengths of our staff who develop the best possible solutions with their knowledge of the insurance markets and their capacity for innovation.
- A pronounced performance culture that motivates our staff, setting clear objectives, giving feedback openly, learning from our mistakes and rewarding success.
- Our entrepreneurial responsibility, with a commitment to transparency, sustainability and an obligation to society as a whole.

ABOUT THIS REPORT

(102-48), (102-49), (102-54)

EIC protects people and enterprises from unforeseen events by providing a reliable safety net and quality assistance. EIC has stepped towards formally establishing its emphasis on conducting business in a manner that is not only beneficial for profit, but also creates a positive impact for people and the planet. As part of this increased emphasis, EIC is proud to present its Sustainability Report, establishing its commitment to environmental, social and governance (ESG) related best-practices and its performance for the year 2023. This report has been prepared in accordance with GRI Standards: Core option. The GRI Standards is the most widely used framework for ESG reporting.

ALIGNMENT WITH THE ADX ESG GUIDE

(102-50), (102-51), (102-52), (102-53), (102-56)

This report showcases EIC's sustainability performance for the calendar year 2023, across its operations in the UAE only. Operations, subsidiaries, partners, and third-party suppliers outside the UAE are not referenced. All monetary values in this report are expressed in UAE dirhams, unless otherwise stated.

Wherever feasible, EIC has aligned with the reporting ESG disclosures set out in guidelines produced by the Abu Dhabi Securities Exchange (ADX). These guidelines emphasise 31 specific indicators under environmental, social and governance topics which are deemed essential for reporting by the Sustainable Stock Exchanges Initiative and the World Federation of Exchanges. As the company's experience and expertise in sustainability reporting grows, it aims to meet as many as possible relevant to insurance companies.

ALIGNMENT WITH GRI

In this document, reference is being made to paragraphs under headings for example *(102-50).* As this is our second Sustainability Report, we have not fully adopted the GRI standards, but as we progress we might fully implement the GRI Core standard.

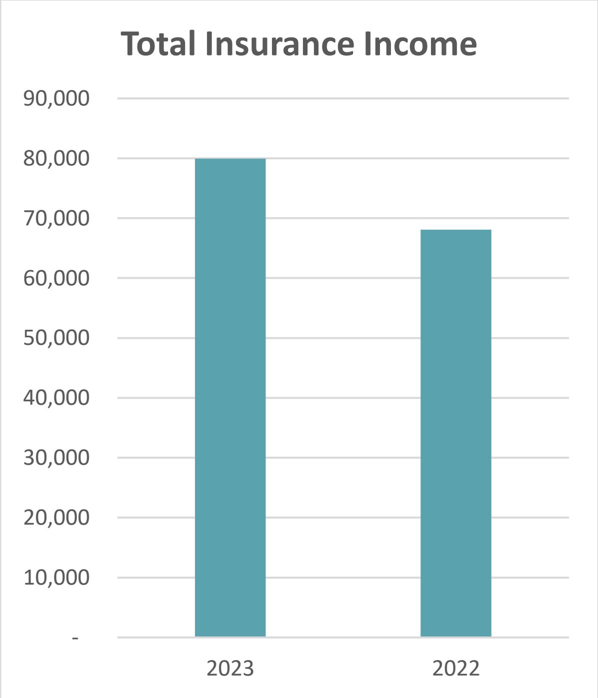
BUSINESS OVERVIEW

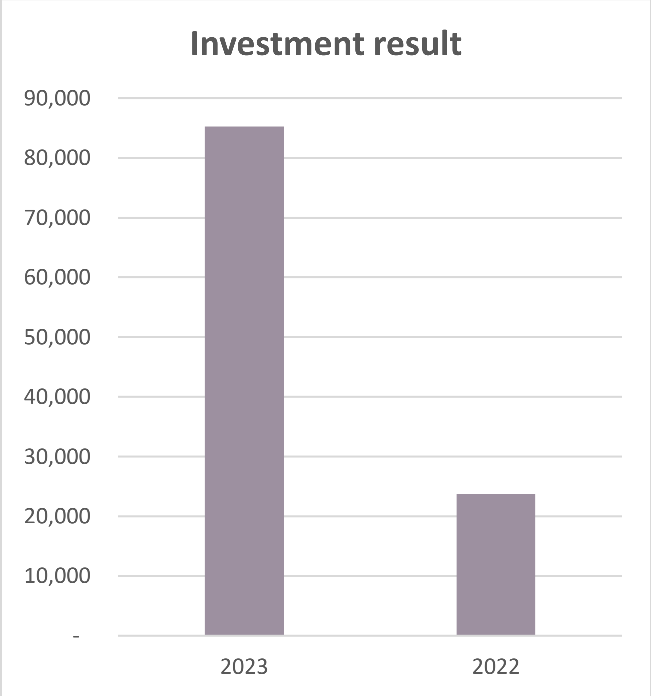
(102-7), (102-45)

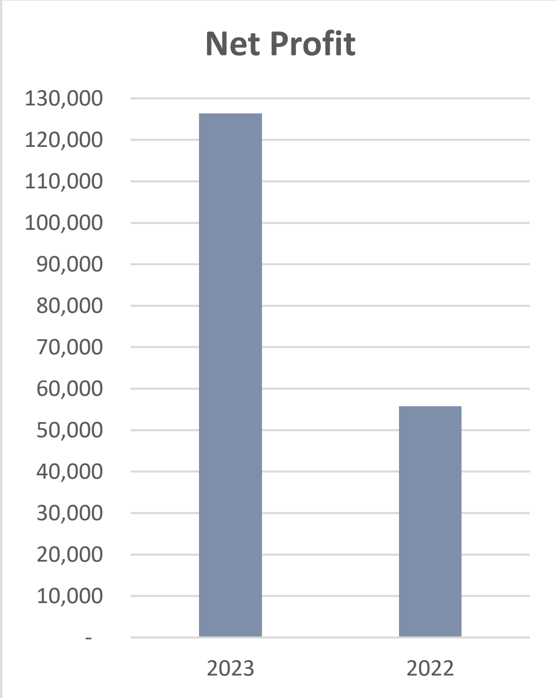
EIC is a national insurance company that provides multi-line insurance and reinsurance products and services, catering to both individuals and Corporates. There are many products and services provided to individuals such as motor insurance, medical insurance (including for retirees), home insurance, travel insurance, personal accident insurance and marine insurance. With corporate insurance, EIC offers protection to multiple sectors, including; aviation, engineering and construction, energy, financial lines, group medical, group life, corporate liability, marine cargo, marine hull, motor fleet, property and corporate travel.

FINANCIAL PERFORMANCE BUSINESS OVERVIEW (AED THOUSANDS)

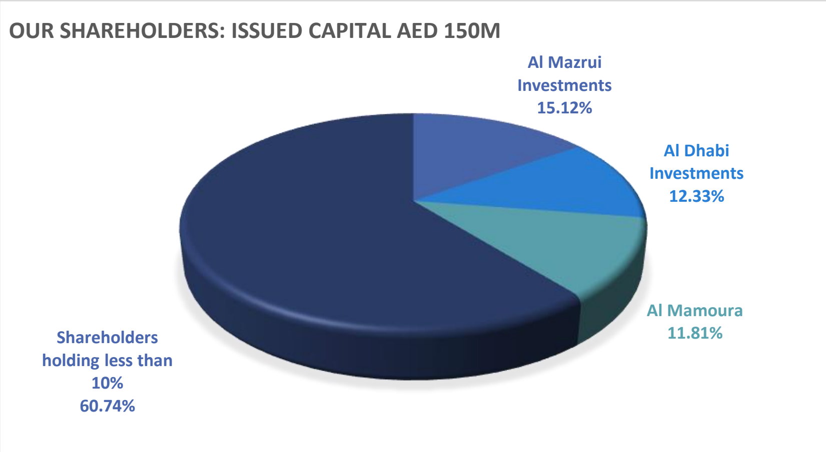
(103-1), (103-2), (103-3), (201-1)



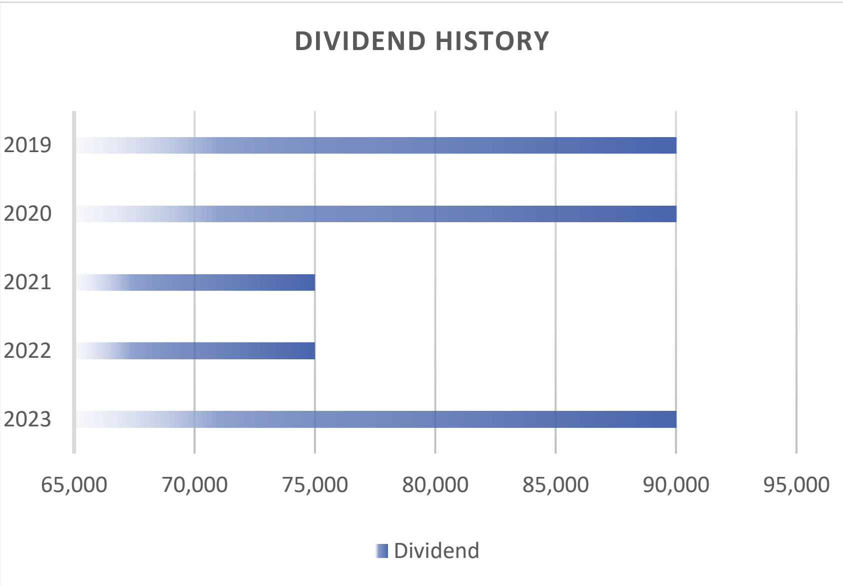




OUR SHAREHOLDERS



	Shareholder Categories	No. of shares	% Ownership
Individual	Local	70,836,958	47.22%
	GCC	38,275	0.03%
Companies	Local	61,296,984	40.87%
	GCC	107,784	0.07%
Government	Local	17,719,999	11.81 %
Total		**150,000,000**	**100 %**



RATINGS & CERTIFICATIONS

In 2011, EIC was awarded an A- insurer strength rating with a stable outlook by the international credit rating agency, AM Best. EIC thus joined the elite group of rated insurers – a club with a handful of members in the Middle East. The A- rating was reconfirmed in 2023.

During 2015, EIC also achieved the elite status of an A- rating from S&P Global. This was also reconfirmed in 2023.

S&P Global Ratings

AM BEST

SUSTAINABILITY AT EIC

(102-12), (102-15)

Sustainability in the corporate world is defined as the management of environmental, social, governance and financial demands that ensure businesses operate in a responsible and ethical manner. A sustainable business is one that creates shared value by investing in its relationship with both shareholders and stakeholders, including but not limited to customers, employees, community, the environment, and any entities who may be affected by the business' operations.

Sustainability is particularly important to insurance companies, as they play an integral role in sustainable development. In recent years, there has been an increase in pressure to respond to sustainability challenges among all sectors, due to the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change. Insurers along with businesses, communities and society as a whole share environmental, social and governance (ESG) risks, therefore providing an incentive to urgently address these pressing issues.

Integrating ESG into the risk management framework and underwriting process has been growing in the insurance and financial sector. Sustainability topics such as corporate governance, ethics, responsible investment, and financial performance, are particularly material to the insurance industry. The benefits of recognising and implementing strategies to optimise performance on these topics will increase companies' reputation, mitigate risks, meet societal expectations and gain them a competitive advantage.

One of the strategic objectives of EIC is to place an emphasis on defining its ESG goals and progress towards them. EIC ensures that all employees and staff comply with best practices in place to maintain accountability, transparency and integrity in all transactions. This boosts confidence and morale, therefore achieving the highest level of compliance with the governance rules set in place. EIC recognises that being a national insurance company comes with a responsibility towards the local community and integrating sustainable insurance will help long term sustainability goals to be achieved.

SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs) were created by the United Nations (UN) in 2015 in order for the international community to address world-wide sustainability issues to protect the environment, ensure peace and end poverty by 2030. All 17 goals are interrelated to each other, suggesting that improving one area will result in improving others. The SDGs aim to ensure that development occurs equally between social, economic and environmental sustainability.

SUSTAINABILITY FRAMEWORK

For its Sustainability Report, EIC has created a framework that can guide its approach to sustainability management. It is comprised of following three elements:

IMPACT:	A statement of the overall effect that EIC envisions having on society.	• PROVIDE EXTENSIVE, RELIABLE, RESPONSIBLE AND AFFORDABLE FINANCIAL SECURITY
KEY AREAS:	Business factors that are related to the company's vision, mission and operations, which can assist in achieving the intended impact.	• GOVERNANCE, COMPLIANCE AND ETHICS • RISK MANAGEMENT • SUSTAINABLE INVESTMENT • SUSTAINABLE UNDERWRITING • APPROPRIATE PRICING • PRODUCT & SERVICE DEVELOPMENT
ALIGNMENTS:	Commitments and forces which can drive the company's performance in terms of sustainability.	• EIC'S VISION, MISSION AND VALUES • UN SUSTAINABLE DEVELOPMENT GOALS • ABU DHABI SECURITIES EXCHANGE • SUSTAINABLE STOCK EXCHANGE INITIATIVES

STAKEHOLDER ENGAGEMENT

(102-21), (102-40), (102-42), (102-43), (102-44), (102-47)

EIC's stakeholders are those groups which can impact and can be impacted by its operations. These include its employees, customers, government entities, partners and vendors, shareholders, community organisations, and media bodies. To balance the relationship between the business and these groups, it is necessary to maintain open communication channels with them, understand their sustainability concerns, and aim to meet their needs.

STAKEHOLDER GROUP	HOW EIC ENGAGES WITH THIS STAKEHOLDER GROUP	PRIORITY SUSTAINABILITY CONCERNS	EIC'S ACTIONS
EMPLOYEES	• Performance reviews • Regular dialogue and interaction with employees • Training and educational programmes	• Job satisfaction • Fair compensation • Fair and transparent appraisal system • Staff engagement • Providing a stimulating work environment • Safe and friendly working environment	• Automated HR function • Employee engagement events • Learning and career development opportunities • Non-discriminatory compensation
CUSTOMERS	• Call Centres • Company website • Wide network of partners • Media and social media channels • Annual report and sustainability report • Other publications, including investor presentations	• Information security • Effective and friendly customer service • Innovative and convenient products and services • Enhanced use of technology and improved access to insurance services	• Assurance of customers' data safety through • Cybersecurity and data backup procedures • Dedicated customer service Customer complaint and communication channels • Digitalising services and innovating based on market research • Records of handling customer complaints
GOVERNMENT (INCLUDING REGULATORY BODIES)	• Investment in the national economy • Supporting initiatives of national importance	• Contribution to the national economy • Regulatory compliance and transparency	• Annual Report • Corporate Governance Report • Alignment with ADX ESG reporting requirements • CSR initiatives
PARTNERS AND VENDORS	• Company website • Internal communications	• Business growth	• Internal relationship management
SHAREHOLDERS/ INVESTORS	• Investor relations team • Shareholder meetings	• Creating value adding products and services for shareholders and investors • Steady net income and asset growth	• Annual General Meeting of shareholders • Annual Report • Corporate Governance Report • Investor Relations page on company website
LOCAL COMMUNITY / NON-PROFIT AND OTHER CHARITABLE ORGANISATIONS	• CSR activities	• Responsibility towards all-round development of society • Working closely with social and voluntary associations and non-government establishments	• CSR programmes e.g contributions to health and wellness and cultural development • Sustainability reporting
LOCAL, REGIONAL & INTERNATIONAL MEDIA	• Media, social media and other publications • Blogs and publications	• Clear and effective communication Transparency	• Media centre on the website with press releases • Annual report, Corporate Governance report and sustainability report

MATERIALITY TOPICS

(102-44), (102-46), (102-47)

The following table shows whether the selected materiality topics are of low , medium , or major/high importance to our different stakeholder groups.

	WITHIN THE COMPANY		OUTSIDE THE COMPANY				
	MANAGEMENT	EMPLOYEES	CUSTOMERS	GOVERNMENT	PARTNERS/VENDORS	INVESTORS	NGOs
GOVERNANCE, COMPLIANCE AND ETHICS	High	High	Medium	High	Medium	High	High
REGULATORY MANAGEMENT COMPLIANCE	High	High	Medium	High	Medium	High	High
BUSINESS ETHICS	High	High	Medium	Medium	High	High	Medium
BUSINESS CONTINUITY AND RISK MANAGEMENT	High	Medium	High	Medium	High	High	High
PRIVACY AND SECURITY	High	High	High	High	High	High	High
TRANSPARENCY	High	High	Medium	Medium	Medium	High	High
RESPONSIBLE INVESTMENT	High	High	Medium	Medium	Low	Medium	Medium
FINANCIAL PERFORMANCE	High	High	High	Low	Medium	Medium	Medium
FINANCIAL INCLUSION	High	Medium	High	Medium	Medium	High	High
DIGITISATION AND INNOVATION	Medium	Medium	High	Low	High	High	Medium
APPROPRIATE PRICING	Medium	Medium	High	High	High	High	Medium
CUSTOMER ENGAGEMENT AND SATISFACTION	High	High	High	High	High	High	Medium
EMIRATISATION	High	Medium	Medium	High	Medium	Low	Low
DIVERSITY AND GENDER EQUALITY	High	High	High	Medium	Low	Low	Low
TRAINING AND DEVELOPMENT	High	High	High	Medium	Medium	Low	Low

ENVIRONMENT

Environmental Responsibility

The UAE is a country with scarce water resources and high temperatures, therefore is highly susceptible to the risks of climate change. As a company operating in this region, EIC aims to help mitigate these environmental risks by engaging with stakeholders to understand their concerns and creating adaptive strategies. EIC is dedicated to reducing its environmental footprint and becoming more efficient with resources and technology, taking action to reduce electricity and water consumption and investing in energy efficient technology that will help business productivity and sustainability practices.

E1.GHG EMISSIONS

(103-1), (103-2), (103-3), (305-1), (305-2), (305-3)

During 2023 the vehicles owned consumed 9233 litres of petrol. An average consumption of 9 litres/100 km then corresponds to 9 l x 2392 g/l / 100 (per km) = 215 g CO_2/km. The total emission from petrol for the company is therefore estimated at 12 TCO_2E.

E3. ENERGY CONSUMPTION

(103-1), (103-2), (103-3), (302-1), (302-4)

EIC has installed motion-sensing lights along staircases, which only turn on when that area is occupied. The elevators at Head Office have been programmed to respond intelligently to where passengers are waiting.

The company also replaced the water chillers a few years ago with more environmentally friendly chillers saving energy.
In 2023, EIC's electricity consumption increased marginally from 2022.

Electricity Consumption: 2023 2,345,520 KWH or 1,509 TCO_2E.

2022 2,255,037 KWH or 1,451 TCO_2E.

E6. WATER MANAGEMENT

(103-1), (103-2), (103-3), (303-5)

In 2023, EIC's non-drinking water consumption increased as compared to 2023, due to higher staff complement in 2023

Non drinking water Consumption:	2023	2,368 m^3
	2022	1,998 m^3

E7. WASTE MANAGEMENT

(103-1), (103-2), (103-3), (306-2)

Paper is a large source of waste in the insurance industry, due to the heavy reliance on paper documents such as paper forms and agreements. EIC is combating this waste generation by digitalising many of its paper-based activities, and by environmentally friendly shredding. Every year, the company confirms which paper files are eligible to be shredded as per company Document Retention Policy, and the shredding is completed in a green-certified manner only through an authorized recycling supplier. EIC recently reduced printers in the company by 50%, indicating a huge reduction in energy as well as paper and storage space. EIC's printing costs have reduced by 88% from 2020.

We stored 3.6 million pages of documents digitally during 2023. We have stored 33.2 million pages of documents in total since we started the digitalisation process.

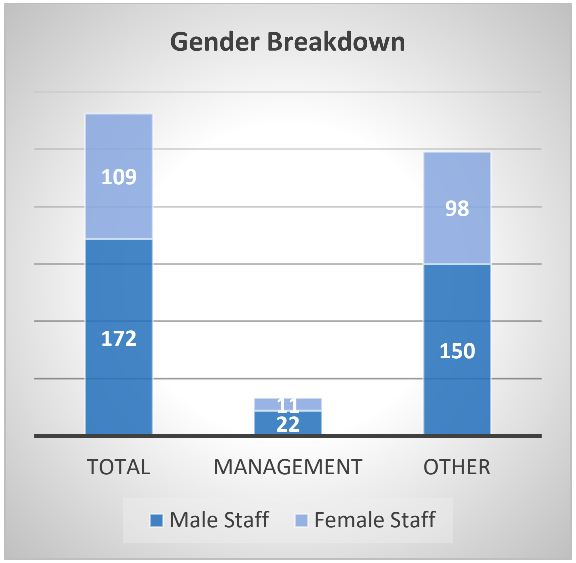
SOCIAL

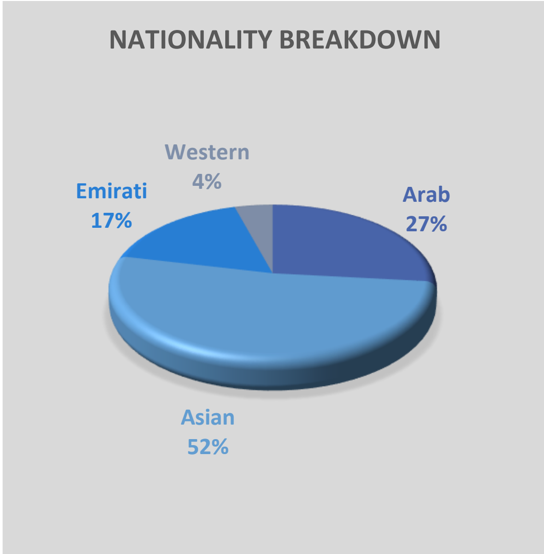
(102-8), (401-1)

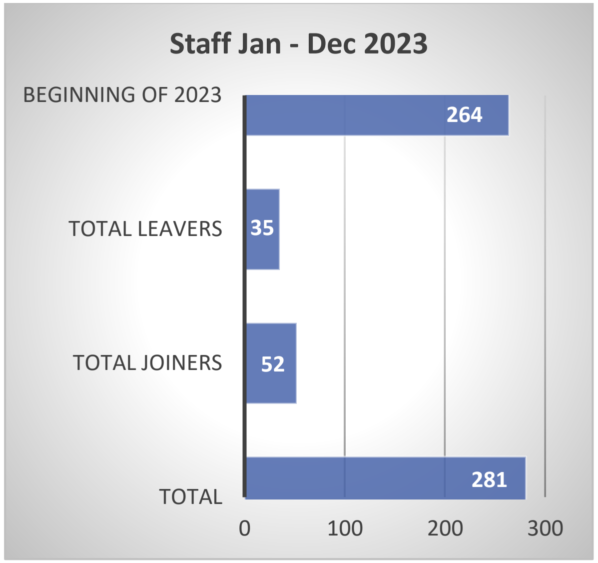
Investing in Human Resources is a crucial part of EIC's internal investment. Employees are the foundation on which the organisation can thrive, and the HR department is responsible for creating company culture as well as managing performance, pay, talent, recruitment and onboarding. EIC believes that investing in employees and their wellbeing is a core responsibility as an employer, which will in turn lead to increased productivity and profitability.

As a company operating in the diverse country of the UAE, which is home to people from over 200 nationalities, EIC places diversity and inclusion on a high pedestal. Working towards creating a workplace where everyone can thrive, EIC is currently focused on:

- Gender equality,
- Emiratisation,
- training and development,
- benefits provision and wellbeing.







S2. Gender pay ratio

(103-1), (103-2), (103-3), (405-1)

Compensation and benefits are paid based on the job role of an employee at EIC rather than gender.

S3. EMPLOYEE TURNOVER RATIO

The current staff turnover ratio over the past 12 months is 14%.

S4. DIVERSITY & INCLUSION

(103-1), (103-2), (103-3), (405-1)

EIC believes in gender equality and opportunities are provided solely based on merit, not gender. EIC endeavours to create a working environment where women feel safe, seen and empowered.

Women currently make up 39% of the workforce.

S6. NON-DISCRIMINATION

(103-3), (405-1)

EIC does not discriminate against any religion, sex, language or ethnicity. This is clearly captured in the Human resources manual of the company.

S8. HEALTH AND SAFETY

(103-3), (403,406)

EIC promotes a work environment that contributes to the overall well-being of both individuals and the organization. A work life balance is a principle imbibed at EIC along with a comprehensive health insurance coverage for employees which is over and above the mandate of the law.

EIC provides its employees with free of cost initiatives such as annual check-up and flu shot vaccination at company expense. The pandemic health and safety measures include ensuring that employees are vaccinated and records are maintained. The company also ensures that EIC is safe for customers and tenants to visit. The company has a health and safety policy in place.

S9. CHILD AND FORCED LABOUR

(103-3), (408,409)

EIC will not participate in child or forced labour and will not engage with any vendors/partners who does make use of the vulnerable to obtain economic advantage.

S11. NATIONALISM

EIC is working in alignment with the government of the UAE's strategy to promote employment in the local population. Through a career development programme targeting Emiratisation, EIC is able to train and develop UAE nationals and support them in their careers with various training opportunities and mentoring. The Central Bank of the UAE sets targets for Emiratisation, which EIC surpassed in 2023.

English language assistance, career development plans and targeted talent development are provided for Emirati employees and graduate hires. Graduate hires also receive tailored on-the-job training and the Central Bank of the UAE provides specific technical courses and certifications on insurance for UAE nationals. EIC also provides Emirati employees with specific training in insurance concepts and responsibilities through the Emirates Institute for Banking and Financial Studies (EIBFS). 17% of the workforce are Emiratis.

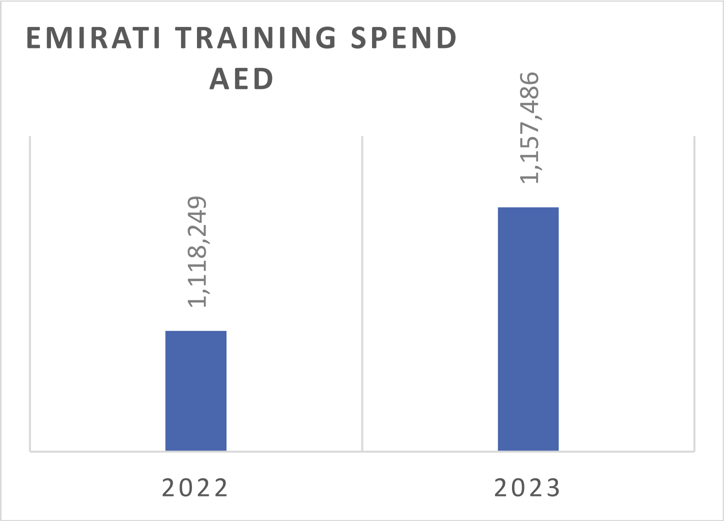
TRAINING & DEVELOPMENT

(103-1), (103-2), (103-3), (404-1), (404-2), (404-3)

EIC believes that nurturing talent is essential for the company's ongoing success.

EIC has created Career Development Plans targeted specifically for UAE nationals.

EIC also has a comprehensive succession plan documented.



BENEFITS & RECOGNITION

(103-1), (103-2), (103-3), (401-2), (401-3), (402-1)

Benefits for employees include; housing, salary advances and educational support. Salary advances can be provided up to twice in a calendar year based on eligibility, up to 50% of net salary. For housing, employees are assisted in that the annual rent is paid in advance and deducted over the period of the lease, not exceeding 12 months. Employees were also reimbursed for educational expenditure during part of 2023. Employees are notified of employment-related changes one month in advance

HEALTH & WELLBEING

(103-1), (103-2), (103-3), (403-2), (403-6)

EIC ensures the health and safety of its employees. To ensures there is no spread of the virus and contain contamination in the work environment, EIC continues to follow the protocols set by the Department of Health and other government agencies.

Monthly pest control activities are undertaken at EIC for various reasons, primarily to manage and mitigate the negative impacts of pests on human health, and the environment. EIC ensures that pest control methods are effective and sustainable results while minimizing the use of potentially harmful chemicals.

EIC ensures that it provides a safe work environment by implementing measures to prevents accidents, injuries, and illnesses, contributing to the physical and mental health of employees. In 2023 there were no work related employee health incidents reported.

The company also promote the wellbeing of management where an active lifestyle is encouraged and hence the company makes contribution towards reimbursement of the fees to a health or fitness club.

CULTURAL CELEBRATIONS

(103-1), (103-2), (103-3), (413-1)

As an organisation that is interconnected with the Emirati community, EIC takes steps to promote and celebrate Emirati culture. EIC is a prominent well reputed company in the insurance sector within the UAE and we recognise our responsibility to the local community. It is essential as an insurance company to address the role and impact the company has on economic and social development.

Corporate Social Responsibility (CSR) is interwoven throughout the organisation, and is fundamental in building loyalty and trust in stakeholder relationships, and to achieve long-term sustainability goals.

EIC will continue to make CSR donations to the needy. EIC also donated funds to the Downs Syndrome, Abu Dhabi chapter Association and Operation Smile.

GOVERNANCE & COMPLIANCE

The Company’s Board of directors is committed to promoting good corporate governance within the Company. Consistent with its aim of being a leader in corporate governance in the UAE and the region, the Company has adopted extensive corporate governance framework in line with the principles set out in the Central Bank of UAE Corporate Governance Regulations and Standards, UAE Securities and Commodities Authority on Corporate Governance and international best practice.

The Company recognizes the benefit of good corporate governance for all shareholders and the Corporate Governance framework is designed to ensure efficient, dynamic and entrepreneurial management throughout the Company.

The Company published its Fifteenth Corporate Governance Report in compliance with SCA Board of Directors' Resolution No. 3 R.M of 2020, and the UAE Central Bank instructions concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

The report reflects the Company's corporate governance framework as at 31 December 2023, and was filed with SCA, published on the Company's Website and made available to all shareholders well in advance of the AGM.

WHISTLEBLOWER POLICY

(102-16), (102-17)

Misconduct is seriously discouraged and managed stringently when identified. EIC has a dedicated email address, monitored by Internal Audit, where any fraud or wrongdoing witnessed can be reported directly or anonymously by anyone affiliated with the organisation. The information relayed is then handled in a confidential manner by the Internal Audit Department.

All employees are required to sign an Employee Code of Conduct when joining EIC.

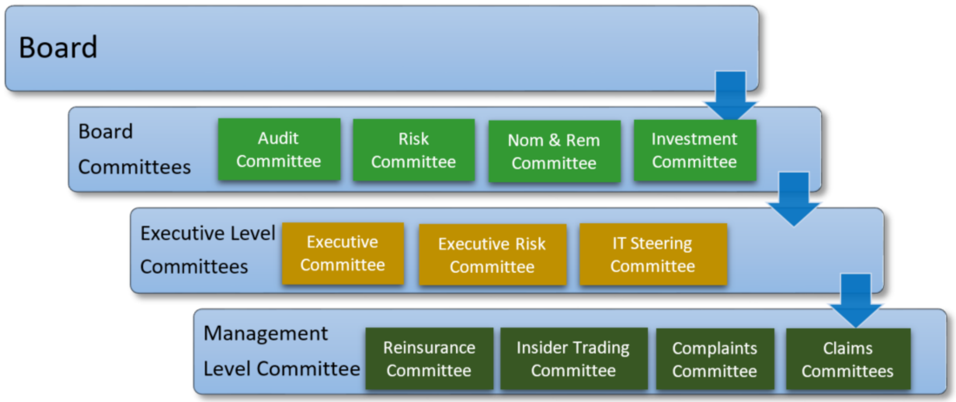
GOVERNING BODIES & COMMITTEES

(102-11), (102-18), (102-19), (102-20)

EIC's Board of Directors is responsible for supervising management, overseeing Internal Control and Corporate Governance, and monitoring the human resources which are required for EIC's strategies to be successfully implemented. The Board is also responsible for approving investments, business plans, budgets and financial statements, and ensuring that all shareholders receive relevant information in a timely manner. Strategies and activities that are approved by the Board are subsequently implemented by EIC's Executive Management. The Board of Directors consists of nine non-executive members, of whom eight are independent as per the classification from the Securities and Commodities Authority of the UAE.

EIC issues annually a comprehensive Corporate Governance Report which is published on the company website and SCA website.

The Company has the following Board and Management Committees



INVESTOR RELATIONS

EIC also has an investor relations department, which maintains relationships with its shareholders and incorporates their opinions into the decision-making process. This ensures that the business is open to thoughts from those who have vested interests in its growth and profitability.

GENERAL ASSEMBLY

EIC's Annual General Assembly meetings welcome the attendance of all shareholders to contribute to major decisions by voting on current issues, such as;

- Election of the company's Board of Directors (BoD),
- Board members' remuneration,
- Dividend payments,
- The appointment of external auditors.

These issues are critical to the cultivation of profitable, sustainable and valuable practices in the Company.

RISK MANAGEMENT & BUSINESS CONTINUITY

(102-11)

EIC recognises the critical importance of having efficient and effective enterprise risk management systems in place. The goal of the Company's risk management process is to ensure that the operations that expose it to risk are consistent with its strategy, business objectives and risk philosophy, while maintaining an appropriate risk/reward balance and enhancing stakeholder value.

EIC's risk management framework is structured based on a number of guiding principles with the primary objective to protect its shareholders from events that hinder the sustainable achievement of the set financial performance objectives.

The Board of Directors have tasked the Board Risk Committee oversees and monitors EIC's risk management framework, processes and practices, and to review and approve overall risk appetite. Senior management shares responsibility and accountability for effective management of risk across the organisation. This enables a cross-functional perspective on risk management, enhanced by the frequency of contact across the management team.

Additionally, EIC's business continuity planning ensures business disruption risk for the organisation as a whole can be managed. It is supported by business continuity and disaster recovery policies and procedures. These steps, which apply to safety procedures, Information Technology practices and dealing with vendors and partners, define its emergency continuity response with the aim of achieving business resilience during a disaster. EIC carries out testing of these plans regularly and shares the results and feedback with senior management for subsequent improvements.

LINES OF DEFENCE

RISK AREAS | **MANAGEMENT ACTIONS**

First line: the way risks are managed and controlled day-to-day. Assurance comes directly from those responsible for delivering specific objectives or processes. It may lack independence but its value is that it comes from those who know the business, culture and day-to-day challenges.

Second line: the way the organisation oversees the control framework so that it operates effectively. The assurance provided is separate from those responsible for delivery, but not independent of the management chain, such as risk and compliance functions.

Third line: objective and independent assurance, e.g. internal audit and external audit, providing reasonable assurance of the overall effectiveness of governance, risk management and controls.

- CAPITAL RISK
- OPERATIONAL RISK
- INSURANCE
  - UNDERWRITING
  - REINSURANCE
- CREDIT RISK
- LIQUIDITY RISK
- MAREKET RISK
- STRATEGIC RISKS

Identify,

Measure,

Manage,

Monitor,

Report.

COMPLIANCE & AUDITING

(102-16), (102-17)

EIC is committed to complying with the governance guidelines as provided by the Central Bank of the UAE and the Securities and Commodities Authority of the UAE. The Company ensures that all employees also integrate and exhibit the best practices in accountability, transparency, and integrity in their business dealings, reflecting EIC's dedication to the highest standards in corporate governance.

EIC also undertakes audits to assess its performance towards compliance standards. Internal audit, which is a part of the third line of defence in the Three Lines of Defence model, provides independent assurance on activities and policies within an organisation. EIC's internal audits, which involve identifying departmental risks, are conducted by the Internal Audit Department which is supervised by the Audit Committee. The Internal Audit Department ensures that all audits are carried out in compliance with its Internal Audit Procedures manual, which details procedures and compliance for internal departmental audits such as the assignment of department heads; discussion of the purpose, timing, and conduct of the audit; channels of communication; required fieldwork; and drafting process. Auditing procedures at EIC cover perceived risks to the effectiveness of controls, compliance or governance within the company, potential fraud risks, and handling of other irregularities.

EIC has both internal and external auditors to examine business documents and financial statements on a regular basis in order to review them and ensure that they comply with financial reporting standards.

J LIGHT
Chief Executive Officer

A MAZRUI
Chairman

الإمـــارات للتأميـــن
Emirates Insurance