

2022 INTEGRATED REPORT



Dubai
National
Insurance
دبي الوطنية للتأمين

Protecting what matters

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DIRECTORS' REPORT

On behalf of the Board of Directors, I would like to present our 31st Financial Results together with the Audited Consolidated Financial Statements for the year ended 31st December 2022.

I am delighted to announce that DNI has reported throughout the year 2022 strong underwriting results and profitability. DNI demonstrated robust results with a full-year net profit of AED 44.1 million, a 39.1% increase in the Gross Written Premiums compared to the previous year. DNI positive results amidst the challenging market conditions reflect the successful delivery of the company's transformation strategy.

DNI Board of Directors, as well as the management team, remain committed to driving standards of excellence and delivering increasing returns to the shareholder. Our priority is to ensure that DNIR is positioned amongst the regional market leaders by leveraging on our innovative capabilities and differentiated offering.



CASH BALANCES

The cash balances stood at AED 207.7 million as at 31st December 2022, compared to AED 137.7 million as at 31st December 2021



INVESTMENTS

Total investments including cash and bank balances, Investments in Equity and Debt instruments and investment properties stood at AED 836.9 million as at 31st December 2022, compared to AED 857.9 million as at 31st December 2021.



TOTAL ASSETS

The total assets increased by AED 1,250 million as at 31st December 2022, compared to AED 1,146 million as at 31st December 2021.



SHAREHOLDERS' EQUITY

The Shareholders' Equity position stood at AED 677.7 million as at 31st December 2022, compared to AED 749.7 million as at 31st December 2021.



BASIC AND DILUTED EARNINGS PER SHARE AND NET PROFIT

Basic and diluted earnings per share stood at AED 0.38 as result of achieving a net profit of AED 44.1 million for the year 2022 compared to basic and diluted earnings per share of AED 0.51 resulting from a net profit of AED 58.8 million last year.

Khalaf Ahmad Al Habtoor
Chairman of the Board



Khalaf Ahmed Al Habtoor
Chairman of the Board

CEO'S MESSAGE

I hereby present DNIR Financial Results for the year ended 31st December 2022.

DNIR delivered a good performance with a net profit of AED 44.1 million. DNIR recorded numerous achievements as part of our transformation journey amidst tough market conditions during the year 2022 including the rating upgrade to A- (Excellent) by AM Best which is a testimony to our financial strength and receiving ISO 9001:2015 Certification.

We will continue implementation of our automation and digitalization plans to ensure providing fast and efficient services to the customers. Also we will continue to take the necessary measures to maximize shareholder value, as well as support our employees and customers. Further, we will continue to contribute to the betterment of society and the community.

KEY FINANCIAL HIGHLIGHTS

GROSS WRITTEN PREMIUMS

DNIR's Gross Written Premium increased to AED 419 million during 2022, compared to AED 301 million for the year 2021.

PREMIUM RETENTION

The overall premium retention ratio was 41.9% for the year 2022 compared to 36.0% for the year 2021.

NET UNDERWRITING INCOME

For the year 2022, DNIR Net Underwriting Income stood at AED 38.5 million, against AED 55.9 million for the year 2021.

GENERAL & ADMINISTRATIVE EXPENSES

General and Administrative Expenses for the year 2022 increased to AED 31.6 million, compared to AED 25.9 million for the year 2021.

NET PROFIT

Net Profit is AED 44.1 million for the year 2022, against AED 58.8 million for the year 2021.

APPRECIATION

I am proud of what we were able to achieve in a tough competitive market and would like to thank our employees for their dedicated efforts and customer-centric approach. We will continue to optimize our business and keep introducing innovative products and services to meet the changing needs of our customers over the next years.

I would like to thank our Chairman, Board of Directors and shareholders for their continued support, our clients and business partners for their trust in our company and our management team and employees for their diligent efforts.


Abdulla Al Nuaimi
Chief Executive Officer



Abdulla Al Nuaimi
Chief Executive Officer

2022

FINANCIAL REPORT



DUBAI NATIONAL INSURANCE & REINSURANCE CO. (P.S.C.)
DUBAI - UNITED ARAB EMIRATES
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022



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Independent Auditor's Report

To the Shareholders of Dubai National Insurance & Reinsurance Co. (P.S.C.)

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements together with the ethical requirements that are relevant to the audit of the financial statements. 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 Company for the year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the Shareholders of Dubai National Insurance & Reinsurance Co. (P.S.C.)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

i) Valuation of technical provisions

The estimation of liabilities arising from insurance contracts such as unearned premium reserve, outstanding claims reserve, incurred but not reported reserve, unallocated loss adjustment expense reserve and unexpired risk reserve as disclosed in note 11 to these financial statements, involves a significant degree of judgement. These liabilities are based on the pattern of risk distributions over coverage period, the best-estimated ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs, mortality and persistency (including consideration of policyholder behaviour). Actuarial computations have been used to determine these provisions. Underlying these computations are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. Since the determination of such a provision requires the expertise of an external valuation expert who incorporates significant assumptions, judgements and estimations, the valuation of these liabilities was significant to our audit.

We assessed management's judgement and calculation of the technical reserves by performing the following procedures:

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

ii) Valuation of investment properties and change in accounting policy

During the year ended 31 December 2022, the Company has changed its accounting policy for investment properties from cost model to fair value model. As a result, financial statements have been restated and profit for the year ended 31 December 2022 has increased by AED 10.4 million, as disclosed in note 31 to these financial statements. The impact of change in accounting policy, its effect on the opening balances, disclosures in the financial statements together with change in current year's profit was significant to our audit.

The fair value of investment properties as at 31 December 2022 amounts to AED 149.3 million (2021: AED 140.8 million (restated)), as detailed in note 6. The fair value estimate requires significant judgement and estimates by management and independent external valuers. The Company has involved independent external valuers in order to value the investment properties for the purpose of determining the fair value for inclusion in the financial statements. The existence of significant estimation and judgement coupled with change in valuation assumptions used could result in material change. Therefore, the valuation of these investment properties was significant to our audit.

Our audit procedures, among others, included:

- Evaluating management's assessment of change in accounting policy, its compliance with the IFRSs and assessing the reasons for how it improved the reliability and presentation of the Company's financial position;
- Assessing the competence, capabilities, and objectivity of external valuers;
- Evaluating the accuracy and completeness of the source data used in the calculation of fair values;
- Assessing the appropriateness of the key assumptions and methodologies used;
- Performing physical inspection of the properties; and
- Performing an independent calculation by carrying out enquiries with management and independent valuer, including performing reasonableness computation by using publicly available sources of information to independently corroborate the valuation performed by management expert.

Independent Auditor's Report

To the Shareholders of Dubai National Insurance & Reinsurance Co. (P.S.C.)

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the *Directors' Statement* and *Chief Executive Officer's Statement*, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that are obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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 IFRSs and their preparation in compliance with the applicable provisions of the UAE Federal Law No. 32 of 2021 and Federal Law No. 6 of 2007 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report

To the Shareholders of Dubai National Insurance & Reinsurance Co. (P.S.C.)

Report on the Audit of the Financial Statements (continued)

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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.

Independent Auditor's Report

To the Shareholders of Dubai National Insurance & Reinsurance Co. (P.S.C.)


Report on Other Legal and Regulatory Requirements


As required by the UAE Federal Law No. 32 of 2021, we report that:

- 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 Law No. 32 of 2021;
- iii) The Company has maintained proper books of account;
- iv) The financial information included in the Directors' Statement and Chief Executive Officer's Statement, in so far as it relates to these financial statements, is consistent with the books of account of the Company;
- v) Note 7 to the financial statements discloses additions of marketable securities by the Company during the year ended 31 December 2022;
- vi) Note 10 to the financial statements discloses material related party transactions, and the terms under which they were conducted; and
- vii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2022 any of the applicable provisions of the Federal Law No. 32 of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2022.

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

Furthermore, as required by the CBUAE Insurance Reporting Requirements for 2023, Note 7 to the financial statements discloses information on assets that are held by a related party for the beneficial interest of the Company.


GRANT THORNTON
Farouk Mohamed
Registration No. 86
Dubai, March 14, 2023



Dubai National Insurance & Reinsurance Co. (P.S.C.)

Statement of financial position
As at 31 December 2022

	Notes	2022 AED'000	Restated 2021 AED'000	Restated 2020 AED'000
ASSETS				
Statutory deposits	4	10,000	10,000	10,000
Property and equipment	5	4,917	473	582
Investment properties	6	149,342	140,750	140,166
Financial assets	7	474,885	569,470	426,882
Insurance receivables	8	142,127	66,080	70,371
Other receivables	9	41,249	26,677	24,231
Amounts due from related parties	10	19,973	21,657	31,256
Reinsurance contract assets	11	204,832	173,351	197,462
Cash and bank balances	12	202,679	137,709	97,945
TOTAL ASSETS		1,250,004	1,146,167	998,895
EQUITY AND LIABILITIES				
EQUITY				
Share capital	13	115,500	115,500	115,500
Legal reserve	14	57,750	57,750	57,750
General reserve	15	180,000	180,000	180,000
Reinsurance reserve	16	3,241	2,023	1,059
Fair value reserve on financial assets at fair value through other comprehensive income		161,038	220,505	77,917
Retained earnings		160,217	173,903	142,625
TOTAL EQUITY		677,746	749,681	574,851
LIABILITIES				
Employees' end of service benefits	17	4,299	4,091	7,092
Insurance contract liabilities	11	355,479	274,833	303,723
Insurance payables	18	165,526	68,734	65,148
Other payables	19	42,622	45,690	43,789
Amounts due to related parties	10	4,332	3,138	4,292
TOTAL LIABILITIES		572,258	396,486	424,044
TOTAL EQUITY AND LIABILITIES		1,250,004	1,146,167	998,895

These financial statements were approved by the Board of Directors on 14 March 2023 and signed on their behalf by:

Khalaf Ahmad Al Habtoor
Chairman

Mohammed Khalaf Al Habtoor
Managing Director

The notes 1 to 32 form an integral part of these financial statements.

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Dubai National Insurance & Reinsurance Co. (P.S.C.)

Statement of profit or loss
For the year ended 31 December 2022

	Notes	2022 AED'000	Restated 2021 AED'000
Gross premiums		419,112	301,239
Reinsurance share of premiums		(243,603)	(192,789)
Net premiums		175,509	108,450
Net transfer to unearned premium reserve	11 (a)	(41,954)	(7,085)
Net premiums earned		133,555	101,365
Commission earned		20,698	20,477
Commission paid		(35,283)	(32,090)
Other underwriting income		2,292	3,138
Gross underwriting income		121,262	92,890
Gross claims paid		183,724	185,415
Reinsurance share		(108,221)	(136,646)
Net claims paid		75,503	48,769
Net movement of outstanding claims and technical provisions		13,658	(30,211)
Reinsurance share of outstanding claims and technical provisions		(6,447)	18,347
Net claims incurred		82,714	36,905
Net underwriting income		38,548	55,985
Income from investments – net	20	23,231	22,733
Income from investment properties – net	21	13,897	5,907
Other income		-	164
Gross income		75,676	84,789
General and administrative expenses	22	(31,587)	(25,954)
Net profit for the year		44,089	58,835
Earnings per share:			
Basic and diluted	23	0.38	0.51

The notes 1 to 32 form an integral part of these financial statements.

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Dubai National Insurance & Reinsurance Co. (P.S.C.)

Statement of comprehensive income
For the year ended 31 December 2022

	2022 AED'000	Restated 2021 AED'000
Net profit for the year	44,089	58,835
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net unrealised loss on debt investments carried at FVTOCI	(4,371)	(839)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net unrealised (loss) / gain on financial assets at fair value through other comprehensive income	(74,044)	143,427
Net realised gain on financial assets at fair value through other comprehensive income	1,328	13,601
Other comprehensive (loss) / income for the year	(77,087)	156,189
Total comprehensive (loss) / income for the year	(32,998)	215,024

The notes 1 to 32 form an integral part of these financial statements.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Statement of changes in equity
For the year ended 31 December 2022

	Share capital AED'000	Legal reserve AED'000	General reserve AED'000	Reinsurance reserve AED'000	Fair value reserve on financial assets at FVTOCI AED'000	Retained earnings AED'000	Total equity AED'000
Balance as at 1 January 2021 (as previously stated)	115,500	57,750	180,000	1,059	77,917	74,662	506,888
Restatement due to change in accounting policy (note 31)	-	-	-	-	-	67,963	67,963
Balance as at 1 January 2021 (restated)	115,500	57,750	180,000	1,059	77,917	142,625	574,851
Dividend declared and paid (note 25)	-	-	-	-	-	(34,650)	(34,650)
Directors' remuneration (note 19)	-	-	-	-	-	(5,544)	(5,544)
Transactions with owners	-	-	-	-	-	(40,194)	(40,194)
Net profit for the year (restated)	-	-	-	-	-	58,835	58,835
Transfer to reinsurance reserve	-	-	-	964	-	(964)	-
Transferred to retained earnings on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(13,601)	13,601	-
Net unrealised gain on financial assets at fair value through other comprehensive income	-	-	-	-	142,588	-	142,588
Net realised gain on financial assets at fair value through other comprehensive income	-	-	-	-	13,601	-	13,601
Total comprehensive income for the year	-	-	-	964	142,588	71,472	215,024
Balance as at 31 December 2021 (restated)	115,500	57,750	180,000	2,023	220,505	173,903	749,681
Dividend declared and paid (note 25)	-	-	-	-	-	(34,650)	(34,650)
Directors' remuneration (note 19)	-	-	-	-	-	(4,287)	(4,287)
Transactions with owners	-	-	-	-	-	(38,937)	(38,937)
Net profit for the year	-	-	-	-	-	44,089	44,089
Transfer to reinsurance reserve	-	-	-	1,218	-	(1,218)	-
Transferred to retained earnings on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	17,620	(17,620)	-
Net unrealised loss on financial asset at fair value through other comprehensive income	-	-	-	-	(78,415)	-	(78,415)
Net realised gain on financial assets at fair value through other comprehensive income	-	-	-	-	1,328	-	1,328
Total comprehensive income / (loss) for the year	-	-	-	1,218	(59,467)	25,251	(32,998)
Balance as at 31 December 2022	115,500	57,750	180,000	3,241	161,038	160,217	677,746

The notes 1 to 32 form an integral part of these financial statements.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Statement of cash flows
For the year ended 31 December 2022

	Notes	2022 AED'000	Restated 2021 AED'000
Cash flows from operating activities			
Net profit for the year		44,089	58,835
<i>Adjustments for:</i>			
Depreciation on property and equipment	5	243	286
Gain from change in fair value of investment properties	6	(8,592)	(584)
Gain on disposal of property and equipment		-	(164)
Provision for employees' end of service benefits	17	864	339
Income from investments – net	20	(23,231)	(22,733)
Income from investment properties		(5,305)	(5,323)
Operating cash flows before changes in working capital		8,068	30,656
<i>Changes in working capital:</i>			
Insurance receivables		(76,047)	4,291
Other receivables		(14,572)	(2,446)
Reinsurance contract assets		(31,481)	24,111
Insurance contract liabilities		80,646	(28,890)
Insurance payables		96,792	3,586
Other payables		(7,355)	(3,643)
Due from related parties		1,684	9,599
Due to related parties		1,194	(1,154)
Cash generated from operations		58,929	36,110
Employees' end of service benefits paid	17	(656)	(3,340)
Net cash generated from operating activities		58,273	32,770
Cash flows from investing activities			
Purchase of property and equipment	5	(4,687)	(256)
Proceeds from disposals of property and equipment		-	243
Purchase of financial assets at fair value through other comprehensive income	7	(21,892)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		41,573	13,601
Net movement in fixed deposits		(54,803)	(44,841)
Income received from investments – net		21,048	22,733
Income received from investment properties		5,305	5,323
Net cash used in investing activities		(13,456)	(3,197)
Cash flows from financing activity			
Dividend paid	25	(34,650)	(34,650)
Net cash used in financing activity		(34,650)	(34,650)
Net change in cash and cash equivalents		10,167	(5,077)
Cash and cash equivalents at beginning of the year		57,092	62,169
Cash and cash equivalents at end of the year	12	67,259	57,092

The notes 1 to 32 form an integral part of these financial statements.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

1 Legal status and activities

Dubai National Insurance & Reinsurance Co. (P.S.C.) (the "Company") is a public shareholding company incorporated in Dubai on 6 January 1992.

The Company is engaged in insurance and reinsurance of all classes of business in accordance with the provisions of the United Arab Emirates ("UAE") Federal Law No. 6 of 2007, concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations.

As of 2 January 2022, the Company is subject to compliance with UAE Federal Law No. 32 of 2021, which replaces UAE Federal Law No. 2 of 2015 (as amended). The financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021. The Shareholders of the Company are currently in the process of amending the statutory documents, to reflect the changes required due to application of the UAE Federal law No. (32) of 2021.

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

The registered address of the Company is at Floor 7 & 9, Dubai National Insurance Building, Port Saeed, P.O. Box 1806, Dubai, U.A.E.

2 Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of U.A.E Federal Law No. 32 of 2021, relating to commercial companies, and of UAE Federal Law No. 6 of 2007, concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations. These financial statements are prepared in UAE Dirhams ("AED") being the economic, functional and reporting currency, rounded to the nearest thousand.

2.1 Standards, interpretations and amendments effective from 1 January 2022

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

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

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

2.2 Standards issued but not yet effective

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

2 Statement of compliance with IFRS (continued)

2.2 Standards issued but not yet effective (continued)

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

IFRS 17, the new accounting standard for insurance contracts, was issued by the International Accounting Standards Board (IASB) in May 2017. Since the standard was first issued, various implementation matters have been raised by stakeholders. Subsequently, the IASB issued further amendments to the standard in June 2020 and December 2021, including delaying its effective date, which for the Company means the standard is applicable to reporting periods from 1 January 2023.

For the Company, IFRS 17 replaces IFRS 4 Insurance Contracts. The first applicable reporting period for the Company is for the year ending 31 December 2023, with a restated comparative period for the year ending 31 December 2022.

The Company continues to assess the impact of the application of IFRS 17, with the relevant key areas of consideration set out below.

Measurement models

IFRS 17 introduces the general measurement model, also known as the building block approach, which consists of fulfilment cash flows and a contractual service margin. The fulfilment cash flows represent the risk adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that an entity will recognise as it provides services over the coverage period. The contractual service margin is earned based on a pattern of coverage units, reflecting the quantity of benefits provided. For contracts measured under the general measurement model, IFRS 17 is expected to have a significant impact on actuarial modelling as more granular cash flow projections and regular updates of assumptions will be required.

The premium allocation approach is a simplified approach an entity may choose to adopt when certain criteria are met, either where the liability for remaining coverage under the premium allocation approach is not expected to differ materially from that under the general measurement model or the coverage period of contracts are less than one year. However, the general measurement model remains applicable for the measurement of the liability for incurred claims, whereby all incurred claims are subject to discounting and risk adjustment. In determining the cash flows used in the measurement of the liability for incurred claims, The Company intends to consistently maintain the reserving approach currently adopted under IFRS 4. The simplification relates to the measurement of the liability for remaining coverage, which is not disaggregated into fulfilment cash flows and a contractual service margin, but rather is largely based on premium received. In this regard, the premium allocation approach has similarities to the current accounting requirements for general insurance contracts under IFRS 4.

The Company intends to use, to the extent permissible by IFRS 17, the premium allocation approach for both insurance and reinsurance contracts. The Company is nearing completion of its detailed impact assessment and has indicatively determined that the Company is expected to be eligible to apply the premium allocation approach to insurance contracts issued and to its reinsurance contracts held. This indicative outcome is based on the latest assessment undertaken and current portfolio mix.

For groups of contracts that apply the premium allocation approach and have a coverage period of one year or less, IFRS 17 provides an option to recognise any insurance acquisition costs as expenses when incurred. The Company does not currently intend to apply this option and so continue to amortise acquisition costs over the coverage period of the related insurance contracts, consistent with current accounting treatment under IFRS 4.

2 Statement of compliance with IFRS (continued)

2.2 Standards issued but not yet effective (continued)

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

Level of aggregation and onerous contract losses (loss component)

Under IFRS 17, measurement is not considered at the individual contract level, but on the basis of portfolios which comprise contracts subject to similar risk and managed together. These portfolios are further subdivided into specified measurement groups based on contracts concluded in annual cohorts and on their profitability. To determine if the contracts are onerous, the standard permits measurement of a group of contracts. All fulfilment cash flows resulting from the rights and obligations under the insurance contracts must be considered and determined on a gross basis, excluding the effect of reinsurance.

Risk adjustment

Under IFRS 17, the measurement of insurance contract liabilities will include a risk adjustment for nonfinancial risk to reflect the compensation that the entity requires for bearing the uncertainty relating to the amount and timing of future cash flows. For insurance contracts, this is the compensation required to be indifferent between either fulfilling a liability that has a range of possible outcomes arising from non-financial risk and fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contracts. The risk adjustment replaces the concept of a risk margin under IFRS 4, which reflects the inherent uncertainty in the central estimate of the present value of the expected future payments. Similar to the risk margin, the risk adjustment includes the benefit of diversification.

The Standard does not prescribe techniques for estimating the risk adjustment but does offer guidance. The technique used, and the corresponding confidence level associated with the methodology selected, will need to be disclosed. The finalisation of the methodology for determining the risk adjustment, and the corresponding confidence level, is ongoing and subject to further refinement and review.

Discount rates

IFRS 17 requires that the estimates of expected cash flows that are used to measure either the liability for remaining coverage, for contracts measured under the general measure model, or incurred claims are to be discounted to reflect the time value of money and the financial risks related to those cash flows. In addition, the standard also requires the discount rate to reflect the liquidity characters of the underlying insurance contracts. The standard does not prescribe a methodology to determine either the discount rate or illiquidity premium. The methodology and impact of reflecting illiquidity within discount rates is currently being determined.

Presentation and disclosure

IFRS 17 will impact the Company's financial statements compared with existing reporting requirements, introducing substantial changes in both presentation of the statement of comprehensive income and balance sheet, as well as more granular disclosure requirements.

In the statement of comprehensive income, IFRS 17 will require the presentation of the insurance revenue and insurance service expenses gross of reinsurance. For the Company, insurance revenue replaces gross earned premium and insurance service expenses largely reflects the combination of claims expense, non-reinsurance related recoveries, commission expense and underwriting expenses. Additionally, all changes in value because of either the effect of or change in the time value of money or financial risk, will no longer form part of the insurance service result but will be recognised separately as either insurance finance income or expenses.

2 Statement of compliance with IFRS (continued)

2.2 Standards issued but not yet effective (continued)

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

Presentation and disclosure (continued)

On balance sheet, as all cash flows resulting from the rights and obligations under insurance and reinsurance contracts must be taken into account under IFRS 17, the related existing balance sheet items will no longer be presented separately. Alternatively, the standard requires these associated balances to be combined into single line items for portfolios of insurance or reinsurance contracts that are either in an asset or liability position.

In order to reconcile the movement in these insurance contract liabilities and reinsurance contract assets, the standard requires detailed disclosures that presents the changes to each of the individual measurement components. The notes covering the risks from insurance contracts are expected to remain broadly similar.

Transition

On transition, the Company expects to apply the full retrospective approach to all insurance contracts, except to the extent that it is impracticable to do so, in which case either a modified retrospective or fair value approach may be applied under IFRS 17. In practical terms, the Company currently anticipates adopting a full retrospective approach to contracts measured using the premium allocation approach.

The Company has committed appropriate resources and effort into the implementation of IFRS 17 since its issuance. The implementation of the standard involves changes and enhancements in technology, systems, and processes, particularly across IT, finance and actuarial. The requirements of IFRS 17 are complex and the Company's expectations noted above are subject to change as it continues to assess the impact of the standard and interpretation developments. However, ultimately IFRS 17 is not expected to change the underlying economics or cash flows of the Company's business but has the potential to impact profit emergence profiles. Alongside the qualitative effects outlined above, the Company continues to assess the quantitative impact of the application of IFRS 17, with the opening balances at 1 January 2023 currently being compiled in accordance with the standard.

Impact assessment – Non-Life Insurance

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

Changes from IFRS 4	Impact on equity on transition to IFRS 17
Under IFRS 17, the Company will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The Company does not currently discount such future cash flows.	Increase
IFRS 17 requires the fulfilment cash flows to include a risk adjustment for non-financial risk. This is not explicitly allowed for currently.	Decrease

Although the Company's IFRS 17 implementation project has made significant progress, as some material judgements are still under consideration and global interpretations remain pending, at this time it is not practicable to reliably quantify the effects on the Company's financial statements.

3 Summary of significant accounting policies

3.1 Accounting convention

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

3.2 Property and equipment

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

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

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

	Years
Furniture and fixtures	4-11
Motor vehicles	3
Computer equipment	4

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

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

3.3 Investment properties

Investment properties are properties held to earn rentals and /or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment properties at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day-to-day servicing of investment properties. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment properties are recognised in the income statement in the period of retirement or disposal.

The Company determines fair value on the basis of valuation performed by two independent external valuers who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. The Company takes average of the value from two different valuers as a fair value in its financial statements.

During the year, the Company changed its accounting policy from a historical cost model to a fair value model. The reason for change in accounting policy, together with the effect on current and prior year are detailed in note 31 of these financial statements.

3.4 Revenue recognition

Gross premiums

Gross premiums and policy fees are recognised as income when insurance policies are issued to the insured, consequent to the acceptance of the risk.

3 Summary of significant accounting policies (continued)

3.4 Revenue recognition (continued)

Commission on reinsurance

The Company initially defers commission earned, excluding profit commission and recognise it as income over the policy period. Profit commission is recognised at the time of settlement.

Interest income

Interest income is recognised on an accrual basis taking into account effective interest rates on the instrument, on a time proportionate basis when it becomes receivable.

Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

Dividend income

Dividend income is recognised when the right to receive payment is established.

3.5 Claims

Claims incurred comprise actual claims and other related costs paid and incurred in the year, and movement in outstanding claims. Claim handling costs are recognised at the time of registering the claims.

On account of uncertainties involved in non-motor claim recoveries, salvage and subrogation rights are recognised only at the time of actual recovery. For motor claim recoveries, salvage is accounted for at the time of registering the claims.

Provision for outstanding claims represents the estimated settlement values of all claims notified, but not settled at the statement of financial position date on the basis of individual case estimates.

The reinsurers' portion towards the above outstanding claims is classified as reinsurance contract assets and shown as assets in the statement of financial position.

3.6 Provision for IBNR

Provision for Incurred But Not Reported ("IBNR") claims is made at the statement of financial position date based on an actuarial estimate obtained from an independent actuary in accordance with the financial regulations for insurance companies issued by the Central Bank of UAE.

3.7 Provision for ULAE

Provision for Unallocated Loss Adjustment Expenses (ULAE) which cannot be allocated to specific claims, is made at the statement of financial position date based on actuarial estimates obtained from an independent actuary in accordance with the financial regulations for insurance companies issued by the Central Bank of UAE.

3.8 Liability adequacy test

All recognised insurance liabilities including provision for outstanding claims are subject to liability adequacy test at each reporting date. This involves comparison of current estimates of all contractual cash flows attached to these liabilities with their carrying amounts.

Estimates of contractual cash flows include expected claim handling costs and recoveries from third parties. Any deficiency in carrying amounts is charged to the income statement by establishing a provision for losses arising from liability adequacy test.

3 Summary of significant accounting policies (continued)

3.9 Unearned premium reserve

Unearned Premium Reserve (UPR) represents that portion of premiums earned, gross of reinsurance, which relates to the period of insurance subsequent to the statement of financial position date and is mainly computed on linear method based on the outstanding period from the date of statement of financial position up to the date of the maturity of the policy based on actuarial estimates obtained from an independent actuary in accordance with the financial regulations for insurance companies issued by the Central Bank of UAE.

3.10 Unexpired risk reserves

Unexpired Risk Reserve (URR) represents the difference between unearned premium provision and the expected value of claims, expenses attributable to unexpired periods of policies in force at the reporting date based on actuarial estimates obtained from an independent actuary in accordance with finance regulations for the insurance companies issued by the Central Bank of UAE.

3.11 Reinsurance premium

Ceded reinsurance premiums are accounted for in the same accounting periods in which the premiums for the related direct insurance are recorded and the unearned portion is calculated on linear basis in accordance with reinsurance arrangements in place.

3.12 Reinsurance assets

Amounts recoverable under reinsurance contracts are assessed for impairment at each statement of financial position date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

3.13 Financial instruments

a) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs. Regular way purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset i.e. the trade date.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished.

b) Classification and subsequent measurement of financial assets

For the purposes of subsequent measurement, the Company classifies its financial assets into the following categories:

i) Financial assets at amortised cost

Financial assets at amortised cost are those financial assets for which:

- the Company's business model is to hold them in order to collect contractual cash flows; and
- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

3 Summary of significant accounting policies (continued)

3.13 Financial instruments (continued)

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

i) Financial assets at amortised cost (continued)

Financial assets at amortised cost comprise statutory deposits, cash and bank balances, amounts due from related parties and other receivables.

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

Investments in equity and debt securities are classified as FVTOCI. At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity and debt investments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Fair value measurement

For investments traded in organised financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date. Investments in unquoted securities are measured at fair value, considering observable market inputs and unobservable financial data of investees.

Gains or losses on subsequent measurement

Gain or loss arising from change in fair value of investments at FVTOCI is recognised in other comprehensive income and reported within the fair value reserve for investments at FVTOCI within equity. When the asset is disposed of, the cumulative gain or loss recognised in other comprehensive income is not reclassified from the equity reserve to statement of profit or loss, but is reclassified to retained earnings.

c) Classification and subsequent measurement of financial liabilities

Financial liabilities comprise amounts due to related parties and most other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

d) Impairment and uncollectability of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

The Company has not recognised any impairment loss against equity instruments.

The Company measures loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL are measured.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

3 Summary of significant accounting policies (continued)

3.13 Financial instruments (continued)

d) Impairment and uncollectability of financial assets (continued)

Measurement of ECL

ECL are probability-weighted estimates of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company expects to recover.

e) Offsetting financial instruments

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

3.14 Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from insurance brokers, re-insurers and insurance contract holders.

If there is objective evidence that the insurance receivables are impaired, the Company reduces the carrying amount of the insurance receivables accordingly and realises the impairment loss in the statement of profit or loss.

3.15 Dividend distribution

Dividend distribution to the Shareholders is recognised as a liability in the financial statements in the period in which the dividends are proposed by the Board of Directors.

3.16 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and bonuses) is recognised in the period in which the service is rendered.

Provision for employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item under non-current liabilities.

The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

3 Summary of significant accounting policies (continued)**3.17 Foreign currency transactions**

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

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

3.18 Impairment of non-financial assets

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

3.19 Short term operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

3.20 Cash and cash equivalents

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

3.21 Provisions, contingent liabilities and contingent assets

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

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

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

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

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

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

3 Summary of significant accounting policies (continued)**3.22 Critical accounting estimates and judgements in applying accounting policies**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Outstanding claims, IBNR, ULAE, UPR and URR

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

Valuation of investment properties

Fair value of investment properties is estimated by two independent professional valuers accredited with the Royal Institution of Chartered Surveyors for disclosure purposes only, considering the rental yield (income approach). This estimate was made considering market rent and average rental yield. Fair value was dependent on market factors and availability of information.

Rights and obligations of the investments

Quoted equity investments are in the name of the Chairman, however, are controlled by the Company. These investments are held for the beneficial interest of the Company. Management addresses the significant judgement over the rights and obligations by obtaining direct annual re-confirmation from the Chairman that the assets held in Chairman's name are for the Company's beneficial interest and receiving all risk and economic rewards associated with these investments.

Provision for doubtful debts

Management reviews the provision for doubtful debts at each reporting date by assessing the recoverability of insurance and reinsurance receivables. For non-insurance receivables the recoverability is assessed, and provisions are created in compliance with the simplified approach under the IFRS 9 methodology.

4 Statutory deposits

	2022 AED'000	2021 AED'000
Held with a local bank in Dubai, UAE	<u>10,000</u>	<u>10,000</u>

Statutory deposits held with a local bank in Dubai, UAE represent deposit held under a lien in favour of the Ministry of Economy and Planning in accordance with Article 42 of Federal Law No. (6) of 2007 concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations. The deposit cannot be withdrawn without prior approval from the Ministry of Economy.

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Notes to the financial statements
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5 Property and equipment

	Furniture and fixtures AED'000	Motor vehicles AED'000	Computer equipment AED'000	Capital work in progress AED'000	Total AED'000
2022					
Cost					
At 1 January	1,505	502	4,064	-	6,071
Additions*	17	-	713	3,957	4,687
At 31 December	1,522	502	4,777	3,957	10,758
Accumulated depreciation					
At 1 January	1,425	372	3,801	-	5,598
Charge for the year	38	63	142	-	243
At 31 December	1,463	435	3,943	-	5,841
Net book value					
At 31 December 2022	59	67	834	3,957	4,917
2021					
Cost					
At 1 January	1,598	723	3,949	-	6,270
Additions	22	119	115	-	256
Disposal during the year	(115)	(340)	-	-	(455)
At 31 December	1,505	502	4,064	-	6,071
Accumulated depreciation					
At 1 January	1,492	545	3,651	-	5,688
Charge for the year	40	96	150	-	286
Disposal during the year	(107)	(269)	-	-	(376)
At 31 December	1,425	372	3,801	-	5,598
Net book value					
At 31 December 2021	80	130	263	-	473

* Capital work in progress represents the expenditure made on the furniture and fixtures for Company's new office space.

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6 Investment properties

	2022 AED'000	Restated 2021 AED'000
Fair value		
At 1 January	140,750	140,166
Increase in fair value during the year	8,592	584
Net book value at 31 December	149,342	140,750

On 31 December 2022, Land Sterling Property Consultants and Aneet Real Estate Valuation Services, independent and experienced professional valuers estimated the fair value of investment property at AED 146.7 million and AED 152 million respectively (2021: Windmills Real Estate Valuation Services LLC and Najmat Al Murjan Real Estate Valuation Service LLC, independent and experienced professional valuers estimated the fair value of investment property at AED 140.5 million and AED 141 million respectively). The Company has opted the average of the two investment properties valuations. The valuers hold relevant professional qualifications and experience. Investment property is held for capital appreciation and rental purposes. The fair value is in accordance with relevant appraisal and standards issued by the Royal Institute of Chartered Surveyors (RICS). The Company occupies an insignificant area of 10% (2021: 10%) in the investment property for use in its own business.

Details of the investment properties and information about the fair value hierarchy as at 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022			Fair value as at 31 December 2021
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Level 3 AED'000
Buildings and plots of land on which such buildings are constructed	-	-	149,342	140,750

For investment properties categorised into level 3 of the fair value hierarchy, the following information is relevant:

Valuation techniques	Significant input(s)	Sensitivity
Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of properties, and prevailing market condition.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
	Yearly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparable and the investment properties.	A slight increase in the market rent used would result in a significant increase in fair value, and vice versa.

During the year, the Company has changed its accounting policy from a historical cost model to a fair value model, based on management's assessment of the facts and circumstances surrounding the investment properties, the fair value of the properties represents more reliable and comparable information.

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7 Financial assets

Financial assets measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

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

The fair values of the financial assets are classified into these three levels as follows:

	Note	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 December 2022					
<i>Equity securities</i>					
Quoted*	(a)	398,875	-	-	398,875
<i>Debt securities</i>					
Quoted	(a)	76,010	-	-	76,010
		<u>474,885</u>	<u>-</u>	<u>-</u>	<u>474,885</u>
31 December 2021					
<i>Equity securities</i>					
Quoted*	(a)	460,827	-	-	460,827
Unquoted*	(b)	-	-	50,154	50,154
<i>Debt securities</i>					
Quoted	(a)	58,489	-	-	58,489
		<u>519,316</u>	<u>-</u>	<u>50,154</u>	<u>569,470</u>

* This comprises of quoted investments amounting to AED 50.6 million (2021: quoted investment amounting to AED 50 million and an unquoted investment amounting to AED 50 million) which are in the name of the Khalaf Ahmad Al Habtoor (Chairman) held for the beneficial interest of the Company.

(a) Fair values have been determined by reference to quoted prices at the reporting date. During the year, the Company did not purchase quoted equity securities designated at FVTOCI.

(b) The Company holds investments in quoted equity securities of two entities which are under the beneficial ownership of the Company as at 31 December 2022 (2021: One entity). One of these investments was unquoted as at 31 December 2021 and has been fair valued by an independent valuer based on an Earnings Multiple technique and Net asset value technique using observable market data of comparable public entities, certain discount factors and unobservable financial data of these non-public investees.

Movement in financial assets grouped in level 1

The reconciliation of carrying amounts of financial instruments classified within level 1 is as follows:

	2022 AED'000	2021 AED'000
Investments in quoted securities at FVTOCI		
Balance as at 1 January	460,827	324,701
Disposals during the year	(40,243)	-
Transferred from unquoted securities*	14,474	-
(Losses) / gains recognised in other comprehensive income	(38,366)	136,126
Balance as at 31 December	<u>396,692</u>	<u>460,827</u>

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Notes to the financial statements
For the year ended 31 December 2022

7 Financial assets (continued)

Movement in financial assets grouped in level 1 (continued)

	2022 AED'000	2021 AED'000
Investments in quoted securities at FVTPL		
Balance as at 1 January	-	-
Additions during the year	2,183	-
Balance as at 31 December	<u>2,183</u>	<u>-</u>
Investments in debt securities at FVTOCI		
Balance as at 1 January	58,489	59,328
Additions during the year	21,892	-
Losses recognised in other comprehensive income	(4,371)	(839)
Balance as at 31 December	<u>76,010</u>	<u>58,489</u>

During the year, the Company received bonus shares and has designated these shares at fair value through profit or loss.

Investments in debt securities represents bonds carrying interest rate ranging from 4.5% to 7.1% per annum (2021: 4.5% to 7.1% per annum).

Movement in financial assets grouped in level 3

	2022 AED'000	2021 AED'000
Investments in unquoted securities		
Balance as at 1 January	50,154	42,853
Transfer to quoted securities*	(50,154)	-
Gain recognised in other comprehensive income	-	7,301
Balance as at 31 December	<u>-</u>	<u>50,154</u>

*The unquoted investment held as at 31 December 2021 got listed on Dubai Financial Market during the year and as a result, the fair value changed from AED 50.2 million to AED 14.5 million.

8 Insurance receivables

	2022 AED'000	2021 AED'000
Due from policy holders	35,272	18,725
Due from insurance companies	12,062	10,010
Due from reinsurance companies	26,398	10,191
Due from insurance brokers	74,586	32,692
	<u>148,318</u>	<u>71,618</u>
Provision for bad and doubtful debts	(6,191)	(5,538)
	<u>142,127</u>	<u>66,080</u>

The average credit period is 90 days. Insurance receivables of AED 6.19 million (2021: AED 5.54 million), which are impaired and not recoverable, are fully provided.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
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9 Other receivables

	2022 AED'000	2021 AED'000
Deferred commission cost	23,899	14,867
Prepayments	7,909	3,081
Accrued interest	2,932	1,362
Rent receivable	6,896	7,643
Other receivables	4,189	4,905
	<u>45,825</u>	<u>31,858</u>
Expected credit losses	(4,576)	(5,181)
	<u>41,249</u>	<u>26,677</u>

The Company has recognised AED 4.6 million as a provision on doubtful rent receivables (2021: AED 5.2 million).

10 Related parties

The Company, in the normal course of business, collects premiums from and settles claims of other businesses that fall within the definition of related parties as per IAS 24. These transactions are carried out at terms mutually agreed between the parties.

Details of related parties' balances are as follows:

Amounts due from related parties

	2022 AED'000	2021 AED'000
<i>Related parties due to common directorship</i>		
Al Habtoor Theatre LLC	6,782	7,850
Diamond lease LLC	3,985	7,383
Habtoor Palace LLC	2,680	1,738
Hilton Dubai Al Habtoor City LLC	1,095	1,108
Other Habtoor Group companies	5,431	3,578
	<u>19,973</u>	<u>21,657</u>

Amounts due to related parties

	2022 AED'000	2021 AED'000
<i>Related parties due to common directorship</i>		
Al Habtoor Motors Co LLC	4,311	3,123
Others	21	15
	<u>4,332</u>	<u>3,138</u>

Quoted investments at FVTOCI amounting to AED 50.6 million (2021: quoted investment amounting to AED 50 million and an unquoted investment amounting to AED 50 million) is registered in the name of the Chairman in the beneficial interest of the Company (refer to note 7).

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

10 Related parties (continued)

Transactions with related parties

Details of significant transactions with related parties are shown below:

	2022 AED'000	2021 AED'000
Premiums written	70,826	64,843
Claims paid	10,764	9,584
Commission paid	2,145	2,035
Agency / Non-Agency repairs	<u>23,766</u>	<u>18,256</u>
Key management personnel remuneration:		
- Short term benefits	1,625	1,797
- Post-employment benefits	90	84
	<u>1,715</u>	<u>1,881</u>

11 Insurance contract liabilities and reinsurance contract assets

Assumptions and sensitivities

The process used to determine assumptions for assessing claims provision is reviewed and updated to be consistent with observable market practices and other reliable information to result in most likely expected outcome.

However, considering the nature of business it cannot be predicted with certainty the likely outcome and the actual cost of the claim. But each claim is assessed on a case to case basis depending upon information available and past trends.

An analysis of sensitivity is carried out for various claims which are an indication for establishing the adequacy of the estimation process. The management believes that the liability for claims reported in the statement of financial position is adequate.

Claims development

For all classes of business underwritten by the Company the uncertainty is typically resolved generally within one year except for Motor Insurance where the uncertainty is generally resolved within three years. The following table reflects the cumulative incurred claims notified, IBNR, ULAE and URR for each successive accident year at each statement of financial position date, together with cumulative payments to date.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

11 Insurance contract liabilities and reinsurance contract assets (continued)

Claims development (continued)

Accident year	2018 & prior AED'000	2019 AED'000	2020 AED'000	2021 AED'000	2022 AED'000	Total AED'000
Estimate of cumulative claims						
At the end of accident year	1,616,904	249,170	316,560	180,087	201,697	
One year later	1,629,507	259,410	324,390	185,783	-	
Two years later	1,621,204	258,836	323,842	-	-	
Three years later	1,607,538	251,725	-	-	-	
Four years later	1,597,585	-	-	-	-	
Estimate of cumulative claims	1,597,585	251,725	323,842	185,783	201,697	2,560,632
Cumulative payments to date	1,578,561	245,800	309,699	161,025	163,994	2,459,079
Provision for outstanding claims as on 31 December 2022	19,024	5,925	14,143	24,758	37,703	101,553
IBNR and other reserves as on 31 December 2022	1,745	(448)	(2,866)	(1,893)	46,819	43,357
ULAE reserves as on 31 December 2022	742	182	263	558	1,971	3,716
Gross outstanding claims and technical provisions as on 31 December 2022	21,511	5,659	11,540	23,423	86,493	148,626
Reinsurer's share of outstanding claims and technical provisions as on 31 December 2022	19,752	4,943	7,059	15,360	48,419	95,533
Net outstanding claims and technical provisions as on 31 December 2022	1,759	716	4,481	8,063	38,074	53,093
Provision for outstanding claims and technical provisions as on 31 December 2021	26,724	17,180	20,154	73,806	-	137,864
Reinsurer's share of outstanding claims and technical provisions as on 31 December 2021	23,979	10,799	12,278	42,030	-	89,086

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

11 Insurance contract liabilities and reinsurance contract assets (continued)

	2022		2021	
	Gross insurance contract liabilities AED'000	Net insurance contract assets AED'000	Gross insurance contract liabilities AED'000	Net insurance contract assets AED'000
Unearned premium reserve	(a) 203,091	(109,299)	93,792	(84,265)
Outstanding claims	(b) 101,553	(71,811)	29,742	(64,223)
Provision for IBNR	(c) 43,357	(23,722)	19,635	(24,863)
Provision for ULAE	(d) 3,716	-	3,716	-
Unexpired risk reserves	(e) 3,762	-	866	-
	355,479	(204,832)	150,647	(173,351)
	136,103	(84,265)	134,782	(90,029)
	201,533	(108,453)	93,080	(83,466)
	(134,545)	83,419	(51,126)	89,230
	66,988	(25,034)	41,954	5,764
	203,091	(109,299)	93,792	(84,265)

	2022		2021	
	Gross AED'000	Net AED'000	Gross AED'000	Net AED'000
Balance as at 1 January	136,103	(84,265)	134,782	(90,029)
Provision made during the year	201,533	(108,453)	93,080	(83,466)
Provision released during the year	(134,545)	83,419	(51,126)	89,230
Net movement during the year	66,988	(25,034)	41,954	5,764
Balance as at 31 December	203,091	(109,299)	93,792	(84,265)

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

11 Insurance contract liabilities and reinsurance contract assets (continued)

b) Outstanding claims

	2022		2021			
	Gross AED'000	Reinsurance share AED'000	Net AED'000	Gross share AED'000	Net AED'000	
Balance as at 1 January	(i) 92,484	(64,223)	28,261	104,222	(76,081)	28,141
Provision made during the year	192,793	(115,809)	76,984	173,677	(124,788)	48,889
Settled during the year	(183,724)	108,221	(75,503)	(185,415)	136,646	(48,769)
Net movement during the year	(ii) 9,069	(7,588)	1,481	(11,738)	11,858	120
Balance as at 31 December	(i + ii) 101,553	(71,811)	29,742	92,484	(64,223)	28,261

c) Provision for IBNR

	2022		2021			
	Gross AED'000	Reinsurance share AED'000	Net AED'000	Gross share AED'000	Net AED'000	
Balance as at 1 January	(i) 41,840	(24,863)	16,977	61,536	(31,552)	30,184
Provision made during the year	43,357	(23,722)	19,635	41,840	(24,863)	16,977
Provision released during the year	(41,840)	24,863	(16,977)	(61,536)	31,352	(30,184)
Net movement during the year	(ii) 1,517	1,141	2,658	(19,696)	6,489	(13,207)
Balance as at 31 December	(i + ii) 43,357	(23,722)	19,635	41,840	(24,863)	16,977

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Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

11 Insurance contract liabilities and reinsurance contract assets (continued)

d) Provision for ULAE

	2022		2021			
	Gross AED'000	Reinsurance share AED'000	Net AED'000	Gross share AED'000	Net AED'000	
Balance as at 1 January	(i) 3,540	-	3,540	2,929	-	2,929
Provision made during the year	3,716	-	3,716	3,540	-	3,540
Provision released during the year	(3,540)	-	(3,540)	(2,929)	-	(2,929)
Net movement during the year	(ii) 176	-	176	611	-	611
Balance as at 31 December	(i + ii) 3,716	-	3,716	3,540	-	3,540

e) Unexpired risk reserves

	2022		2021			
	Gross AED'000	Reinsurance share AED'000	Net AED'000	Gross share AED'000	Net AED'000	
Balance as at 1 January	(i) 866	-	866	254	-	254
Provision made during the year	3,762	-	3,762	866	-	866
Provisions reversed during the year	(866)	-	(866)	(254)	-	(254)
Net movement during the year	(ii) 2,896	-	2,896	612	-	612
Balance as at 31 December	(i + ii) 3,762	-	3,762	866	-	866

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Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

12 Cash and bank balances

Cash and bank balances comprise the following statement of financial position amounts:

	2022 AED'000	2021 AED'000
Cash in hand	10	38
Cash at banks	202,669	137,671
	<u>202,679</u>	<u>137,709</u>

Cash at bank includes short term deposits (3-12 months) with local banks carrying interest ranging from 0.20% - 5.25% (2021: 0.35% - 1.10%) per annum.

Cash and cash equivalents at the end of the year as shown in the statement of cash flows can be reconciled to the related items in the financial items in the statement of financial position as follows:

	2022 AED'000	2021 AED'000
Cash and bank balances	202,679	137,709
Bank deposits with maturity over 3 months	(135,420)	(80,617)
Cash and cash equivalents	<u>67,259</u>	<u>57,092</u>

13 Share capital

The authorised and issued share capital comprises 115,500,000 fully paid-up shares of AED 1 each:

	2022 No. of shares	2022 AED'000	2021 No. of shares	2021 AED'000
Balance at 31 December	<u>115,500,000</u>	<u>115,500</u>	<u>115,500,000</u>	<u>115,500</u>

14 Legal reserve

In accordance with the Company's Articles of Association and Article 241 of the Federal Law No. 32 of 2021, a minimum of 10% of the Company's annual net profits must be transferred to a non-distributable legal reserve. As per the Company's Articles of Association, such transfers are required until the balance in the legal reserve equals 50% of the Company's paid-up share capital. No transfer to legal reserve has been made during the year as it has already reached 50% of the paid-up share capital (2021: Nil).

15 General reserve

This reserve can be utilised for any purpose proposed by the Board of Directors subject to approval by the General Assembly. During the year, there were no transfers from or to the general reserve (2021: Nil).

16 Reinsurance reserve

In accordance with article 34 of Central Bank of United Arab Emirates Board of Directors Decision No. 23 of 2019, Concerning instructions organising reinsurance operations, an amount of AED 1.2 million (2021: AED 0.9 million) equal to 0.5% of total reinsurance premium ceded during the year was transferred from retained earnings to reinsurance reserve. This reserve will be accumulated year after year and will not be disbursed without prior approval from Central Bank of United Arab Emirates.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

17 Employees' end of service benefits

	2022 AED'000	2021 AED'000
Balance at 1 January	4,091	7,092
Charge for the year	864	339
Payments during the year	(656)	(3,340)
Balance at 31 December	<u>4,299</u>	<u>4,091</u>

18 Insurance payables

	2022 AED'000	2021 AED'000
Re-insurance companies	122,907	34,664
Trade creditors	13,383	9,793
Brokers payable	12,926	8,650
Insurance companies	8,806	9,355
Premium reserve withheld	7,504	6,272
	<u>165,526</u>	<u>68,734</u>

19 Other payables

	2022 AED'000	2021 AED'000
Accrued expenses	13,422	12,149
Deferred commission income	7,254	8,845
Provision for staff benefits	2,696	2,893
Directors' remuneration *	4,287	5,544
Other payables	14,963	16,259
	<u>42,622</u>	<u>45,690</u>

* Directors' remuneration is an appropriation of net profit for the year in accordance with Article 171 of U.A.E Federal Law No. 32 of 2021, and also as per the Articles of Association of the Company.

20 Income from investments - net

	2022 AED'000	2021 AED'000
Dividend income on securities - net	15,686	18,605
Interest income - net	7,545	4,128
	<u>23,231</u>	<u>22,733</u>

21 Income from investment properties - net

	2022 AED'000	Restated 2021 AED'000
Gross rental income	8,863	9,593
Maintenance expenses	(3,558)	(4,270)
Gain from change in fair value of investment properties (note 6)	8,592	584
	<u>13,897</u>	<u>5,907</u>

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

22 General and administrative expenses

	2022 AED'000	2021 AED'000
Personnel costs	21,014	15,873
Other operational expenses	10,573	10,081
	<u>31,587</u>	<u>25,954</u>

23 Earnings per share

	2022	Restated 2021
Net profit for the year (AED'000)	44,089	58,835
Weighted average number of shares outstanding (note 13)	115,500,000	115,500,000
Earnings per share (AED) - Basic and diluted	<u>0.38</u>	<u>0.51</u>

24 Segment reporting

The Company operates two main business segments: Underwriting and Investments.

Underwriting segment is further classified into General Insurance and Group life Insurance. Investments segment comprises Investment Property and Financial Assets. The Group life insurance provided by the Company is for a period of 12 months and does not include any investment portion.

	2022 AED'000			2021 (restated) AED'000		
	Underwriting	Investments	Total	Underwriting	Investments	Total
Segment revenue	419,112	26,617	445,729	301,239	32,899	334,138
Segment result	38,548	37,128	75,676	55,985	28,640	84,625
Unallocated:						
-Other income			-			164
-Admin expenses			(31,587)			(25,954)
Net profit for the year			<u>44,089</u>			<u>58,835</u>
Segment assets	413,098	624,227	1,037,325	288,238	710,220	998,458
Unallocated assets			212,679			147,709
Total assets			<u>1,250,004</u>			<u>1,146,167</u>
Segment liabilities	563,494	4,477	567,971	392,199	4,287	396,486
Total liabilities			<u>567,971</u>			<u>396,486</u>

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

24 Segment reporting (continued)

Underwriting results are further classified as follows:

	AED'000		
	General business	Group life business	Total
2022			
Gross premiums written	416,118	2,994	419,112
Gross underwriting income	120,355	907	121,262
Net claims incurred	82,292	422	82,714
Net underwriting income	<u>38,062</u>	<u>486</u>	<u>38,548</u>
2021			
Gross premiums written	298,499	2,740	301,239
Gross underwriting income	92,059	831	92,890
Net claims incurred	36,330	575	36,905
Net underwriting income	<u>55,729</u>	<u>256</u>	<u>55,985</u>

25 Dividends

The Board has proposed cash dividend of 10% of paid up share capital, amounting to AED 11.55 million (AED 0.10 per share) for the year ended 31 December 2022.

During the previous year, the Board proposed a cash dividend of AED 34.65 million (AED 0.30 per share) representing 30% of the paid up capital as at 31 December 2021. This was approved at the Annual General Meeting held in March 2022.

26 Commitments and contingencies

	2022 AED'000	2021 AED'000
Financial guarantees	<u>943</u>	<u>1,980</u>

Guarantees of AED 0.93 million (2021: AED 1.97 million) issued by banks are secured by way of deposits held.

The Company is subject to litigation in the normal course of its business. Although the ultimate outcome of these claims cannot presently be determined, adequate provisions have been made for any liability that may result, based on management's best estimates.

27 Capital commitments

At the statement of financial position date, the Company has commitments towards the capital work in progress of AED 2 million (2021: AED 0.97 million).

28 Risk management objectives and policies for mitigating insurance risk

The primary insurance activity carried out by the Company assumes the risk of loss from persons or organisations that are directly subject to the risk. Such risks may relate to property, liability, group life, accident health, financial or other perils that may arise from an insurable event.

The Company also has exposure to market risk through its insurance and investment activities. The Company manages the risk through well laid out procedures and delegation levels for both underwriting and settlement of claims.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

28 Risk management objectives and policies for mitigating insurance risk (continued)

The Company has structured policies for acceptance and pricing risks. Experienced and qualified professionals undertake the assessment of risks and pricing, with a conservative and cautious approach. Survey, risk measurement, sensitivity analysis, reinsurance term etc., are followed meticulously before acceptance of risk. Apart from these study of portfolio, probability, market trend, past history are all considered for pricing.

Underwriting strategy

This involves the Company's own risk assessment procedures and is based on a balanced portfolio. It is set out in terms of industry, type of exposures, limits for each class, and quality of risks with acceptance levels. This is percolated down to the lower levels of the underwriting sections with the authorities specified along with their limits. Risk selection is set out as per the Company's risk management policies.

Managing reinsurance risk

The Company carries reinsurance cover to minimise exposure to potential losses arising from large insurance claims and consequently in the normal course of business enters into arrangements with other parties for reinsurance purposes. 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 arrangements.

This reinsurance is through proportional treaty, non-proportional treaty and facultative reinsurance contracts. The reinsurers are selected based on their standing in the market, rating, relationship experience and length of association.

Reinsurance recoverable is monitored on a regular basis and through exchange of statements which are duly reconciled.

Terms and conditions of insurance contracts

Insurance contracts are based on uncertainty. As such the terms and conditions of insurance contracts varies but are generally based on norms as applied in the Insurance Market.

Sensitivity of underwriting profits and losses

The contribution from insurance operations to the profit of the Company amounts to AED 38.55 million for the year ended 31 December 2022 (2021: AED 55.99 million)

The Company does not foresee any major impact from insurance operations on account of the following:

- The overall risk retention level of the Company in the year ended 31 December 2022 is 42% (2021: 36%). The Company has initiated series of enterprise-wide risk management measures which includes acceptance and transfer of risks. Appropriate Excess of Loss protections have been designed and placed. The insurance liabilities of the Company are being adequately covered by Treaty/Facultative arrangements with rated reinsurance companies and Excess of Loss reinsurance programs to safeguard against any major financial impact.
- The Company's commissions earned from reinsurance placements are consistent and remain a comfortable source of income.

Because of the low risk retention in all classes of business, the Company does not foresee any serious financial impact in the insurance net profits due to changes in the loss ratios.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

28 Risk management objectives and policies for mitigating insurance risk (continued)

Risk based regulatory reporting

Pursuant to the requirement of financial regulations of the Central Bank of United Arab Emirates, statements of financial position and income statements of Group life Insurance (referred to as "Persons and Funds Accumulation Operations") and General Insurance (referred to as "Property and Liability Insurance") are as follows:

Statement of financial position of persons and funds accumulation operations

	2022 AED'000	2021 AED'000
ASSETS		
Statutory deposits	4,000	4,000
Insurance receivables	988	1,171
Other receivables	60	95
Amounts due from related parties	-	160
Reinsurance contract assets	3,223	2,938
Cash and cash equivalents	353	760
TOTAL ASSETS	8,624	9,124
EQUITY AND LIABILITIES		
EQUITY		
Reinsurance reserve	9	18
Retained earnings	3,372	3,302
Net funds transferred from general insurance	906	381
TOTAL EQUITY	4,287	3,701
LIABILITIES		
Employees' end of service benefits	4	81
Insurance contract liabilities	4,333	4,016
Insurance payables	-	1,326
TOTAL LIABILITIES	4,337	5,423
TOTAL EQUITY AND LIABILITIES	8,624	9,124

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

28 Risk management objectives and policies for mitigating insurance risk (continued)

Risk based regulatory reporting (continued)

Statement of profit or loss of persons and funds accumulation operations

	2022 AED'000	2021 AED'000
Gross premiums	2,994	2,740
Reinsurance share of premiums	(1,953)	(1,703)
Net premiums	1,041	1,037
Net transfer to unearned premium reserve	100	73
Net premiums earned	1,141	1,110
Commission earned	7	7
Commission paid	(239)	(286)
Gross underwriting income	909	831
Gross claims paid	1,655	2,639
Reinsurance share	(1,364)	(2,149)
Net claims paid	291	490
Provision for outstanding claims and technical provisions	551	169
Reinsurance share of outstanding claims and technical provisions	(419)	(84)
Net claims incurred	423	575
Net underwriting income	486	256
Gross income	486	256
General and administrative expenses	(510)	(595)
Net loss for the year	(24)	(339)

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

28 Risk management objectives and policies for mitigating insurance risk (continued)

Risk based regulatory reporting (continued)

Statement of financial position of property and liability insurance

	2022 AED'000	Restated 2021 AED'000
ASSETS		
Statutory deposits	6,000	6,000
Property and equipment	4,917	473
Investment property	149,342	140,750
Financial assets	474,885	569,470
Insurance receivables	141,139	64,909
Other receivables	41,189	26,582
Amounts due from related parties	19,973	21,497
Reinsurance contract assets	201,609	170,413
Cash and cash equivalents	202,326	136,949
TOTAL ASSETS	1,241,380	1,137,043
EQUITY AND LIABILITIES		
EQUITY		
Share capital	115,500	115,500
Legal reserve	57,750	57,750
General reserve	180,000	180,000
Reinsurance reserve	3,232	2,005
Fair value reserve on financial assets at fair value through other comprehensive income	161,038	220,505
Net funds transferred to group life insurance	(906)	(381)
Retained earnings	156,845	170,601
TOTAL EQUITY	673,459	745,980
LIABILITIES		
Employees' end of service benefits	4,295	4,010
Insurance contract liabilities	351,146	270,817
Insurance payables	165,526	67,408
Other payables	42,622	45,690
Amounts due to related parties	4,332	3,138
TOTAL LIABILITIES	567,921	391,063
TOTAL EQUITY AND LIABILITIES	1,241,380	1,137,043

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

28 Risk management objectives and policies for mitigating insurance risk (continued)

Risk based regulatory reporting (continued)

Statement of profit or loss of property and liability insurance

	2022 AED'000	Restated 2021 AED'000
Gross premiums	416,118	298,499
Reinsurance share of premiums	(241,650)	(191,086)
Net premiums	174,468	107,413
Net transfer to unearned premium reserve	(42,054)	(7,158)
Net premiums earned	132,414	100,255
Commission earned	20,691	20,470
Commission paid	(35,044)	(31,804)
Others	2,292	3,138
Gross underwriting income	120,353	92,059
Gross claims paid	182,069	182,776
Reinsurance share	(106,857)	(134,497)
Net claims paid	75,212	48,279
Provision for outstanding claims and technical provisions	13,107	(30,380)
Reinsurance share of outstanding claims and technical provisions	(6,028)	18,431
Net claims incurred	82,291	36,330
Net underwriting income	38,062	55,729
Income from investments – net	23,231	22,733
Income from investment properties – net	13,897	5,907
Other income	-	164
Gross income	75,190	84,533
General and administrative expenses	(31,077)	(25,359)
Net profit for the year	44,113	59,174

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

29 Financial risk management objectives and policies

The financial assets of the Company include statutory deposits, cash at bank and in hand, other receivables, due from related parties and investments. Financial liabilities include due to related parties and most other payables. Accounting policies for each class of financial assets and liabilities are set out in note 3.

Category-wise assets and liabilities

2022

Assets	Financial instruments		Insurance contracts AED'000	Total AED'000
	At amortised cost AED'000	At fair value AED'000		
Statutory deposits	10,000	-	-	10,000
Reinsurance contract assets	-	-	204,832	204,832
Cash and cash equivalents	202,679	-	-	202,679
Financial assets at FVTOCI	-	472,702	-	472,702
Financial assets at FVTPL	-	2,183	-	2,183
Insurance receivables	-	-	142,127	142,127
Other receivables	9,441	-	-	9,441
Amounts due from related parties	19,973	-	-	19,973
	242,093	474,885	346,959	1,063,937

2021

Statutory deposits	10,000	-	-	10,000
Reinsurance contract assets	-	-	173,351	173,351
Cash and cash equivalents	137,709	-	-	137,709
Financial assets at FVTOCI	-	569,470	-	569,470
Insurance receivables	-	-	66,080	66,080
Other receivables	8,729	-	-	8,729
Amounts due from related parties	21,657	-	-	21,657
	178,095	569,470	239,431	986,996

2022

Liabilities	At amortised cost AED'000	Insurance contracts AED'000	Total AED'000
	Insurance contract liabilities	-	355,479
Insurance and other payables	31,081	165,526	196,607
Amounts due to related parties	4,332	-	4,332
	35,413	521,005	556,418

2021

Insurance contract liabilities	-	274,833	274,833
Insurance and other payables	36,845	68,734	105,579
Amounts due to related parties	3,138	-	3,138
	39,983	343,567	383,550

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

29 Financial risk management objectives and policies (continued)

Category-wise assets and liabilities (continued)

The main risks arising from the Company's financial instruments are credit risk, interest rate risk, liquidity risk, foreign exchange risk and market risk. The Board reviewed and agreed policies for management of these risks summarised below:

Credit risk

Credit risk is the risk that one party to a contract underlying a financial instrument will fail to discharge its obligations causing the other party to incur a financial loss.

All of the Company's underwriting activities are carried out in the United Arab Emirates. Cash is placed with a group of banks with good credit ratings. Credit risk on account receivables is spread, as they are due from a large number of customers. Credit risk with respect to 'due from insurers' and due from brokers is diversified due to the dispersion of amounts recoverable over a large number of insurers and brokers, however these are monitored closely by the management.

Credit risk with respect to reinsurers is mitigated by placement only with those companies having an acceptable rating.

Credit risk is limited to the carrying values of financial assets in the statement of financial position.

The following table provides an age analysis of receivables arising from insurance.

	Neither past due nor impaired AED'000	Past due				Total AED'000	Past due and impaired AED'000	Total AED'000
		<120 days AED'000	120-180 days AED'000	180-365 days AED'000	>365 Days AED'000			
2022	115,261	3,820	11,034	7,145	11,058	148,318	(6,191)	142,127
2021	51,094	4,491	5,495	4,115	6,423	71,618	(5,538)	66,080

The Company believes that overdue debtors are not impaired except those already provided for.

Liquidity risk

Liquidity risk is the risk that the Company faces in meeting its present and future financial obligations in a timely manner. Solvency risk refers to the excess of liabilities over assets, and hence, to the adequacy of the Company's capital. The Company is required to maintain an adequate level of liquidity by the regulatory requirements currently in force in the UAE.

Liquidity requirements are monitored by the management to ensure sufficient funds are available to meet commitments as they arise. The table on the next page summarises the maturity of various assets and liabilities:

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

29 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

2022	Less than 30 days AED'000	30-90 days AED'000	90-180 days AED'000	After 180 days AED'000	Total AED'000
Assets					
Statutory deposits	-	-	-	10,000	10,000
Financial assets	-	-	-	474,885	474,885
Insurance receivables	26,222	51,323	37,945	26,637	142,127
Other receivables	1,855	245	3,088	4,253	9,441
Amounts due from related parties	5,679	5,421	8,114	759	19,973
Cash in hand and at banks including deposits:					
- Interest bearing	25,000	-	25,422	99,998	150,420
- Non-interest bearing	7,914	21,350	19,975	3,020	52,259
Reinsurance contract assets (a)	-	-	-	-	204,832
	66,670	78,339	94,544	619,552	1,063,937
Liabilities					
Insurance and other payables	32,332	56,992	63,523	43,768	196,615
Amounts due to related parties	503	3,256	222	351	4,332
Insurance contract liabilities (a)	-	-	-	-	355,479
	32,835	60,248	63,745	44,119	556,426
2021					
Assets					
Statutory deposits	-	-	-	10,000	10,000
Financial assets	-	-	-	569,470	569,470
Insurance receivables	18,562	24,358	16,948	6,212	66,080
Other receivables	289	4,128	2,329	1,983	8,729
Amounts due from related parties	4,358	6,329	10,384	586	21,657
Cash in hand and at banks including deposits:					
- Interest bearing	10,543	54,655	19,204	16,307	100,709
- Non-interest bearing	1,000	19,080	13,900	3,020	37,000
Reinsurance contract assets (a)	-	-	-	-	173,351
	34,752	108,550	62,765	607,578	986,996
Liabilities					
Insurance and other payables	12,352	40,993	30,228	22,006	105,579
Amounts due to related parties	532	2,145	349	112	3,138
Insurance contract liabilities (a)	-	-	-	-	274,833
	12,884	43,138	30,577	22,118	383,550

The maturities of insurance contract liabilities and the corresponding re-insurance contract assets are contingent upon the final settlement of claims, therefore cannot be reliably allocated to any particular maturity slab.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

29 Financial risk management objectives and policies (continued)

Interest rate risk

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

The Company is exposed to interest rate risk on fixed deposits. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and interest-bearing investments are denominated.

Interest rate sensitivity

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

2022	Total AED'000	Effective interest rate %
Bank deposits (including statutory deposit)	160,420	0.2% to 5.25%
2021		
Bank deposits (including statutory deposit)	110,709	0.35% to 1.10%

There is no significant difference between contractual reprising or maturity dates.

The following table demonstrates the sensitivity of statement of income to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of income is the effect of the assumed changes in interest rates on the Company's profit for the year, based on the floating rate financial assets and financial liabilities held at 31 December 2022.

	Increase/decrease in basis points (bps)	Effect on profit for the year AED'000
2022	50 (bps) (50) (bps)	802 (802)
2021	50 (bps) (50) (bps)	563 (563)

Exchange risk

A major portion of the Company's liabilities and assets are denominated in AED or US Dollars. Since AED is effectively pegged to US Dollars, there is minimal exchange risk.

Market risk

Market 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 shares.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

29 Financial risk management objectives and policies (continued)

Market risk (continued)

The Company limits market risks by maintaining a diversified portfolio and by continuous monitoring of developments in stock markets. In addition, the Company actively monitors the key factors that affect stock movements, including analysis of the operational and financial performance of investee.

All the Company's investments are within the United Arab Emirates.

Sensitivity of equity prices

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

Given that all other variables remain constant, had equity prices been 10% higher/lower at the reporting date:

- profit would have increased/decreased by AED 0.2 million (2021: Nil) in the case of financial investments at FVTPL; and
- fair value reserve on financial assets of FVTOCI within equity would have increased/decreased by AED 47.5 million (2021: increase/decrease by AED 56.9 million).

Debt securities

All of the Company's debt investments at FVTOCI are considered to have low credit risk. Management considers 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

30 Capital management

The Company's objective when managing capital risks are:

- 1) To comply with the Insurance Capital Requirements required by the UAE Federal Law No. 6 of 2007 concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations. The minimum regulatory capital for Insurance Companies which must be maintained at all times throughout the year as per the Law is AED 100,000,000 (2021: AED 100,000,000).
- 2) To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to the shareholders.
- 3) To provide an adequate rate of return to shareholders by pricing products and services commensurate with the level of risk.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholders or issue new shares.

There were no changes made in the objectives, capital management policies or processes during the years ended 31 December 2022 and 31 December 2021.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

30 Capital management (continued)

The table below summarises the minimum regulatory capital of the Company and the actual equity held by the Company at the end of the year:

	2022	Restated 2021
	AED'000	AED'000
Cash and cash equivalents	202,679	137,709
Total equity held	677,746	749,681
Minimum regulatory capital	100,000	100,000

Section 2 of the Financial Regulations for Insurance Companies (the "Regulations") issued by the Central Bank of UAE identifies the required solvency margin to be held in addition to insurance liabilities. The solvency margin must be maintained at all times throughout the year. The Company is subject to the Regulations which has been complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as defined in the Regulations. In accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022, the Company has disclosed the solvency position for the immediately preceding period as the current year solvency position is not yet finalised.

	30 September 2022 (Unaudited) AED'000
Minimum capital requirement (MCR)	100,000
Solvency capital requirement (SCR)	141,020
Minimum guarantee fund (MGF)	47,007
Basic own funds	387,636
MCR solvency margin – surplus	287,636
SCR solvency margin – surplus	246,616
MGF solvency margin – surplus	340,629

In accordance with Circular number CBUAE/BIS/2023/729 of CBUAE dated 10 February 2023, the assets which are not in the Company's name should not be considered as admissible in regulatory statement of financial position. In the reported solvency figures as at 30 September 2022 as mentioned above, AED 50.6 million of assets are not in the name of the Company and owned by a related party (refer to note 7).

31 Restatement

The Company accounted for its investment properties at cost model since the inception. During the current year, the Company has changed its accounting policy from cost to fair value model. Management has identified that reporting investment properties at fair value model will result in more reliable information to the users together with improved financial reporting. Consequently, the Company has recognised its investment properties at fair value with any resulting gain or loss being recognised in the income statement.

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

31 Restatement (continued)

During the current year, change in accounting policy has resulted in increase of profits by AED 10.4 million due to gain on fair value on investment properties and elimination of annual depreciation by AED 8.6 million and AED 1.8 million respectively.

The impact of the above-mentioned results have been remeasured and recorded in the extracts below, as per "IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors", by restating each of the affected financial statement line items for the effected year ends and as per "IAS 1 Presentation of Financial Statements", by presenting a third statement of financial position as the Company has retrospectively applied the change in accounting policy.

Statement of financial position:

	2021		
	As previously recorded AED'000	Restatement AED'000	As restated AED'000
ASSETS			
Statutory deposits	10,000	-	10,000
Property and equipment	473	-	473
Investment properties	70,356	70,394	140,750
Financial assets	569,470	-	569,470
Insurance receivables	66,080	-	66,080
Other receivables	26,677	-	26,677
Amounts due from related parties	21,657	-	21,657
Reinsurance contract assets	173,351	-	173,351
Cash and bank balances	137,709	-	137,709
TOTAL ASSETS	1,075,773	70,394	1,146,167
EQUITY AND LIABILITIES			
EQUITY			
Share capital	115,500	-	115,500
Legal reserve	57,750	-	57,750
General reserve	180,000	-	180,000
Reinsurance reserve	2,023	-	2,023
Fair value reserve on financial assets at fair value through other comprehensive income	220,505	-	220,505
Retained earnings	103,509	70,394	173,903
TOTAL EQUITY	679,287	70,394	749,681
LIABILITIES			
Employees' end of service benefits	4,091	-	4,091
Insurance contract liabilities	274,833	-	274,833
Insurance payables	68,734	-	68,734
Other payables	45,690	-	45,690
Amounts due to related parties	3,138	-	3,138
TOTAL LIABILITIES	396,486	-	396,486
TOTAL EQUITY AND LIABILITIES	1,075,773	70,394	1,146,167

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

31 Restatement (continued)

Statement of profit or loss:	2021		
	As previously recorded AED'000	Restatement AED'000	As restated AED'000
Gross premiums	301,239	-	301,239
Reinsurance share of premiums	(192,789)	-	(192,789)
Net premiums	108,450	-	108,450
Net transfer to unearned premium reserve	(7,085)	-	(7,085)
Net premiums earned	101,365	-	101,365
Commission earned	20,477	-	20,477
Commission paid	(32,090)	-	(32,090)
Others	3,138	-	3,138
Gross underwriting income	92,890	-	92,890
Gross claims paid	185,415	-	185,415
Reinsurance share	(136,646)	-	(136,646)
Net claims paid	48,769	-	48,769
Provision for outstanding claims and technical provisions	(30,211)	-	(30,211)
Reinsurance share of outstanding claims and technical provisions	18,347	-	18,347
Net claims incurred	36,905	-	36,905
Net underwriting income	55,985	-	55,985
Income from investments – net	22,733	-	22,733
Income from investment properties – net	3,476	2,431	5,907
Other income	164	-	164
Gross income	82,358	2,431	84,789
General and administrative expenses	(25,954)	-	(25,954)
Net profit for the year	56,404	2,431	58,835
	AED		AED
Earnings per share: Basic and diluted	0.49	-	0.51

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Notes to the financial statements
For the year ended 31 December 2022

31 Restatement (continued)

Statement of financial position:	2020		
	As previously recorded AED'000	Restatement AED'000	As restated AED'000
ASSETS			
Statutory deposits	10,000	-	10,000
Property and equipment	582	-	582
Investment properties	72,203	67,963	140,166
Financial assets	426,882	-	426,882
Insurance receivables	70,371	-	70,371
Other receivables	24,231	-	24,231
Amounts due from related parties	31,256	-	31,256
Reinsurance contract assets	197,462	-	197,462
Cash and bank balances	97,945	-	97,945
TOTAL ASSETS	930,932	67,963	998,895
EQUITY AND LIABILITIES			
EQUITY			
Share capital	115,500	-	115,500
Legal reserve	57,750	-	57,750
General reserve	180,000	-	180,000
Reinsurance reserve	1,059	-	1,059
Fair value reserve on financial assets at fair value through other comprehensive income	77,917	-	77,917
Retained earnings	74,662	67,963	142,625
TOTAL EQUITY	506,888	67,963	574,851
LIABILITIES			
Employees' end of service benefits	7,092	-	7,092
Insurance contract liabilities	303,723	-	303,723
Insurance payables	65,148	-	65,148
Other payables	43,789	-	43,789
Amounts due to related parties	4,292	-	4,292
TOTAL LIABILITIES	424,044	-	424,044
TOTAL EQUITY AND LIABILITIES	930,932	67,963	998,895

32 Post-reporting date events

Except for the proposed cash dividend of 10% of paid up capital for the year ended 31 December 2022 (note 25), there are no adjusting or significant non-adjusting events which have occurred between the reporting date and the date of authorisation of these financial statements.

2022

SUSTAINABILITY REPORT



AN ESG NOTE FROM OUR CEO

(GRI 2-2, GRI 2-6, GRI 2-22)

2022 was a transformative year for DNI, despite ongoing market volatility and challenging economic conditions, we continued the disciplined execution of our business strategy which contributed to achieving a record revenue growth, executing several exciting projects, building strong business relationships with our partners and an increase in our human capital. During the year we strengthened our presence in the local insurance market and gained broad recognition from insurance community, and we continued to build a progressive and sustainable business to serve more people.

I'm pleased to share DNI's annual Sustainability Report which provides a summary of DNI's Sustainability and Environmental, Social and Governance (ESG) performance in 2022 in accordance with the GRI standards and aligned with the Dubai Financial Market's ESG metrics as well as with the Sustainable Development Goals.

At DNI we are committed to upholding our responsibilities as a corporate citizen and we believe that profitable growth by itself is not sufficient for sustainable prosperity aligned to our ruler's vision. A healthy environment and functioning society are of utmost importance. The preparation of this report demonstrates our continued commitment to sustainability and showcases our efforts to generate value for all our interconnected stakeholders including our Employees, Customers, Community, Environment, and Shareholders.

Guided by DNI's Vision and Values, our ESG goals are linked to our overall business strategy and we are committed to continue integrating sustainability into our business practices, and we are determined to play our role in sustaining our future and make positive social changes, and we look forward to backing the ambitions of the UAE.

With the promise of providing the best in class experience for our customers and partners alike, we continue to exceed expectations by enhancing ourselves continuously. During the year 2022 we launched our new corporate identity with a new logo inspired from the falcon wing representing Protection, Safety and Heritage at the same time. DNI now embarks on a new journey, a new look and feel, while keeping our core values and promises intact...

Protecting What Matters.

During the year, AM Best has upgraded the Financial Strength Rating of DNI to "A-", this upgrade reflects our company's strong market position, financial strength, and capital adequacy. This important recognition acknowledges our efforts over the past several years to diversify our business, improve quality of our underwriting and strengthen our balance sheet. We will build upon this achievement to continue to deliver sustainable growth and value creation to our policyholders and shareholders.

We measure our impact on ESG related topics specific to our insurance industry and material to our Company through stakeholders' engagement to better understand their expectations. DNI continues to take positive climate action where possible despite the relatively small environmental footprint, mainly driven by lower energy use through office-based measures, eco-friendly printing system, and waste reduction.

During the year we have initiated various socially-oriented initiatives including charitable activities. We continue to create an inclusive, ethical and diverse workplace where we strive to understand and respect the challenges and differences of our people and ensure they feel welcomed and appreciated.

Among the list of this year achievements includes offering innovative and environmental friendly insurance products and solutions, improving customer satisfaction and loyalty through enhancing the customer experience across various touchpoints. Innovation, and digital transformation aligned to clear cut strategy are fundamental to driving this positive change.

I am grateful for the dedication and passion of DNI family throughout this sustainability journey, we constantly challenge ourselves to deliver results through collaboration with our stakeholders and we are committed to continuously improving our efforts. We will continue to monitor our progress and set ambitious targets to promote sustainable practices.

Sincerely Yours,

Abdulla Al Nuaimi

Chief Executive Officer



“ This report demonstrates our continued commitment to sustainability and showcases our efforts to generate value for all our interconnected stakeholders including our Employees, Customers, Community, Environment, and Shareholders. ”



ABOUT DNI

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

Dubai National Insurance and Reinsurance P.S.C. (DNI) is one of the leading UAE composite insurance provider with a 31-year track record of success. DNI is a Public Shareholding Company listed on the Dubai Financial Market (DFM) with a large number of local shareholders including prominent local business individuals.

DNI is managed and guided by an expert team that works with passion and dedication to deliver outstanding customer service. The Company's name is synonymous with credibility, financial stability, as well as innovation.

These traits have enabled us to build enduring working relationships with some of the world's largest reinsurers as well as with professional independent agencies.

Our Offering



OUR VALUES



SECURITY
Of your family members and your assets



EXCELLENCE
In everything we do



CUSTOMER SERVICE
Is a key factor to our success



UNDERSTANDING
Your insurance needs



RELIABLE
Insurance partner



EFFICIENT
And hassle-free claims settlement



VISION

To provide innovative and best value insurance products and services, tailored to meet the ever-changing financial risk exposures faced by our clients, while being a market focused and people centered organization that ensures a safe environment.

MISSION

We aspire to be one of the leading insurance carriers in the region with relationships built upon trust for mutual benefits, arising out of a high level of employee competence and satisfaction, leading to value addition for our customers and adequate returns to our shareholders.



OUR BUSINESS PARTNERS



DISCOVER DNI

We are persistently evolving and adapting with our customers by exceeding their expectations - one product and one service at a time. With this in view, we trust in forming lasting relationships by providing top quality services for our customers and supporting our highly motivated and qualified employees.



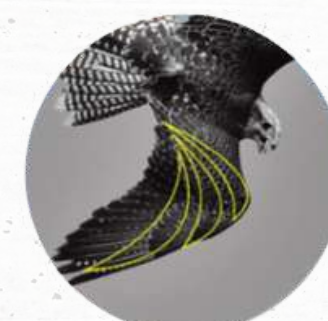
Protecting what matters

After more than three decades, we at Dubai National Insurance & Reinsurance are proud to announce our new and improved corporate identity and slogan "Protecting What Matters" in line with the company's strategic objectives, which include maintaining the company's exceptional performance at the sector level by providing the highest levels of customer service, preserving shareholders interests, and consolidating and creating confidence in its partners.

This brand-new identity combines the brand's teal and gold colors to form the falcon wing which represent the values of protection, safety and heritage. In addition, the wing which bears three feathers, each represents the company's strategic pillars: Strength, Speed and Success.



Protecting What Matters



KEY 2022 ESG HIGHLIGHTS

FEMALE PRESENCE



39% FEMALE REPRESENTATION IN THE WORKFORCE



61% FEMALE NEW HIRES



80% FEMALE REPRESENTATION AMONG LOCAL TALENT

EMIRATIZATION RATE



7.3% EMIRATIZATION RATE DURING 2022

UPGRADED TO A- EXCELLENT AM BEST RATING



Our credit rating was upgraded to A- (Excellent) by AM Best

ISO 9001:2015 CERTIFIED BY LRQA



We have achieved the ISO 9001:2015 certificate from LRQA (Lloyds Registered Quality Assurance) which demonstrates compliance with quality guidelines of the international standards

ROBUST DATA PROTECTION



- Signals Intelligence Agency (SIA) compliant
- Abu Dhabi Health Information and Cyber Security (ADHICS) compliant in 2022

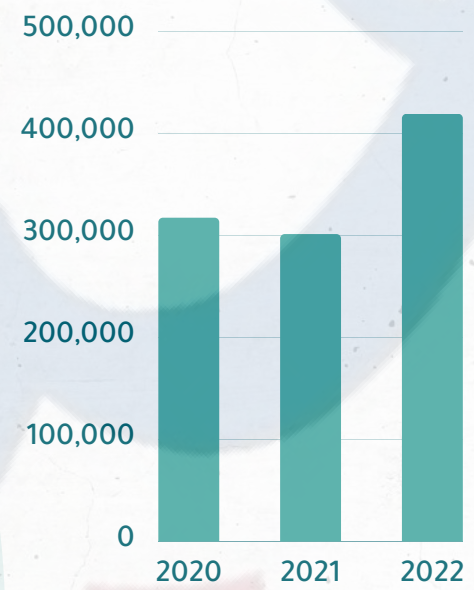
KEY 2022 FINANCIAL HIGHLIGHTS

(GRI 2-01-1)

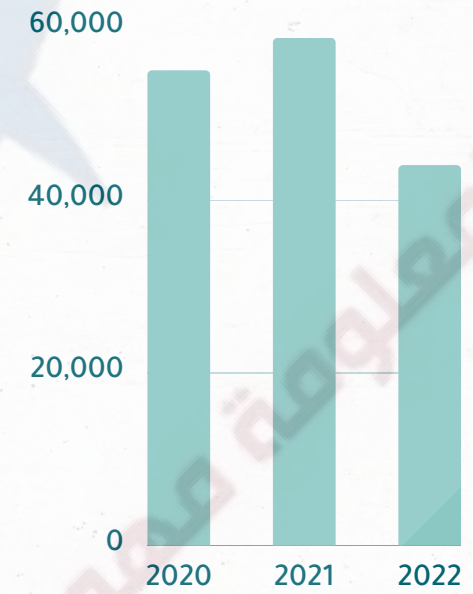


KEY FINANCIAL FIGURES

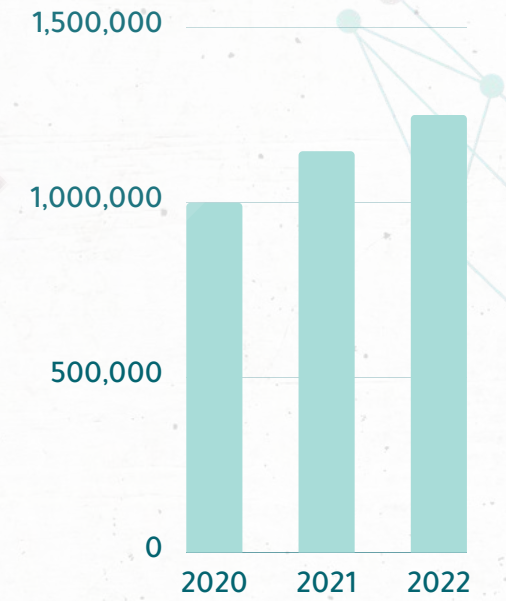
GWP



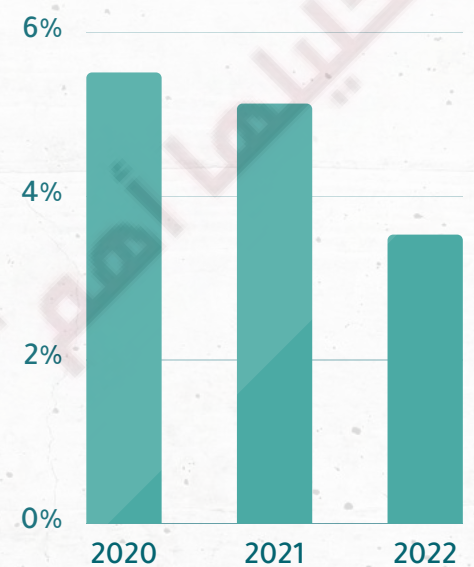
Net Income



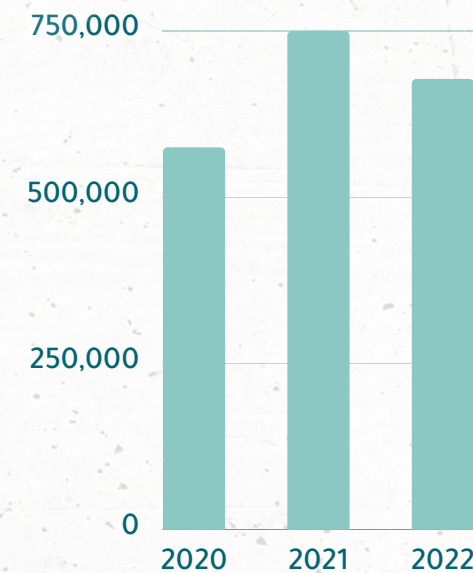
Total Assets



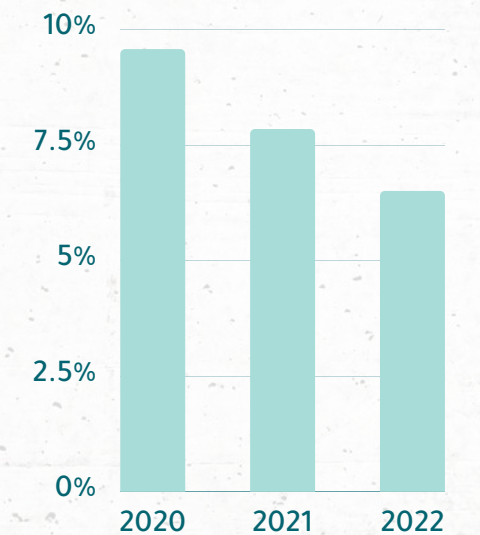
Return on Total Assets



Total Equities



Return on Equity



DNI AT A GLANCE 2022



**DNI New
Corporate Identity**



**ISO 9001:2015
Certification from LRQA**

DNI Awards
Best in Future of Customer Experience
-IDC-DX Future Enterprise Award
Marine Insurer of the Year
-InsureTek Awards



**Financial strength rating of
A- (Excellent) as well as the
long-term issuer credit rating
of "a-" (Excellent) by AM BEST**

**Participating Insurer
Awarded by DHIC**



OUR CREDIT RATING



AM Best has upgraded the Financial Strength Rating to A- (Excellent) from B++ (Good) and the Long-Term Issuer Credit Rating to "a-" (Excellent) from "bbb+" (Good) of Dubai National Insurance & Reinsurance P.S.C. (DNI).

The outlook of these Credit Ratings (ratings) has been revised to stable from positive.

The ratings reflect DNI's balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management.

ISO 9001:2015



Achieving the ISO 9001:2015 certificate showcases how DNI has demonstrated compliance with strict quality guidelines of the international standards and its dedication to customer needs and statutory and regulatory requirements.

The ISO 9001:2015 is a standard based on "Risk-Based Thinking" and will support us in establishing an effective and globally recognised Quality Management System.

Such systems are vital to support us in continuously delivering consistent quality products and services to our customers, offering our stakeholders a strong and critical competitive advantage in the market.

This certification also broadens business opportunities by demonstrating compliance and strengthening the brand's position as a trusted service provider, especially among the public sector and other partners



OUR SUSTAINABILITY OBJECTIVES

(GRI 2-22)

DNI seeks to set an example in stakeholder inclusiveness and as a result has devised a set of commitments through which we aim to achieve sustainable growth and create shared value. These are as follows:

- To be the right place to work for our employees, providing opportunities for learning and development, and assuring a safe and healthy work environment
- Embrace diversity, inclusion, and gender equality in the workplace
- Ensure ethical behaviour in our business practices through transparency, openness, and accountability
- Maintain high standards of customer service
- Manage our environmental footprint and expand engagement with our stakeholders on environmental issues
- Actively engage with and support the communities in which we operate
- Include environmental and social considerations in the development and offering of products and services

In order to continue our path towards sustainable shared value, we look to ensure internal cohesiveness in the way we interact with each other and with our customers and other employees. Accordingly, we have instilled in our workplace a strong stakeholder-oriented culture with the following key elements:

- Provide innovative and best value insurance products and services
- Meet the ever-changing insurance needs of our clients
- To be a market-focused and customer-centric organisation
- Service our clients with a qualified and motivated team

OUR AWARDS



HEALTH INSURER OF THE YEAR 2023
Business Tabloid Awards 2023



BEST IN FUTURE OF CUSTOMER EXPERIENCE
IDC-DX Future Enterprise Awards 2022



MARINE INSURER OF THE YEAR 2022
InsureTek Awards 2022



PLAQUE OF APPRECIATION
Gulf Insurance Federation Award 2022



WLP APPRECIATION AWARD 2022
WLP Dubai Hub Meeting 2022



THUMBAY GROUP APPRECIATION AWARD 2022
Insurance Meet 2022



INSURANCE PROFESSIONAL OF THE YEAR 2022
MENA IR Awards 2022



WORLD'S GREATEST CEO AWARD 2021
AsiaOne Awards 2021



INSURANCE PROFESSIONAL OF THE YEAR 2021
InsureTek Awards 2021

OUR APPROACH TO SUSTAINABILITY

(GRI 2-29, GRI 3-1, 3-2, GRI 201-1, E8, E9)

DEFINING OUR ESG MATERIAL TOPICS

We at DNI approach materiality from a strategic and value creation perspective. We identified our material ESG topics that are most relevant to our business and to both our internal and external stakeholders. This assessment is normally interlinked with the shareholders engagement exercise to prepare the ESG materiality matrix. Engagement is an integral part of developing an understanding of our stakeholders' needs, interests, and expectations and assists DNI with strategic, sustainable decision-making.

The key ESG topics selected in the materiality matrix are the area of focus for us and are aligned with DNI ESG framework.








The materiality is subject to re-evaluation periodically to ensure that our topics remain relevant to the development in our business environment and to reflect the stakeholders' changing expectations.

In the future we shall develop a more systematic approach and methodology to ESG-focused engagements with our stakeholders and will update our list of material topics if required.

Our key Stakeholders groups include:

- Employees & Management
- Customers
- Board and Shareholders
- Community
- Regulators
- Reinsurers, and Brokers
- Rating Agencies

The below table outlines the various methods of engagement with our key stakeholders:

Key Stakeholders	Existing Methods of Engagement
CUSTOMERS 	<ul style="list-style-type: none"> • Website, marketing material, and social media • Online reviews • Suggestion or complaint platforms • Contact centre
EMPLOYEES 	<ul style="list-style-type: none"> • Training & development • Company events & announcements • Performance appraisals
SHAREHOLDERS 	<ul style="list-style-type: none"> • Regular communication with major shareholders • Annual General Meeting • Corporate Regulatory Disclosures
GOVERNMENT / REGULATORS 	<ul style="list-style-type: none"> • Regular communication via reporting requirements and meetings • Decrees, circulars, and announcements • Meetings and Workshops • Audits
COMMUNITY 	<ul style="list-style-type: none"> • Community-related initiatives, donations, and volunteering activities
BUSINESS PARTNERS: <ul style="list-style-type: none"> • REINSURERS • TPAS / BROKERS • MAJOR SUPPLIERS 	<ul style="list-style-type: none"> • Frequent interaction related to business coordination and development
RATING AGENCIES 	<ul style="list-style-type: none"> • Yearly interactions during rating review • Credit rating methodology updates

VALIDATION

The below table maps DNI's material topics with their corresponding GRI disclosures and Dubai Financial Market (DFM) ESG metrics.

ITEM	KEY MATERIAL TOPIC	CORRESPONDING GRI DISCLOSURE	CORRESPONDING DFM METRICS
1	Economic Performance	GRI 201 - Economic Performance GRI 203 - Indirect Economic Impact	N/A
2	Customer Privacy & Data Security	GRI 418 - Customer Privacy	G7: Data Privacy
3	Ethical Business Conduct	GRI 205: Anti-Corruption GRI 417 - Marketing & Labelling	S9: Child and Forced Labor S10: Human rights G6: Ethics & Anti Corruption
4	Digitalization	N/A	N/A
5	Employment Practices	GRI 401 - Employment	S3: Employee Turnover S5: Temporary Worker Ratio
6	Equal Opportunity, Diversity & Inclusion	GRI 406 - Non-Discrimination GRI 405 - Diversity & Equal Opportunity	S2: Gender Pay Ratio S4: Gender Diversity G1: Board Diversity
7	Environmental Impact	GRI 302 - Energy GRI 305 - Emissions GRI 307 - Environmental Compliance GRI 303 - Water and Effluents GRI 203 - Indirect Economic Impacts	E1: GHG Emissions E2: Emissions Intensity E3: Energy Usage E4: Energy Intensity E5: Energy Mix E6: Water Usage E7: Environmental Operations E8: Environmental Oversight E9: Environmental Oversight E10: Climate Risk Mitigation
8	Emiratization	GRI 202 - Market Presence	S11: Nationalization
9	Community	GRI 202 - Market Presence GRI 413 - Local Community	S12: Community Investment
10	Talent attraction and Development	GRI 404 - Training and Education	G5: Supplier code of conduct
11	Sustainable supply chain	GRI 204 - Procurement Practices GRI 414 - Supplier social assessment	

At DNI we have always acted proactively to safeguard the interests of our customers, employees, and community, and our deep commitment is reflected in our focused and impactful ESG initiatives.

Sustainability is essential to our long-term business success. That's why we strive to embed sustainability in everything we do, including our strategy, operations, and culture and ensure sustainability is viewed as everyone's responsibility.

As a leading insurance company, we aim to strengthen our efforts to contribute to making the UAE economy more resilient and sustainable, thus helping maintain our competitiveness over the long-term. We believe our knowledge, products and services can support the transformation to a more sustainable society.

We are adapting to meet the needs of a changing world and we are strengthening our commitment to tackle challenges such as climate change, workforce diversity, gender inequity, and disadvantaged communities.

The sustainability principles adopted by us encompasses strong economic performance; responsible customer relations; environmental protection; sustainable insurance; and people and community care.



OUR APPROACH TO SUSTAINABILITY

02

OUR COMMITMENT TO OUR EMPLOYEES

- Training and development
- To be the 'Employer of Choice'
- Equal opportunity
- Provide a diverse and inclusive work culture
- Healthy, safe and attractive work environment
- Provide a Sustainable workplace
- Promote employees Wellbeing

OPERATING AS A TRUSTED AND RESPONSIBLE BUSINESS

01

- Providing dependable customer service and information
- Digitalization and Innovation
- Data privacy and security
- Help our customers manage risks
- Help our customers rebuild and recover
- Educate clients to take positive financial action
- Responsible and ethical business practices
- Provide innovative financial products and services
- Service our clients with a qualified and motivated team
- Aim to incorporate ESG factors into our underwriting and investment decisions

03

OUR COMMITMENT TO SOCIETY AND ENVIRONMENT

- Engage and support the communities in which we operate
- Manage our environmental footprint
- Environmental Stewardship
- Implementing energy-efficient practices
- Encouraging our employees to adopt eco-friendly behaviors.
- Support local initiatives and promote social responsibility
- Manage our building investment efficiently and sustainably

ALIGNING WITH THE SUSTAINABLE DEVELOPMENT GOALS

(GRI 2-22)

The United Nations Sustainable Development Goals (UNSDGs) are a set of 17 goals and 169 targets adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs aim to end poverty, protect the planet, and ensure prosperity.

The SDGs are interconnected and address a wide range of economic, social, and environmental challenges facing the world today. Achieving these goals will require collaboration and action from governments, civil society, the private sector, and individuals around the world.

DNI acknowledges the importance of the SDGs, and is fully committed for national and global development goals for building a more resilient, equitable, and sustainable world for current and future generations.

We have prioritised the SDGs considering the materiality to our business as well as their impact and significance to our industry, and we mapped our business activities to these SDGs to develop a better understanding on how insurance as a business model can make the biggest impact and support the achievement of those goals.

We have highlighted the material SDGs that DNI continue to focus on and, through its business strategies, can make the biggest contribution to:



SDG 3 GOOD HEALTH AND WELL-BEING

- Key role of insurance companies in facilitating access to healthcare through medical insurance offering
- Development of insurance products and services that promote and rewards healthy lifestyles and wellness
- Insurance cover against death, injury and sickness
- Social protection and health awareness campaigns
- Promote healthy lifestyle among employees



SDG 13 CLIMATE ACTION

- Insurance companies can play a critical role in climate action by providing cover of the risks associated with climate change
- Insurance against natural calamity and Catastrophe protects individuals and corporates.
- Insurance companies can adopt sustainable business practices by reducing their own carbon footprint



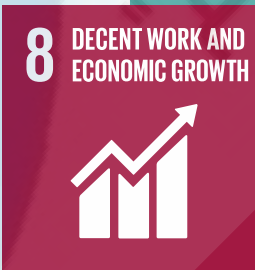
SDG 11 SUSTAINABLE CITIES AND COMMUNITIES

- Insurance companies can support sustainable development and infrastructure projects through insurance protection
- Contribution through climate change adaptation and mitigation to making cities and their inhabitants more resilient
- Motor accidents cause significant human and economic costs that insurance companies can alleviate



SDG 10 REDUCED INEQUALITIES

- Insurance companies can develop products and services that address income and wealth inequality, and provide financial protection to low-income individuals and families.
- Insurance companies can help reduce inequalities by making businesses more resilient to economic uncertainties, and individuals able to withstand injury, illness, or death
- Promote equality and inclusion in the workplace

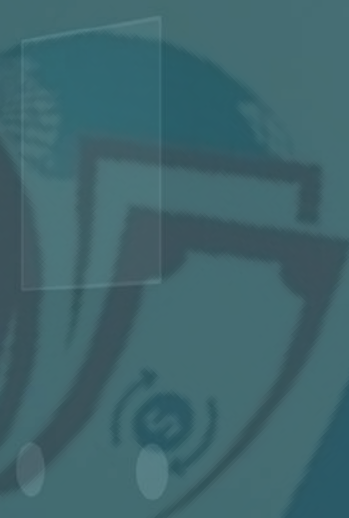


SDG 8 DECENT WORK AND ECONOMIC GROWTH

- Insurance supports economic growth by providing insurance protection for businesses and entrepreneurs against financial risks.
- Insurance protects small and medium enterprises against natural disasters and business interruption and can also contribute to job creation and economic growth

OUR CUSTOMERS WELLBEING

"المعلومة مهمة... وتحليلها أهم"



DELIVERING FOR OUR CUSTOMERS

(GRI 201-2, GRI 417, GRI 418, G7, S12)

At DNI we put Clients at the center of everything we do, we strive to understand customer expectations, anticipate future trends and deliver exceptional service. In a changing world, we provide solutions that meet diverse and evolving needs of our customers, and sustainability lies at the core of those needs.

We support our customers at the toughest times, so it's imperative that we increasingly digitalize the customer journey through simplifying our processes, streamlining claims handling, improving our complaints management, and enhancing communication and connections with clients.

We aim to consistently provide great service experiences for our Clients through a customer-centric approach that includes:

- Providing better client communication and connections
- Marketing and selling responsibly
- Resolving complaints, the right way
- Measuring the client experience

CUSTOMER ENGAGEMENT

We conduct customer satisfaction survey to gauge our customer experience and feedback to continuously improve ourselves in comparison to market and competitors. As we are certified for ISO 9001:2015, customer focus is embedded in the DNA of DNI and its staff. We have evidenced increase in customer satisfaction level through our Quality Management System.

TRAINING AND AWARENESS SESSIONS TO CLIENTS & PARTNERS

As part of our responsibility to provide guidance and awareness to our clients on how to protect their businesses, we conduct various educational webinars for our corporate clients to help them better understand the various business and financial risks they are facing and how they can mitigate those risks with suitable insurance solutions.

QUALITY MANAGEMENT SYSTEM

During 2022 DNI has implemented ISO 9001: 2015 quality management system which is aligned with its goals and strategic directives and demonstrates the commitment to provide quality products and services in line with market needs and customer expectations.

DNI QUALITY POLICY



Provide high quality services that meet the needs and expectations of the various interested parties.



Instill a risk-based management culture within the organization.



Commitment to regulations, laws, and international standards with the effective application of the standards of the ISO 9001:2015 Quality Management System.



Work to provide the necessary resources to ensure the efficiency and effectiveness of the applied quality management system and strive to motivate, involve, and train employees to achieve the intended goals.



Keep abreast of best practices to develop operations & services and provide them in an innovative way to delight customers.



Review of quality management system on a continuous basis to be in line with business priorities and strive for continual improvement.

DNI CUSTOMER EXPERIENCE JOURNEY

Our commitment is to deliver excellent customer service. We firmly believe that this can only be achieved by staying close to our customers and continuously engaging with them to determine their evolving needs, in particular through:

- Provide various channels for customers to communicate their queries and concerns
- Ensure customers are treated fairly and adequately
- Manage customer complaints in a transparent and timely manner
- Treat the complaints information with discretion, confidentiality, and fairness
- Ensure our business partners who have direct relation with our clients have the right quality of customer service in place
- Use customer feedback to train our staff and improve our service

CONTACT CENTER

Our enhanced Contact Center highlights our persistent commitment to staying close to our clients. It serves as DNI's first point of contact with customers and handles all their queries effectively in a timely manner.

During the year, we have further improved our customer call center infrastructure and introduced new tools and applications to resolve issues quicker and help improve the customer experience. This has also resulted in more personalized attention for customers and helped achieve high First Call Resolution (FCR) rate.

The Contact Centre is also tasked with ensuring clients are up-to-date with the latest solutions offered by the company and is equipped with trained professionals to service both corporate and individual clients in multiple languages.



ONLINE HEALTHCARE SERVICE

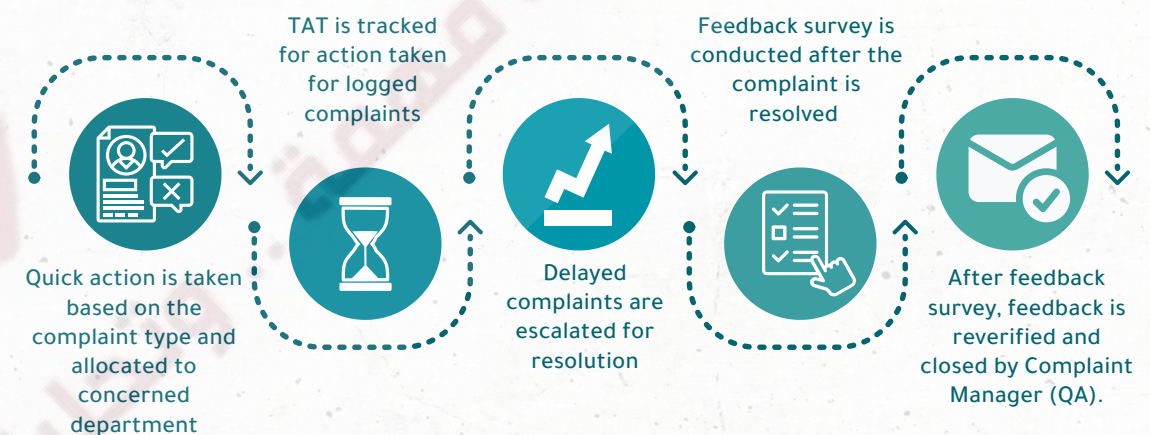
Customer experience has been enhanced by introducing new channels of communications and online services to our health insurance members.

This includes presenting mobile applications offering a seamless experience to the members by allowing them to view policy benefits, search for healthcare providers and submit and track medical claims.

COMPLAINT MANAGEMENT SYSTEM (CMS)

DNI has in place a robust Complaint Management System (CMS) tool to manage customer grievances and resolve them in a timely manner. In this process, we have a streamlined approach and constant monitoring to ensure faster resolutions. We made this ecosystem to be the focal point of complaints we receive from different channels.

At DNI, resolving customers' issues can often require a cross-functional team or several departments to work together. Having CMS embedded in our system ensures that no context is lost when information is passed on, creating a smoother path to having a quick resolution.



BUSINESS CONTINUITY

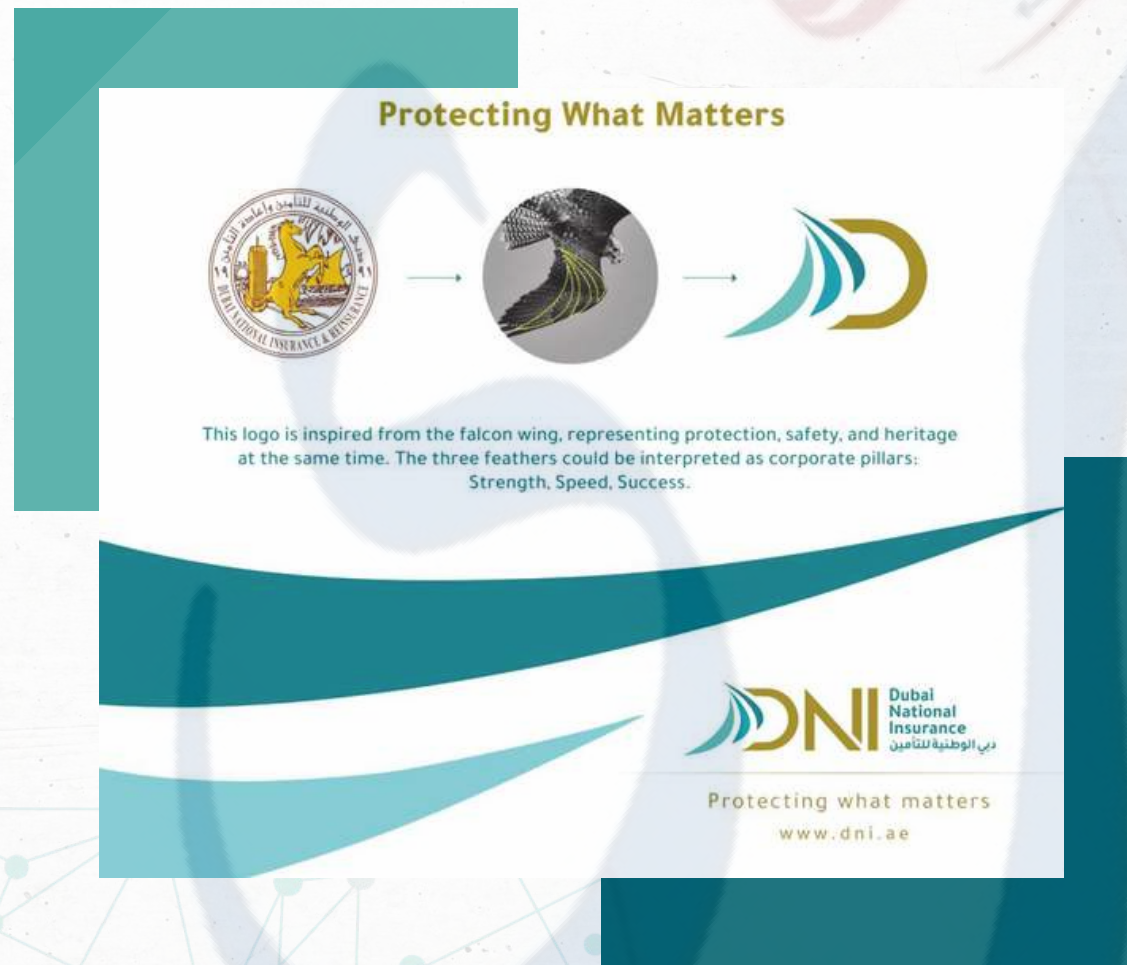
Business disruption can happen at any moment and may impact our ability to serve our customers. We have built a Business Continuity and a Disaster Recovery Plan (DRP) to be well prepared for such unforeseen situations and ensure we can continue to provide services to our clients.

REVAMPING OUR WEBSITE

In 2022, we revamped our website and our online portals to provide users with smooth and people-centered service, from information searches, to receiving quote, download important documents and buying insurance online.

BRAND AWARENESS

With the promise of providing only the best-in-class quality service and superior experience to DNI's clientele and partners alike, striving to exceed expectations by enhancing ourselves continuously, DNI now embarks on a new journey, a new look and feel, while keeping our core values and promises intact.. **Protecting What Matters.**



ENGAGEMENT WITH OUR PARTNERS

We are providing user friendly portal experience for brokers and customers with OCR-based technology to reduce data entry and getting the required work completed with lesser time. We have also integrated chat services in the B2B portal and digital communications enabled for easy and tracked communication.

Online payment platforms have also been standardized to ease the payment options to customers.

Key digital initiatives for brokers and partners include:

- Self-administration platform
- SME portal for medical
- New Motor and medical B2B portal

INSURANCE AWARENESS

Throughout 2022, DNI organized a series of educational and awareness initiatives for our customers and brokers on insurance related topics, we have also supported the insurance community through events sponsorship.

CLIENT HEALTH

As a health insurance provider, we know good health is central to overall well-being. We see first-hand the effect that access to health services has on Client health, including mental wellness. Our approach includes:

- Develop health and wellness program for customers and staffs
- Offering education that help customer take charge of their health
- Help address mental health issues.
- Partnering with health-care leaders
- Partnering with mental health coaches
- Sharing insights and best practices with others

WELLNESS CENTRIC PLANS THROUGH WELLX

DNI has joined hands with Wellx, the region's very first wellness backed insurance platform, to launch 'Wellx Fit', a unique insurance product that offers members a complimentary fitness tracking device to track activity and stay on top of their health goals.

Individuals who achieve set steps, active minutes, sleep, and readiness goals are eligible for cash back rewards and get access to a network of partners across the fitness, nutrition, and mental wellbeing space.

This innovative fitness-based health insurance product fuses wellbeing and insurance by embedding activity data into health insurance to create a more fun and engaging experience for DNI customers.

The objective is to keep our clients motivated and incentivized to make healthier lifestyle choices.



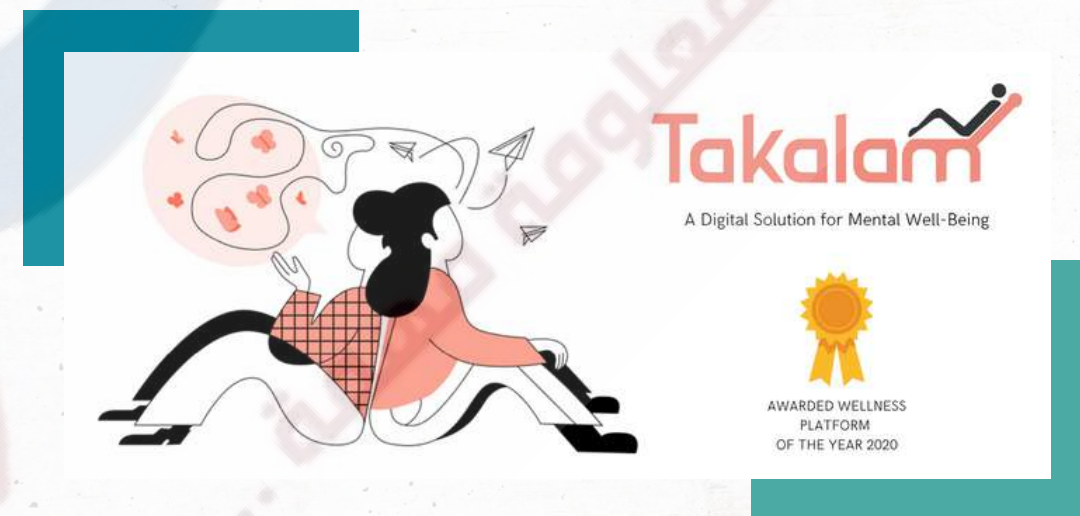
MENTAL HEALTH SUPPORT

DNI formed partnership with Takalam, an Emirati startup company, to provide private and personalized online counselling experience for customers in need of mental health support.

Our customers can now benefit from an array of Takalam's digital tools, through easy-to-use award-winning platform, accessible anytime and from anywhere through DNI's network.

This initiative underlines DNI's commitment to work with partners who support our aim of ensuring our customers get the best access to innovative healthcare tools.

This revolutionized approach to mental healthcare services empowers our health insurance members to take control and make informed decisions to manage their daily stresses. Through this partnership, we aim to de-stigmatize mental health challenges and therapy by addressing mental health issues with real-time, informed data-driven, and proactive interventions in order to improve organizations and individuals' overall well-being which will effectively translate into a healthier work environment and positively impact employees' productivity.



PATIENT SUPPORT PROGRAM AWARENESS

As part of Dubai Health Authority's Patient Support Program, DNI has launched awareness campaigns in 2022 for health insurance members to undergo screening for three types of cancers as well as Hepatitis B & C, to promote a culture of early detection and raise awareness on the importance of regular checkups.

DHA's BASMAH Awareness is the first of its kind initiative to provide full coverage for breast, colon and cervical screening and treatment for all Dubai residents.



B2B MEDICAL PORTAL

DNI B2B portal is one of our key enhancements in the digital journey that allows us to manage the needs of our clients, distributors, and underwriters all at once.

The portal makes it easy to facilitate our available products and services in one place, our customers can manage and monitor their queries and transactions at their convenience.

COMMUNICATION

DNI believes communication with our customers is key to help us serve them better. We have created various touchpoints for them to reach us. With these channels customers can inquire about products and services, provide feedback, submit requests, or raise complaints. Those queries are handled in an efficient and timely manner.

INNOVATION AND DIGITAL TRANSFORMATION

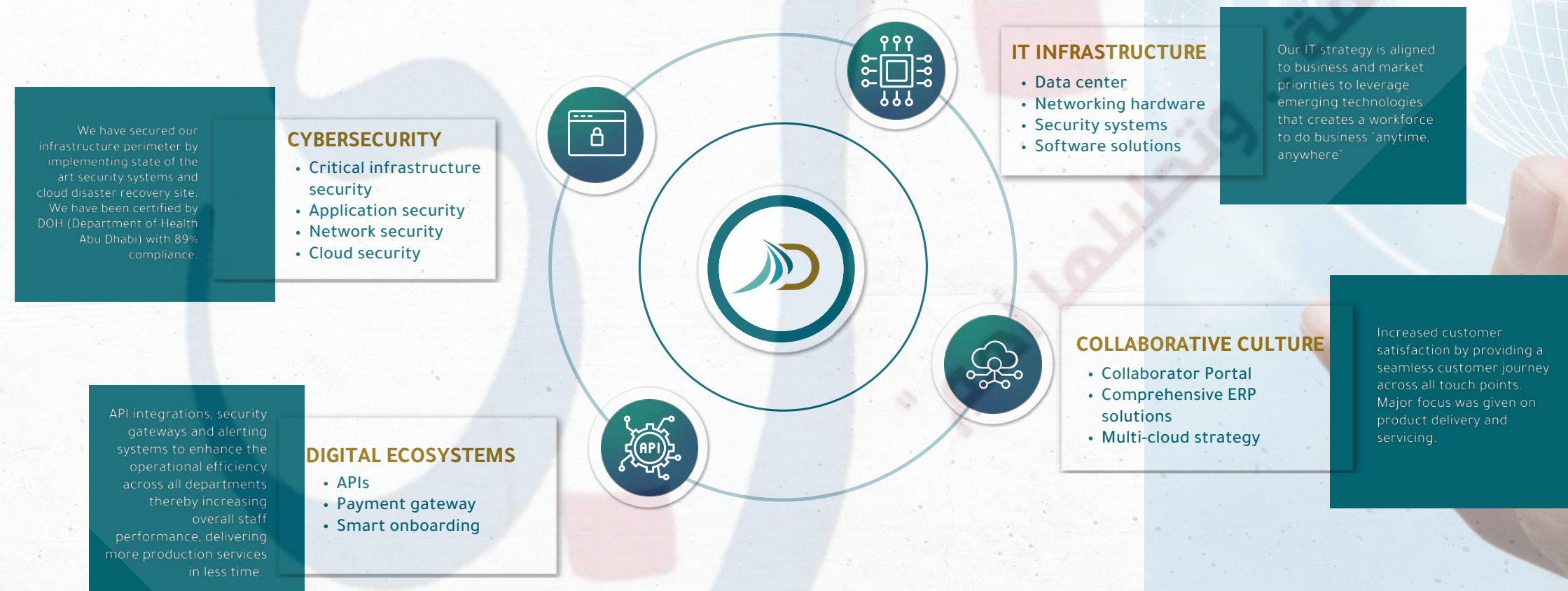
In today's fast paced business environment, constant innovation is imperative for survival. In the past year DNI has embarked in the digital transformation journey as part of its IT Strategy aligned to business needs. With customers being at the heart of this strategy, we continue to enhance our digital solutions with practical and fast functionalities that align with the needs of connected customers and focused on generating values for them.

Digitalisation also allows for harmonising customers' experience and ensuring that we set the necessary KPIs to meet or even exceed their expectations, thus enhancing the operational efficiency.

We have completed several innovative projects such as:

- Data warehouse
- B2B motor portal
- Applications enhancement projects
- Information security projects
- Infrastructure upgrades
- Digital Signature
- Email automation tools
- Partnership with Fintech
- Website, Mobile app enhancement

IT Operations Ecosystem



DATA PROTECTION AND SECURITY

Ensuring data protection and security is a key aspect of our customer relation, especially in view of the increasing risk of cyber threats.

We have taken several measures to strengthen our Data Security and Protection including:

- Enhancing IT security infrastructure
- Awareness and training on information security for employees
- Robust systems and procedures to guarantee our client's safety and privacy.
- Implementation of data privacy and security tools
- Perform cybersecurity vulnerability tests
- Spread cybersecurity awareness internally through Newsletters'
- A framework of data protection and data security policies and protocols
- Encryption and verification standards
- Regular IT security risk assessments
- Conduct regular independent IT system audits

COMPLETE ADHICS COMPLIANCE

At DNI, we firmly believe in protecting our customers' data and ensuring their privacy. Our customers are entrusting us with their data, and we have a responsibility to safeguard it through all our systems and processes.

During 2022 we were certified by DOH (Department of Health Abu Dhabi) as compliant with ADHICS standard for information security

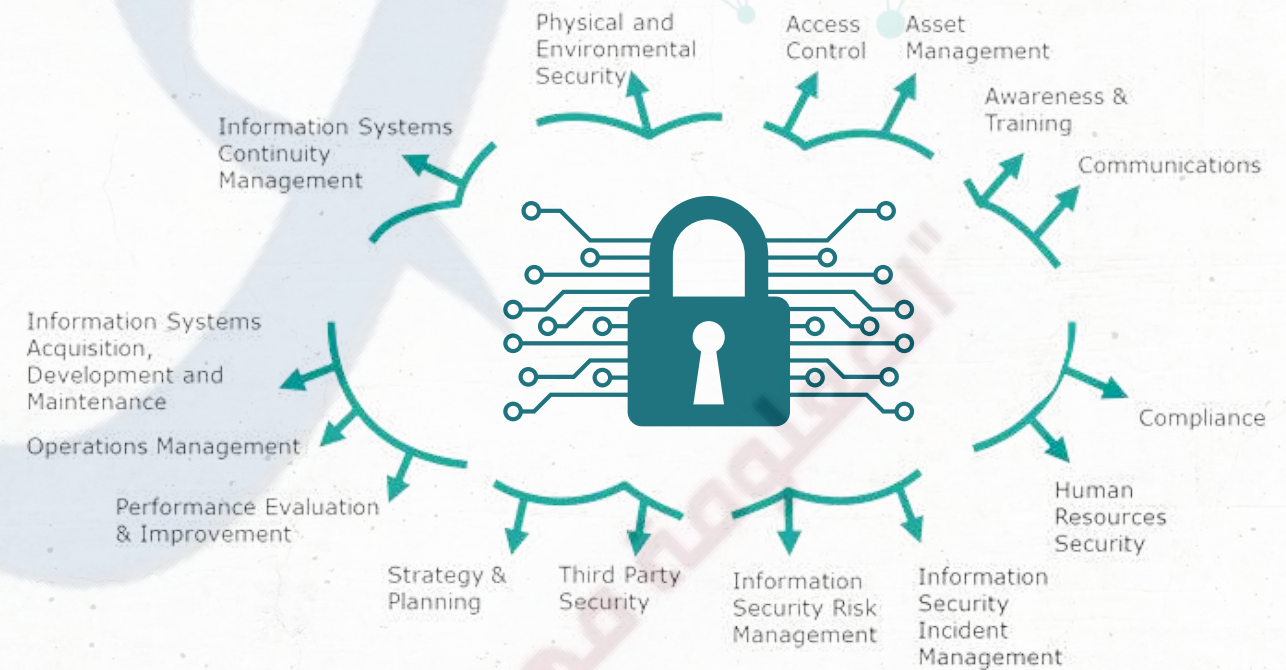
This comes as a result of implementation of a robust information security system, data management policy and governance.



DNI IS SIA COMPLIANT

SIA has published regulations that all government organisations, semi-government groups, and business entities operating within sectors identified as critical infrastructure must follow.

DNI is SIA compliant since 2021 and has in place various policies and procedures to protect its data and ensure the robustness of its security measures. The diagram below outlines some of the main domains under which all the different policies have Enhancing IT security infrastructure been developed:



During 2022 Our company recorded no customer privacy breaches

Total number of complaints received from outside parties and substantiated by the organisation

2021	Nil
2022	Nil

Total number of complaints from regulatory bodies

2021	Nil
2022	Nil

Total number of identified leaks, thefts, or losses of customer data

2021	Nil
2022	Nil

*In 2022, there has been no incident of non-compliance with regulation resulting in warning or fine, related to product and service information and labelling and to marketing communications.



**OUR COMMITMENT
TO SOCIETY**

OUR COMMUNITY

(GRI 413-1, GRI 202-2, S11, S12, G5)

At DNI we recognise our responsibility as a corporate citizen in contributing to the sustainable development of the society and people, and we are committed to actively contribute to the local community where we operate and make a measurable impact at the economic, social or environmental levels.

This is achieved through:



We will continue to engage with humanitarian organisations to help us fulfil our social responsibility. Our employees are guided by a common set of social values, and we encourage them to give back to the society by volunteering in corporate community programs.



OUR COMMITMENT TO SOCIETY

DNI aspires to make a measurable impact and to contribute towards social and economic development of the community that we operate in, we also encourage our employees to make a difference for the betterment of our society through various CSR initiatives.

Our CSR Initiatives were achieved by providing donations and sponsorships to community-related non-profit organizations and charities, as well as through volunteering initiatives such as conducting Blood Donation Drive contributing to the benefit of good societal causes.

Our CSR Initiatives during the Year 2022

Dubai Chamber of Commerce Sustainability Membership 2022

The 'Dubai Chamber Sustainability Network' serves as a platform for Dubai Business Community to identify and share expertise on CSR and sustainability challenges and develop practical solutions. Sustainability Network members form task Forces to address specific CSR and sustainability issues



1 Billion Meals

The campaign is implemented by Mohammed bin Rashid Al Maktoum Global Initiatives (MBRGI), in collaboration with the Mohammed Bin Rashid Al Maktoum Humanitarian & Charity Establishment (MBRCH), the Food Banking Regional Network (FBRN), the UN World Food Programme, United Nations High Commissioner for Refugees (UNHCR), and a number of organizations in the UAE and targeted countries.

Zayed Humanitarian Day Ramadan under the slogan of love and loyalty to Zayed Al-Atta

To promote social responsibility in all sectors of society for the needy, targeting orphans and people of determination.
Sponsorship - Participant Sponsor



Al Tareq Rehabilitation & Autism Centre

International Therapeutic Diet Initiative for Volunteers. To provide care and awareness services for the benefit of people of determination, children with autism, and modern diseases.

The Emirates Association for the Care of Parents Honor "Do your parents a favor."

With the aim of preserving the dignity of parents and their families during the blessed month of Ramadan, and making them and those around them happy by strengthening the bonds.

Eid Al Fitr Clothing for 10 families of communication and compassion.



DNI Annual Blood Donation Drive 2022

DNI employees participates in the annual blood donation campaign in cooperation with 'The Blood Bank' of Dubai Health Authority.

COMMITMENT TO LOCAL TALENT (EMIRATISATION)

DNI is aligned with the UAE Government's strategy to increase the participation of the UAE National talents in the private sector and in the insurance sector particularly. These efforts by government help develop Emirati youths with key skills and supports the contribution to the local economy.

At DNI, we have been supporting the country's Emiratization plans and we are fully committed to developing Emirati talent as we place this initiative at the core of our human capital strategy. We have collaborated with Ministry of Human Resources and other national recruitment agencies to attract UAE talents.

We focus on providing our local talents with the necessary personal and professional development opportunities to support their career ambitions and enable them to be the key players in the organization's success. We also provide our UAE National employees with insurance-specific trainings organized by the Emirates Institute for Banking and Financial Studies (EIBFS).

Our Emiratization rate in 2022 stood at 7.3%. We plan on continuously strengthening our collaboration with the government agencies and increasing our rate year-on-year.



	Entry-Level		Mid-Level		Senior-To-Executive Level	
	Number	Percentage	Number	Percentage	Number	Percentage
2022	2	20%	6	60%	2	20%
2021	1	11%	6	67%	2	22%
2020	0	0%	6	100%	0	0%

Local Talent at DNI



7.3%
Emiratization Rate



80%
of DNI's Local Talent Is Female

RESPONSIBLE SUPPLY CHAIN

We seek to ensure our procurement strategy is implemented responsibly and that our supply chain is managed in consideration of economic, social, and environmental standards.

We also aim to optimize our asset utilization while minimizing environmental impact and we strive to maintain fair and mutually benefitting business relations with our suppliers.

Our approach to supply chain management includes:

A transparent and fair supplier selection and assessment processes

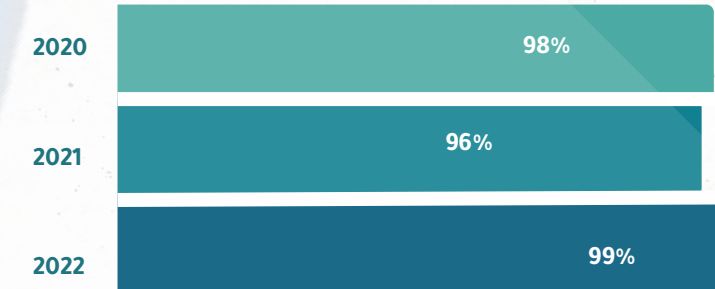
Zero tolerance for suppliers' unethical and irresponsible conducts

Commitment to promote local economic development

Enhanced automation in the procurement process

ESG considerations as a future plan

LOCAL PROCUREMENT SPENDING ON LOCAL SUPPLIERS



Year	Total Number of Suppliers	Percentage of Local Suppliers
2020	62	98% (71)
2021	65	96% (61)
2022	55	99% (55)

Over the years DNI has maintained its strategy direction to promote local sourcing and we aim to continue doing so. This has been demonstrated through our ICV certification, the In-Country value program that promotes the contribution of UAE companies to the local economy.

The support to local suppliers contributes positively to our community in multiple ways including:

- Access to competitive pricing and cost reduction
- Reduction of carbon footprint
- Contribute to job creating, building local capacity of manufacturing and distribution, and supports growth of UAE economy.



To that end, and as a testament to DNI's commitment towards local sourcing, we are ICV certified. The In-Country Value Program (ICV) promotes UAE companies' contribution to the local economy and supports local industries



**OUR RESPONSIBILITY
AS AN EMPLOYER**

"المعلومة مهمة... وتحليلها أهم"

OUR EMPLOYEES

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

At DNI we believe that our people are the pillars of our strength and the pivotal determinant of our growth and resilience. We are committed to ensuring the safety and wellbeing of our people. Looking after our people and helping them develop and succeed is essential to the ongoing success of our business.

We are proud of the culture we have fostered at DNI and will continue to strive to create the best working practices supporting our employees' needs.

DNI's human capital strategy focuses on talent as a core capability that we want to keep developing. Our objective is not only to recruit and retain the best talent, but also recognise the value each employee brings to the company through their unique set of skills and experience. Our aim is to create an environment that is flexible and adaptive to the evolving needs of talented people.

We also focus on providing a healthy and positive working environment and in investing in our people and their wellbeing that helps us attract and develop the right talent, which in turn lead to increased productivity and provide the foundation for business success.

To improve efficiency in HR function, we are automating numerous HR processes in line with the company digitalization plan. We have also revamped our HR department and enhanced HR related policies and practices to ensure seamless experience for our employees.

We are a responsible and fair employer providing an inclusive work environment. We have zero tolerance for harassment, discrimination, or unfair treatment and we have necessary policies and grievance handling mechanism to deal with incidents of workplace misconduct and to protect employees' rights.

DNI relies on a diverse workforce to deliver its strategy. As at end of 2022 DNI had 133 full-time employees, 12% growth in human capital over last year. Majority of staffs are stationed in headquarters in Dubai.

Diversity and empowerment, personal development, employee well-being, career growth and recognition are key areas of focus that drive the continuous improvement in DNI's employee experience and encourage them to deliver the excellence in everything they do.

This section brings together our approach to maintaining a workplace culture enabling our employees to feel welcome, motivated, and supported professionally with great opportunities to grow.

DIVERSITY, INCLUSION, AND EQUALITY

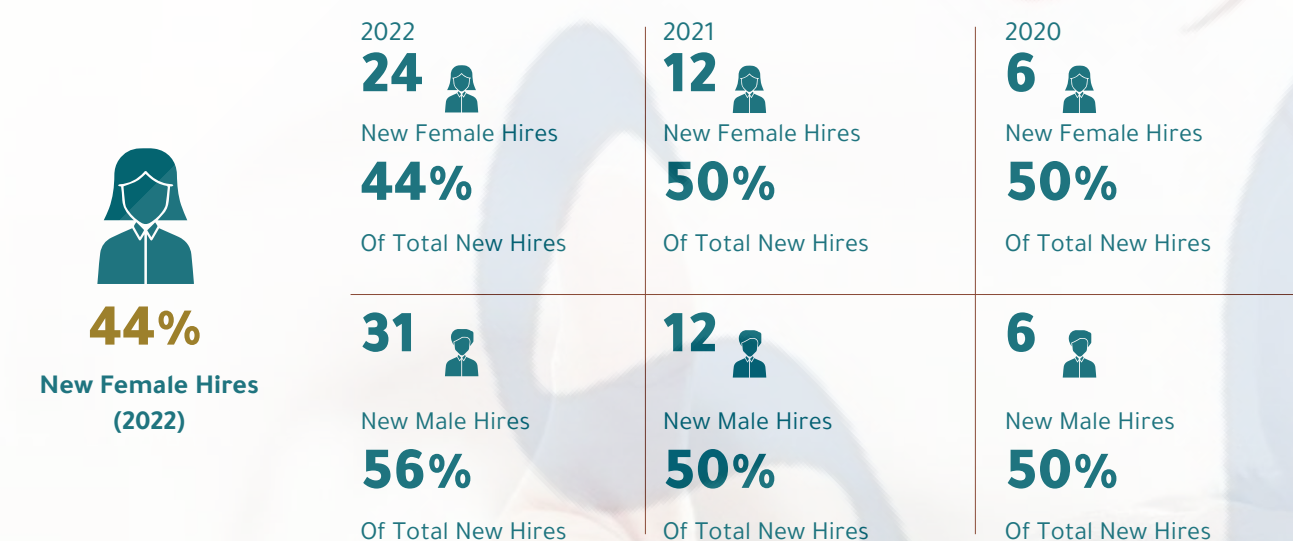
At DNI, we put people first by building a truly diverse and multicultural workforce and endeavoring to create an inclusive work environment where every individual feels welcomed, respected, and supported. We aim to foster a sense of belonging that celebrates and respects all individuals.

We promote and cultivate a culture of fairness, equity and inclusion where every member of the team can grow and succeed and is encouraged to positively contribute to our organization.

We measure the diversity of our workforce across several dimensions including age, nationality, gender, ethnicity and cultural background. We are proud to have a diverse workforce, currently composed of 17 different nationalities.

We believe that this culture is important not only because of our social responsibility but because having a diverse workforce of people from different experiences and backgrounds improves our performance as a business and makes us more innovative and better equipped to serve the diverse nature of UAE clients.

Total New Hires



	Below 30 Years old		30-50 Years old		Over 50 Years old	
	Number	Percentage	Number	Percentage	Number	Percentage
2022	15	27%	34	62%	06	11%
2021	06	25%	16	67%	02	8%
2020	05	42%	06	50%	01	8%

TOTAL EMPLOYEES BY JOB CATEGORY AND BY AGE GROUP

Year	ENTRY-LEVEL			MID-LEVEL			SENIOR-TO-EXECUTIVE LEVEL		
	>30 Y.O	30-50 Y.O	<50 Y.O	>30 Y.O	30-50 Y.O	<50 Y.O	>30 Y.O	30-50 Y.O	<50 Y.O
2022	22%	73%	5%	6%	78%	16%	0%	87%	13%
2021	29%	69%	2%	7%	78%	15%	0%	82%	18%
2020	22%	76%	2%	7%	78%	15%	0%	57%	43%

Year	Total Employees
2022	133
2021	119

TOTAL NUMBER OF NATIONALITIES



WORKPLACE SAFETY

Health and safety of our employees, clients and visitors is of utmost priority. We ensure that we have the right measures to mitigate physical safety risks and occupational hazards in our office premises and that the health and well-being of our people is not compromised. This is achieved through:

- Regular preventive building maintenance
- Proactive measures such as mock fire Drills for emergency response
- Regular Health and Safety awareness to staff
- Flu vaccination
- Regular Health checks
- Regular office sanitization

EMPLOYEE ENGAGEMENT

To enhance employee engagement and to foster a work environment with open communication, we encourage our employees to share their ideas and constructive feedback through various channels. As part of the enhancement in DNI HR processes, we will run formal engagement surveys in which employees are given an opportunity to provide feedback on their work environment, job satisfaction and company culture. This helps identify areas of improvement and show employees that their opinions are valued.



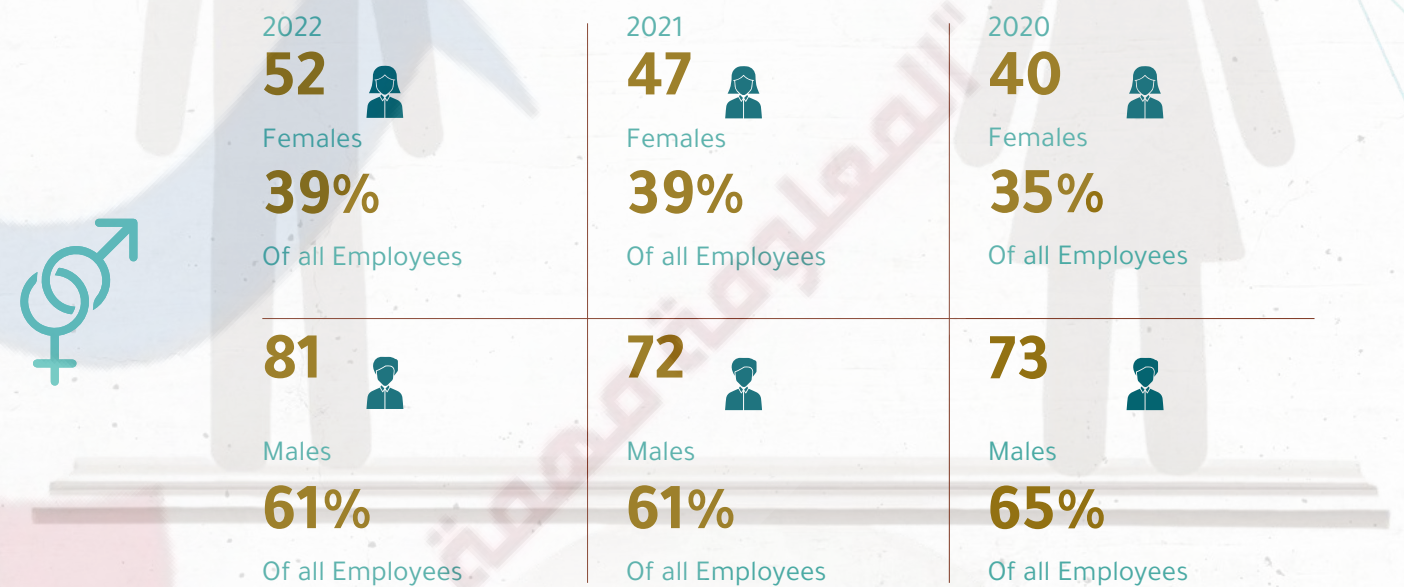
GENDER BALANCE

Being an equal opportunity employer, we foster a working environment where women feel safe and empowered. We consider gender balance is another important pillar of our approach to diversity and inclusion.

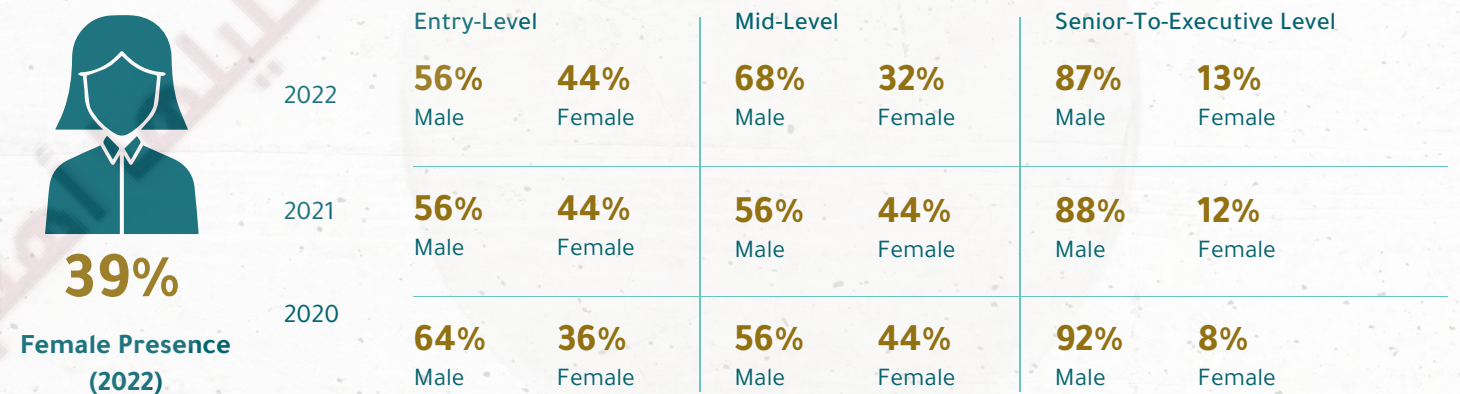
As part of enhancement to DNI HR Processes

In 2022, we continued the progress we made towards gender balance; we are committed to maintain the high representation of women within our teams which currently stands at 39% of the total workforce. females also represent 44% of our 2022 new hires. We will also look to provide more opportunities for women in leadership roles.

GENDER BREAKDOWN



TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER



TRAINING AND DEVELOPMENT

Continuous development of our workforce and employee empowerment are a source of strength to achieve our business goals. It also has positive impacts on employee's productivity, satisfaction, and retention, and allow them to stay abreast of emerging trends that enables us to better understand our customer's needs.

At DNI we aim to create a culture of learning that enables employees to drive performance and realize their potential, and we support them to identify their learning needs and plan their career development.

Among the training initiatives this year, we delivered in-house, external and online sessions covering core competencies focused on both technical and soft skills including topics such as:

- Financial crime and AML
- Compliance and Regulatory updates
- Underwriting and Pricing
- Claims management
- Information Security
- Quality Management

In 2022, we witnessed remarkable increase in the total number of training courses and in total number of training hours.

An induction process is in place aiming for helping new recruits adapt to their new job and workplace. Employees also receive regular performance evaluations and career development reviews.

Our employees and management team continued to have access to The Emirates Institute for Banking and Financial Studies (EIBFS) education program offering a variety of trainings in the field of insurance, risk management, financial crime, Information Technology and soft skills.

EMPLOYEE PERFORMANCE AND RECOGNITION

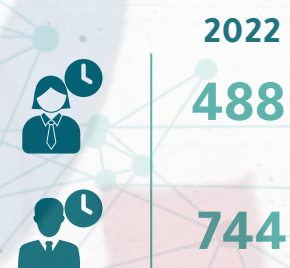
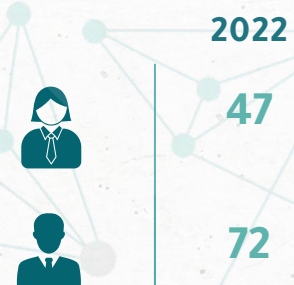
Our people are performance focused, and we emphasis on empowering them to deliver their best for DNI. Employees and their managers agree on performance objectives aligned with company strategic priorities for the year. Performance reviews are carried out periodically, the appraisal discussions are a chance for employees to reflect on their progress and achievements during the year, set new goals with their managers, discuss the support needed, and create their own personal development plans.

We understand that recognizing and rewarding employees for their achievement can go a long way in boosting morale and motivation. We organize internal Employee awards ceremonies periodically to recognize best performing individuals and departments in various categories and to celebrate successes, milestones, and contributions to DNI team.



TRAINING & DEVELOPMENT (TOTAL NUMBER OF EMPLOYEES)

TRAINING & DEVELOPMENT (TOTAL NUMBER OF HOURS)



WELLBEING AND SECURITY

We provide necessary means to help our employees staying healthy, maintaining physical, financial, and social wellbeing, helping to create a positive impact on both their work and personal lives and to build healthy relationships in the workplace.

SOCIAL WELLBEING

Employees are provided with opportunities to participate in CSR initiatives and volunteering activities to actively contribute to the community and society.

PHYSICAL WELLBEING

Our employees had the opportunity to work towards achieving their health goals by participating in the “Falcons Step Challenge” organized internally in collaboration with Wellx. The challenge rewards employees who achieve the weekly targets of steps.

EMOTIONAL AND HEALTH WELLBEING

On the occasion of the international women’s day we have provided various free benefits for our female employees, including:

- Mental health talk
- Basic Health check up
- Medical consultation
- Complimentary discount vouchers for medical supplements

In 2022 we have provided additional benefits in the form of subscriptions to loyalty programs for our employees and their families offering deals and discounts on a wide range of products and services in the UAE.

No work-related employee health incidents were reported in 2022.

FINANCIAL SECURITY

At DNI we care for the financial security of our people, we offer competitive compensation and benefits packages designed to create value for our employees. We also provide housing, company-paid health insurance, and life and personal accident insurance that are market-aligned. In addition, there are other components of the remuneration package, including variable pays such as bonus and performance based incentives.

PROFESSIONAL EDUCATION

The personal growth of each employee contributes to the success of the entire business, at DNI we continue to encourage employees to pursue personal development and provide them with opportunities to undertake insurance and non-insurance related education.

Our employees continue to take up professional certifications in various specializations related to their jobs.

DNI HAPPINESS COMMITTEE

DNI seeks to balance our employees' work and social life by engaging them and their families in several recreational social and physical activities which create strong social connections, boost their morale, and help build a successful and positive workplace.

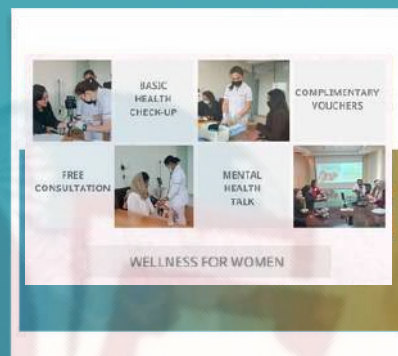
Happiness Committee 2022 Initiatives



WELLNESS FOR WOMEN

Every 8th March of each year we celebrate International Women's Day. Our initiative includes:

- Basic Health Checkup
- Free Consultation
- Mental Health Talk
- Free Health Vouchers



APPRECIATION DAY

DNI family recognizes and appreciates the dedication, hard work and efforts of our Unsung Heroes. They make DNI as better place.



EMPLOYEE BIRTHDAYS

We celebrate the Birthdays of each employee of DNI

- Cake Cutting Celebration every quarter



BLOOD DONATION DRIVE

As part of our CSR initiatives, our committee organized Blood Donation Drive wherein DNI employees donated blood.

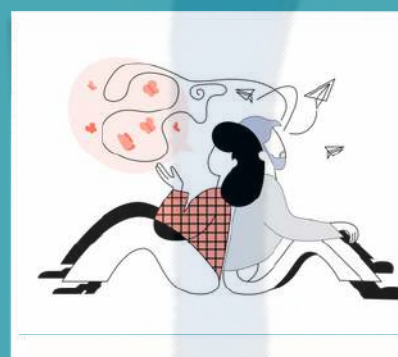
- I AM A BLOOD DONOR badge was given out to blood donors



MENTAL HEALTH PROGRAM

The wellbeing of our employees is our top priority specially their mental health.

- Webinar Session / Talks regarding the importance of Mental Health



UAE FLAG DAY

DNI celebrated UAE Flag Day by raising the flag in the presence of CEO, Mr. Abdulla Al Nuaimi, UAE Nationals & the DNI team.



EMPLOYEE WELLNESS

DNI in collaboration with Wellx conducted Falcon Steps Challenge. DNI employees registered to improve their health by stepping up to the Challenge.

Putting the right foot forward on their journey to wellness, DNI participants showed just how important it is to stay committed to working towards and achieving Health Goals.



UAE NATIONAL DAY CELEBRATION

On the 51st Emirati National Day, we gathered and celebrated this great nation and all it has contributed for the betterment of the nationals and residents of this generous country. The Happiness Committee organized:

- Live cooking
- Photo booth
- Wall Art
- Henna Art

It was a day full of happy memories.





**OUR ENVIRONMENTAL
IMPACT**

OUR ENVIRONMENTAL IMPACT

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

Environmental risks and climate change pose significant threats that the world must prepare for, It has substantial financial, social and environmental implications for current and future generations.

DNI's commitment to environmental stewardship has been key in our sustainability journey despite our relatively negligible environmental footprint given our business sector, and we are mindful of the impact that business might have on our environment. We are keen to manage and monitor environmental risks while seeking opportunities to leverage our products, people and investment to support a resilient planet and the use of natural resources sustainably.

At DNI, we work constantly to address our environmental responsibilities with clear goals and practical measures aiming mainly on minimizing our carbon footprint through measurable actions such as reducing energy consumption, waste management, reduction of paper use, greenhouse emission and employee engagement, in addition to investing in energy efficient technology and taking part in various environmental initiatives and practices.

Our approach to addressing environmental issues has following key focus areas:

1. MOVING TOWARDS ECO-FRIENDLY WORKPLACE

At DNI, we have progressed towards transition of our offices and operation into circular workplace by implementing various eco-friendly office actions such as:

- Significantly reduce paper use by opting to digital services as part of our paperless plan.
- Paper recycling initiatives
- Adopting sustainable automation procedures including eco-friendly printing system and e-signature applications
- Implementing energy-efficiency initiatives in our real estate portfolio

RESPONSIBLE ENERGY CONSUMPTION

- Switching to energy efficient devices in our offices and our buildings premises
- Awareness to staff on energy management

2. PROTECTING THE ENVIRONMENT THROUGH OUR PRODUCTS AND OFFERINGS

- We encourage use of eco-friendly vehicle alternatives such as electric vehicles by providing discounts on motor insurance
- We favor the integration of environmental factors into insurance operation, and we will continue to work with our reinsurers and partners to develop sustainable insurance services
- Support the transition to a low-carbon economy, we continue to provide climate-conscious products such as pedal cycle insurance introduced recently for public and for members of cycling federation of the UAE.
- We are also committed to embed climate consideration in our underwriting decision making and to guide our customers as they seek to evolve their business practices to minimize their environmental impact.





3. PROMOTING SUPPLY CHAIN SUSTAINABILITY

DNI aims at embedding ESG criteria in the procurement process in the future to ensure that not only we are promoting local suppliers, but also dealing with suppliers who have taken actions towards reducing their environmental impact.



4. GREENHOUSE GAS EMISSIONS

We continuously assess how to baseline greenhouse gas emissions to better understand our carbon footprint from our insurance operations and make plans necessary to address these emissions in support of the UAE's net zero target.

We used the GHG protocol to compute our greenhouse gas emissions for our Dubai headquarters and our branch in Abu Dhabi. We have also included the electricity (Scope 2) and water consumption (Scope 3) of the common areas of both our owned buildings located in Dubai.

DNI's own direct scope 1 GHG emissions include company cars' direct energy consumption (fuel). Scope 2 emissions comprise the energy consumption of our offices and of our two owned buildings. For DNI, most of our GHG emissions stem from our investments, including the owned buildings.



5. EMPLOYEE ENGAGEMENT

We support our employees in playing their part in climate action and they lead our efforts to achieve our sustainability goals. Our responsibility is to increase their awareness on environmental issues and encourage them to co-create and participate in sustainability practices.



6. WASTE MANAGEMENT

Waste management and safe disposal are essential for conserving the environment thereby achieving sustainable development. Although DNI does not produce hazardous waste, we intend to implement eco-friendly practices to reduce and recycle the waste produced in our offices by adopting responsible waste management initiatives such as:

- Reduce wastepaper through conscious efforts from our employees
- Reduce paper usage supported by digitalization.
- Paper-Recycling program
- Proper disposal of electronic waste in coordination with local authorities
- Supporting the local community

OUR ENERGY & GHG EMISSIONS DATA

The below tables cover our Scope 1 & 2 energy consumption and GHG (Greenhouse Gas) as they relate to our operation (including our Dubai headquarters and Abu Dhabi branch). We have also initiated our Scope 3 GHG emissions computation by including water consumption, business travel, and waste as they pertain to our operation. In addition, we have also included as part of our Scope 2 and 3 emissions computation electricity and water consumption from our two owned commercial buildings in Dubai.

Energy Consumption

ENERGY CONSUMPTION IN GJ	2020	2021	2022
Direct Energy (Fuel)	859.38	408.63	464.81
Indirect Energy (Electricity from workplace)	632.13	651.27	617.4
Indirect Energy (Electricity from owned buildings)	16,769.87	16,468.91	15,178.91
Total Energy Consumption	18,261.38	17,528.81	16,261.12

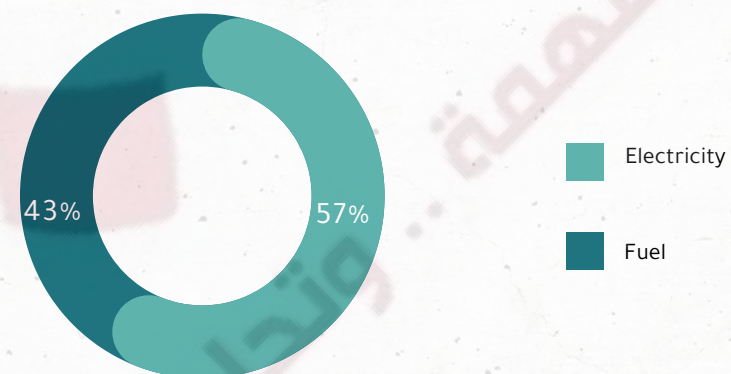
ENERGY CONSUMPTION IN GJ PER EMPLOYEE	2020	2021	2022
Direct Energy (Fuel)	7.61	3.43	3.49
Indirect Energy (Electricity from workplace)	5.59	5.47	4.64
Energy Intensity	13.20	8.90	8.13

GHG Emissions

TOTAL GHG EMISSIONS (MT CO2 e)	2020	2021	2022
Direct Energy - Scope 1 Emissions	55.57	26.74	28.06
Indirect Energy - Scope 2 Emissions (from workplace)	74.77	77.03	74.02
Indirect Energy - Scope 2 Emissions (from owned buildings)	1983.56	1,947.96	1824
Indirect Energy - Scope 3 Emissions	6,046.43	5,697.22	6388.6
Total Emissions	8,160.33	7,748.95	8,315.4

GHG EMISSIONS INTENSITY MT CO2 PER EMPLOYEE	2020	2021	2022
Direct Energy - Scope 1	0.49	0.22	0.21
Indirect Energy - Scope 2 (from workplace)	0.66	0.64	0.55
Indirect Energy - Scope 3	53.51	47.88	48.03
Total Emissions Intensity	54.66	48.75	48.79

2022 Energy Mix



Water Consumption (in m3)

From Operation & Owned Buildings

	2020	2021	2022
Total Water Consumption	9,624.77	8,964.37	10,052.37

GOOD GOVERNANCE

"تنظيها أهم"

"العملية مهمة"



GOOD GOVERNANCE

(GRI 2-9, GRI 2-10, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-19, GRI 2-18, GRI 2-24, GRI 2-27, G1, G2, G6, S10)

DNI believes that sound corporate governance allows a company to achieve its strategic objectives, control its risks and deliver value to stakeholders. DNI is committed to corporate governance standards encouraging integrity, responsibility, and decision-making mechanism which are essential to the company's development and to ensuring shared value is created sustainably.

OUR OWNERSHIP STRUCTURE

Below table and graph outline our ownership structure as of December 31, 2022:

	Actual
National	99.38%
GCC	0%
Foreign	0.62%



OUR GOVERNANCE STRUCTURE

Our Board of Directors is composed of seven members, four of which are independent. We are committed towards building gender diversity and inclusivity in our board composition, we currently have one female board member. The Board plays a key role in overseeing the implementation of the corporate strategies, business plans and ESG practices.

We believe that the diverse and reputed experience of our Board of Directors and our leadership brings immense confidence in our vision to ensure the growth and prosperity of the business.

There are four committees that support the board, each responsible for key functions to ensure good governance. Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Investment Committee.

Below is highlight of our governance structure:



INTERNAL CONTROL AND COMPLIANCE

Effective internal control system is crucial to adherence to best business practices and to ensuring compliance with applicable laws and regulations. Our internal audit plays key role as a third line of defence in reviewing the effectiveness of the internal control processes through a risk-based audit plan and work closely with management to implement recommended improvements.

We have in place the necessary internal control and compliance policies and guidelines aimed at encouraging employees to uphold the best practices in accountability and integrity, at complying with regulatory guidelines and at ensuring that an ethical and moral professional work environment is maintained. The key focus areas Quality Management System (QMS) policies, Process and Procedures, Employee handbook, code of conduct, AML/CTF policies, and whistleblowing policy.

OUR WHISTLE-BLOWING POLICY

We are committed to providing a work environment where business is conducted in a fair and transparent manner and that it is free from any acts of fraud or misconduct. To that matter, we encourage our employees to voice out their concerns and expect unbiased support from the management. Our whistleblowing policy encourages an ethical culture by encouraging people to report instances of misconduct and provides a process to allow staff and service providers to report any alleged improper conduct without fear of retaliation.

ENHANCED AML FRAMEWORK

During 2022 we have enhanced our AML/CFT framework and updated the policies and procedures for money laundering and combatting terrorist financing. We have also implemented a new sanction screening and customer risk assessment tools to improve the financial crimes related controls and governance. Regular AML trainings are organized for employees and management team to ensure company-wise awareness.

PROCUREMENT PROCEDURES

As part of our quest for operational excellence, we also have a robust procurement system in place with clear procedures that govern the purchase of all goods and services. The system helps to optimise costs and ensures we only deal with credible suppliers that are looking to establish a long-term working relationship.

RISK MANAGEMENT

An effective and embedded risk management framework is integral to the successful delivery of business strategy and to maintaining successful business operations and creating sustainable long-term value for stakeholders. This is achieved through a risk culture embodied across the company, characterized by an active role of leadership, risk communication, and contribution by management and staff.

Our risk profile includes key internal and external risks that insurance company is faced with, and it is crucial that those risks are understood, mitigated and monitored, and that the management of those risks supports the strategic and operational and decision-making process. The risk committee oversees the implementation of risk management framework and discusses risk and control measures.

ENGAGING WITH OUR SHAREHOLDER

We engage and connect with our shareholders through various means including email, the stock market website, and our social media platforms. We also follow the requirements for disclosure and publish financial and non-financial information as per timelines. Our Investor Relations Department ensures that shareholders are always supported and regularly informed, and a dedicated section on our website is created to keep investors updated.



ABOUT THIS REPORT

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G8, G9, G10)

REPORTING SCOPE

This is the 2022 Sustainability Report for Dubai National Insurance & Reinsurance P.S.C. (DNI) covering the period between January 1 and December 31, 2022, unless stated otherwise.

DNI is a public shareholding company incorporated in Dubai on January 6, 1992. The Company is engaged in insurance and reinsurance of all classes of business in accordance with the provisions of the UAE Federal Law No. 6 of 2007 relating to insurance companies and insurance agents.

BASIS OF PREPARATION

This report has been prepared in accordance with the GRI Standards (GRI): Core Option and is aligned with Dubai Financial Market's ESG metrics. In addition, the report outlines DNI's impact on those Sustainable Development Goals that are material to its operation.

EXTERNAL ASSURANCE

The financial data included in the report has been extracted from our Financial Statements which have been independently audited by recognised audit firms. Our audited financial statements can be found annexed to this report.

DISCLOSURE REFERENCES

References to the GRI Standards as well as the Dubai Financial Market's ESG metrics can be found next to each section title. In addition, a content index is included at the end of this report which outlines all the GRI and DFM disclosures on which DNI has reported.

DISCLAIMER

This report has been prepared by DNI to provide information about our sustainability performance during the reporting period. While we made every effort to ensure the accuracy and completeness of the information presented in this report it should be noted that this information is subject to limitations, and it is not exhaustive and does not cover every aspect of our business activities.

Some of the information presented in this report might be progressive and forward looking, and is based on estimates, assumptions, and projections, and is therefore subject to uncertainty. Forward-looking statements involve uncertainty given the many external factors that could impact the environment in which DNI operates.

DNI assumes no obligation to publicly update any information made in this sustainability report. This communication is not intended as a recommendation to buy, sell, or hold securities.

Communication & Feedback

For any comments, questions, or feedback about this report, please contact the Investor Relationship Department on the following:

Email: investor@dni.ae
Phone: 600 5 80000

GRI & DFM CONTENT INDEX

GRI 1: FOUNDATION 2021

Statement of use DNI has reported the information mentioned in this GRI content index for the period 1 January - 31 December 2022 in accordance with the GRI standards

GRI 2: GENERAL DISCLOSURES

GRI DISCLOSURE	CONTENT	DFM DISCLOSURE	REFERENCE SECTION	NOTES
The Organisation and its reporting practice				
2-1	Organizational details	G8: Sustainability Reporting G9: Disclosure Practices G10: External Assurance	12, 2	
2-2	Entities included in the organisation's sustainability reporting	G8: Sustainability Reporting G9: Disclosure Practices	12.2	
2-3	Reporting period, frequency and contact point		12	
2-4	Restatements of information	G10: External Assurance	12	
2-5	External Assurance	G10: External Assurance	12	
Activities and workers				
2-6	Activities, value chain and other business relationships		2	
2-7	Employees	S3: Employees Turnover S4: Gender Diversity	9	
2-8	Workers who are not employed			
Governance				
2-9	Governance structure and composition	G1: Board Diversity	11	
2-10	Nomination and selection of the highest governance body	G2: Board independence	11	
2-11	Chair of the highest governance body			
2-12	Role of the highest governance body in overseeing the management of impacts		11	
2-13	Delegation of responsibility for managing impacts			
2-14	Role of the highest governance body in sustainability reporting	G3: Incentivized pay	11	
2-15	Conflicts of interest	G7: Ethics & Anti-Corruption	11	
2-16	Communication of critical concerns			
2-17	Collective knowledge of the highest governance body			
2-18	Evaluation of the performance of the highest governance body			
2-19	Remuneration policies	G3: Incentivized pay S2: Gender Pay ratio		
2-20	Process to determine remuneration	S2: Gender Pay ratio		
2-21	Annual total compensation ratio	G3: Incentivized pay S1: CEO pay ratio S2: Gender Pay ratio		

Strategies, policies, and practices				
2-22	Statement on sustainable development strategy	E8: Environmental Oversight E9: Environmental Oversight	5, 6	
2-23	Policy commitments		5, 6, 10	
2-24	Embedding policy commitments			
2-25	Processes to remediate negative impacts			
2-26	Mechanisms for seeking advice and raising concerns			
2-27	Compliance with laws and regulations	E7: Environmental Operations	11	
2-28	Membership associations		2	
Stakeholder engagement				
2-29	Approach to stakeholder engagement		5	
2-30	Collective bargaining agreements			
GRI 3: MATERIAL TOPICS				
3-1	Process to determine material topics		5	
3-2	List of material topics		5	
3-3	Management of material topics		5	
GRI 201: Economic Performance 2016 (topic specific)				
3-3	Topic management disclosure. (Management approach GRI 3)		5	
201-1	Direct economic value generated and distributed		4	
GRI 202: Market Presence 2016 (topic specific)				
3-3	Topic management disclosure. (Management approach GRI 3)		8	
202-2	Proportion of senior management hired from the local community	S11: Nationalisation	8	
GRI: 203: Indirect Economic Impacts 2016				
3-3	Topic management disclosure. (Management approach GRI 3)			
203-2	Significant indirect economic impacts			
GRI 204 : Procurement Practices 2016				
204-1	Proportion of spending on local suppliers		8	

GRI 205: Anti-corruption 2016				
3-3	Topic management disclosure. (Management approach GRI 3)		5	
205-1	Operations assessed for risks related to corruption		11	
205-2	Communication and training about anti-corruption policies and procedures	G6: Ethics and anti-corruption	11	
205-3	Confirmed incidents of corruption and actions taken\			
GRI 302: Energy 2016 (topic specific)				
302-1	Energy consumption within the organization	E10: Climate risk mitigation E3: Energy usage	10	
302-2	Energy consumption outside of the organization	E4: Energy Intensity E5: Energy Mix	10	
302-3	Energy intensity	E4: Energy Intensity E5: Energy Mix	10	
GRI 303: Water and Effluents 2018 (topic specific)				
303-5	Water consumption	E6: Water usage	10	
GRI 305: Emissions 2016 (topic specific)				
3-3	Topic management disclosure. (Management approach GRI 3)	E8: Environmental Oversight E9: Environmental Oversight	10	
305-1	Direct (scope 1) GHG emissions	E1: GHG emissions	10	
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG emissions	10	
305-3	Other indirect (Scope 3) GHG emissions	E1: GHG emissions	10	
305-4	GHG emissions intensity	E1: GHG emissions E2: GHG emissions intensity	10	
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	S3: Employee Turnover	9	
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees		9	
401-3	Parental Leave			
GRI 403: Occupational Health and Safety 2018 (topic specific)				
403-1	Occupational health and safety management system	S8: Global health and safety	9	
403-9	Work-related injuries	S7: Injury rate	9	

GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee		9	
404-2	Programs for upgrading employee skills and transition assistance programs		9	
404-3	Percentage of employees receiving regular performance and career development reviews		9	
GRI 405: Diversity and Equal Opportunity 2016 (topic specific)				
405-1	Diversity of governance bodies and employees	S4: Gender diversity S11: Nationalization G1: Board diversity	9	
405-2	Ratio of basic salary and remuneration of women to men			
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	S6: Non-discrimination		
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	S11: Nationalisation S12: Community Investment	8	
GRI 417: Marketing and Labelling 2016				
417-2	Incidents of non-compliance concerning product and service information and labelling		7	
417-3	Incidents of non-compliance concerning marketing communications		7	
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7: Data privacy		

2022

CORPORATE GOVERNANCE REPORT

"وتحليلها أهم"

"المعلومة مهمان"

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2022

First: Corporate Governance Practices:

Dubai National Insurance & Reinsurance (P.S.C) is committed in the implementation of corporate governance controls of joint stock companies, in light of its vision on the importance of these rules towards achieving the desired objectives of protecting the Company's financial system against crises, providing protection to shareholders, enhancing transparency, and meeting the necessary standards for responsibility, integrity, and transparency.

In 2022, the Company effectively implemented the governance principles issued by the Securities and Commodities Authority (SCA). The Board and its committees completed their duties and entrusted terms of reference in accordance with the governance rules.

Second: Board of Directors' member's transactions with the company:

The Directors, their spouses, and children are bound by the general rules of disclosure and transparency approved by the Board with regard to dealing and trading in Company's shares in light of the provisions and laws of the SCA and the company memorandum of association.

A statement of the securities transactions of Directors, their spouses, and children during 2022, is delineated in the following table:

Name	Title/Relationship	Shares owned as at 31/12/2022	Total Sale Transactions during 2022	Total Purchase Transactions During 2022
Mr. Khalaf Ahmad Mohammed Al Habtoor	Chairman	30,061,508	N/A	N/A
Mr. Sultan Ahmad Al Habtoor	Vice Chairman	3,527,381	N/A	N/A
Mr. Ahmad Khalaf Ahmad Al Habtoor	Chairman Son	19,404	N/A	N/A
Al Habtoor Investment (LLC)	A company owned by Mr./Khalaf Ahmad Mohammed Al Habtoor and others	32,649,636	N/A	N/A
Dubai National Investment LLC	A company owned by Mr./Khalaf Ahmad Mohammed Al Habtoor and others	11,800,000	N/A	11,800,000
Sultan Ahmad Al Habtoor Investment Group LLC	A company owned by Mr./Sultan Ahmad Al Habtoor and others	8,180,314	N/A	N/A

Beyond that, none of the Company's shares are owned by any of the spouses of the Chairman and Directors or their other children.

Moreover, the Chief Executive Officer of the Company and its employees, who have access to the Company's confidential data, did not deal or trade in the Company's securities during 2022.

Third: Board of Directors Composition:

A. On 17/03/2021, the Directors were elected for three-year from FY 2021 to the end of FY 2023. The Board is currently composed of five academically qualified Directors with high skills and vast experience both at the administrative and economic levels. The Directors are as follows:

S/N	Name	Title	Category	Experience and Qualifications	Membership Period from	Membership and titles at any other joint stock company	Membership and title at any significant regulatory, governmental or commercial entities
1	Mr. Khalaf Ahmad Al Habtoor	Chairman	Non-Independent Non-executive Director	One of the most prominent businessmen in UAE who is highly reputable in the business community. He holds several honorary doctorates from the world's finest universities such as an honorary doctorate from the American University in Cairo in recognition of his continuous efforts in promoting intercultural understanding, supporting humanitarian causes, and promoting Scientific research in June 2014, an honorary doctorate in humanities from the University of Illinois in May 2010, and an honorary doctorate in humanities from the American University of Science and Technology in Beirut, founder and Chairman of the Al Habtoor Group with more than 40 years of experience in the field of business administration and economic entities.	1991	N/A	Chairman of Al Habtoor Group
2	Mr. Sultan Ahmad Al Habtoor	Vice Chairman	Non-Independent Non-executive Director	One of the most prominent businessmen in UAE. One of the most prominent businessmen in UAE. He holds a BS from UAE University. The Chairman of Al Habtoor Motors with more than 35 years of practical experience.	1991	N/A	Chairman of Al Habtoor Motors
3	Mr. Mohammed Khalaf Al Habtoor	Managing Director	Non-Independent Executive Director	A businessman. A holder of a Bachelor's degree in business administration from the finest British universities. He holds many positions in the Al Habtoor Group until he served as the Vice Chairman of Al Habtoor Group with more than 20 years of practical experience.	2003	N/A	Vice Chairman of Al Habtoor Group
4	Mr. Abdulla Fadhel Al Mazrooei	Director	Independent Non-executive Director	A businessman. He is the founder and Chairman of many private companies.	2016	N/A	N/A
5	Dr. Fatema Ahmed Al Otaiba	Director	Independent Non-executive Director	A business woman. She headed many administrative positions in many institutions and associations.	2021	N/A	N/A
6	Mr. Mohammed Abdulla Al Haj	Director	Independent Non-executive Director	A businessman. He headed many administrative positions in many institutions and associations.	2021	N/A	N/A
7	Mr. Ebrahim Juma Al Madani	Director	Independent Non-executive Director	A businessman. He headed many administrative positions in many institutions and associations.	2021	N/A	N/A

B. Statement of the percentage of female Directors on the Board of Directors for 2022:

On March 17, 2021, Dr. Fatima Ahmed Al Otaiba was elected as an independent, non-executive board member. Dr. Fatima Ahmed Al-Otaiba is the first woman to win membership in the Board of Directors of Dubai National Insurance and Reinsurance Company.

C. Statement of the reasons for not nominating/electing female directors on the Board of Directors:

N/A

D. Statement of the Remunerations of Directors:

According to the Company's memorandum of association, and pursuant to the above decision, the bonus of directors shall be determined through a proposal or recommendation submitted by the board to the General Assembly. Accordingly, the following actions were taken:

1- Remunerations of directors paid in 2021:

The total remunerations of the directors paid in 2021 was AED 5,543,838/- knowing that the directors did not receive any allowances for attending board meetings or its committees during 2021 being content with the designated bonus.

2- Total proposed Remunerations of the directors for 2022 to be presented at the Annual General Assembly Meeting for approval:

As for 2022, and in accordance with the above, the bonus of directors to be submitted to the General Assembly for approval is AED 4,287,108/-

3- Detailed statement of the attendance allowances for the meetings of the board committees held in FY 2022:

The directors did not receive any allowances for attending the meetings of the board committees during 2022.

4- Details of the additional allowances or salaries or fees received by a member of the Board of Directors, other than the allowances for attending committees, and their reasons.

There's no received additional allowances or salaries or fees by a member of the Board of Directors.

E. Board Meetings:

The board held six meetings in 2022. The following are the dates of these meetings, attended by directors as shown in the below table:

Meeting	Date	Attendance
First	14/02/2022	All directors attended
Second	28/03/2022	All directors attended
Third	13/05/2022	All directors attended
Fourth	05/08/2022	All directors attended
Fifth	30/09/2022	All directors attended Except Mr. Ebrahim Juma Al Madani
Sixth	04/11/2022	All directors attended Except Dr. Fatema Ahmed Al Otaiba

F. Number of the Board resolutions passed during the 2022 fiscal year, along with its meeting convention dates.

There are no decisions passed by the Board of Directors during the fiscal year 2022.

G. Duties and terms of reference delegated by the board to the executive management:

The following duties and terms of reference were delegated to the executive management, represented by:

1. Mr./ Mohammed Khalaf Al Habtoor

- **Capacity:** Managing Director - Head of Investment Committee
- **Duties and Powers:** Shall be as follows: -

Powers	Duration
<p>*Various powers related to management and supervision of the company's business, for example:</p> <ul style="list-style-type: none"> o Managing the company and presiding committees. o Representing the company and carrying out all acts required by its purpose and signing on all the company's transactions documents and correspondence related to its administrative, legal and technical activities inside and outside the United Arab Emirates. o Legal representative of the company before the courts and before all official, governmental and non-governmental bodies and in its relationship with third parties and all its transactions and correspondence related to its activities inside and outside the United Arab Emirates. o Signing the extract of the Board of Directors meetings o Delegating and appointing lawyers to represent the company and on its behalf in all cases, whether filed by it or against it, before all courts in the United Arab Emirates or abroad of various degrees and types, according to what is stated in Article 58 of the Civil Procedural Law, and he has the right to delegate others in all of the above or some and dismiss them. 	<p>The validity of these powers shall be 3 years starting from the election date of the current board and shall expire at the end of its term by the end of FY 2023.</p>

2. Mr./ Abdulla Al Nuaimi

- **Capacity:** Company's Chief Executive Officer –Member of the Investment Committee & Risk Committee.
- **Duties and Powers** shall be as follows: -

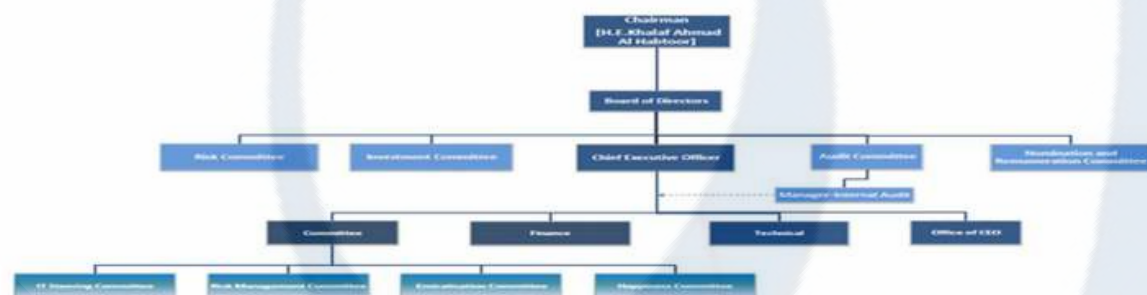
Powers	Duration
<p>* Various powers related to management and supervision of the company's business, for example:</p> <ul style="list-style-type: none"> o Managing the company and presiding over internal committees o Representing the company and carrying out all acts required by its purpose and signing on all the company's transactions documents and correspondence related to its administrative, legal and technical activities inside and outside the United Arab Emirates. o Legal representation of the company before the courts and before all official, governmental and non-governmental bodies and in its relationship with third parties and all its transactions and correspondence related to its activities inside and outside the United Arab Emirates. o Signing the extract of the Board of Directors meetings o Delegating and appointing lawyers to represent the company and on its behalf in all cases, whether filed by it or against it, before all courts in the United Arab Emirates or abroad of various degrees and types, according to what is stated in Article 58 of the Civil Procedural Law, and he has the right to delegate others in all of the above or some and dismiss them. 	<p>The validity of these powers shall be 3 years starting from the election date of the current board and shall expire at the end of its term by the end of FY 2023.</p>

H. A statement of the details of transactions made with the related parties (stakeholders):

During 2022, the Company, as a part of its regular work duties, has collected premiums and paid compensation to other parties under the description of shareholders in accordance with International Accounting Standards. In their totality, the premiums and compensations were related to transactions involving Al Habtoor Group LLC., a company owned by the Chairman of Dubai National Insurance & Reinsurance P.S.C. and its associates providing insurance services. The details of the transactions made between shareholders are as follows:

	2022 AED 000
Written Premiums	70,826
Paid Claims	10,764
Paid Commissions	2,145
Agency and Non-agency Repairs	23,766

I. Organizational Structure of the Company:



J) Executives of the company, their titles, date of appointment, and total salaries:

S.N.	Title	Date of Appointment	Total salaries and allowances paid in 2021 (AED)	Total bonuses paid in 2022 (Bonuses) (AED)	Any other cash / in-kind bonuses, in 2021 or due in the future
1	Chief Executive Officer	11/04/2021	1,157,004	Not yet determined	N/A
2	Chief Technical Officer	03/01/2016	558,139	Not yet determined	N/A

Fourth: External Auditor:

A. About the Auditor:

Messrs. Grant Thornton International Ltd (GTIL) is an external audit firm, one of the world's leading international companies, which incorporates a number of member companies that independently provide and manage auditing, accounting and consulting services. The firm has more than 500 offices, including 14 offices in the MENA region, and 30,000 employees around the world to support corporate operations. Its clients in UAE include a wide range of entities including insurance companies, multinational companies, government institutions, non-profit organizations, and social, financial, and industrial development funds, in addition to manufacturing and energy sectors.

B. Statement of the fees and costs for the External Audit are as follows:

Audit Firm Name	Grant Thornton International Ltd (GTIL)
Auditor Partner Name	Mr. Farouk Mohamed
Numbers of years served as the Company's External Auditor	2
Numbers of years that the Auditor Partner audited the Company's financial Statements.	2
Fees for auditing financial statements of 2022 (AED)	200,000

*There are no other services performed by an external auditor other than the company's auditor during the year 2022.

C. The Company's Auditor has no reservations.

Fifth: Audit Committee:

A. Abdulla Fadhel Al Mazrooei, as a Head of Audit Committee, acknowledges my responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.

B. Audit Committee members, specialization and functions:

	Name	Title
1	Mr. / Abdulla Fadhel Al Mazrooei	Director (Independent) and Head of the Committee
2	Mr. / Ebrahim Juma Al Madani	Director (Independent)
3	Mr. / Medhat Moheb Elabd	Financial and accounting expert

Duration of the Committee:

The work term of the Committee, with the above stated composition, shall be three years and shall expire with the election of a new board in early 2024.

Committee work system:

The Audit Committee shall hold its meeting at least once every three months or whenever necessary. Moreover, the Rapporteur shall keep the minutes of its meetings and final copies thereof shall be sent to the members after being approved for keeping purpose.

Duties and obligations of the Committee:

The Duties and obligations of the committee include the following:

- Develop and implement the contracting policy with the External Auditor, submit a report to the board specifying the significant findings that need an action to be taken, and recommend the steps necessary to be implemented.
- Follow-up and control the independency and objectivity of the External Auditor, in addition to discussing the nature and scope of the Audit and its effectiveness in accordance with the approved auditing standards.
- Control the integrity of the annual, semi-annual and quarterly financial statements and reports of the company and review them as a part of their regular work duties during the year and after closing the accounts in any given quarter. The Committee should focus, in particular, on the following:
 - 1) Making any changes to the accounting policies and practices.
 - 2) Making substantial modifications resulting from the Audit.
 - 3) Complying with accounting standards determined by the Authority.
 - 4) Complying with the principles of inclusion, disclosure and other legal requirements related to the preparation of financial reports.
- Coordinate with the board, Executive Management, and Chief Finance Officer, or the Acting Chief Finance Officer or Manager, to perform its duties. The Committee should hold meetings with the external auditors of the Company at least once a year.
- Review the financial control, internal control, and risk management systems of the Company.
- Discuss the internal control system with the administration and ensure that it fulfills its duty by establishing an effective internal control system.
- Consider the results of major investigations on internal control issues assigned to it by the board or through the initiative of the Committee itself and the approval of the Management.
- Review the financial and accounting policies and procedures of the Company.
- Review the statement of the external auditor's statement, its work plan and address any substantial inquiries submitted by the auditor to the Executive Management regarding accounting records, financial accounts or control systems to be rejected or approved.
- Ensure that the board responds, in a timely manner, to the requests of clarifications and material findings raised in the statement of the external Auditor.
- Ensure the application of the work regulations regarding the duties and the powers assigned to the Committee by the board.
- Submit a report to the board on the issues mentioned in this clause.
- Following-up and supervising the transactions of insiders preparing a register and submitting relevant reports.
- Consider any other issues determined by the board.

C. Number and details of meetings held by the Audit Committee during the year:

The Audit Committee held four meetings in 2022 attended by the members as shown in the below table:

Meeting	Date	Attendance
First	04/02/2022	All members attended
Second	06/05/2022	All members attended
Third	22/07/2022	All members attended
Fourth	27/10/2022	All members attended

Sixth: Nomination and Remuneration Committee:

A. Abdulla Fadhel Al Mazrooei, as a Head of Nomination & Remuneration Committee, acknowledges my responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.

B. Nomination and Remuneration Committee members, specialization and functions:

	Name	Title
1	Mr./ Sultan Ahmad Al Habtoor	Vice Chairman (Non-Executive)
2	Mr./ Abdulla Fadhel Al Mazrooei	Director (Independent) and Head of the Committee
3	Mr./ Mohammed Abdulla Al Haj	Director (Independent)

Duration of the Committee:

The Duties and obligations of the committee include the following:

The work term of the Committee, whose composition is as described above, shall be three years and shall expire with the election of new board in early 2024.

Committee work system:

The Nomination and Remuneration Committee shall hold its meeting at least once a year, or whenever necessary. Moreover, the Rapporteur shall keep the minutes of its meetings. In addition, all committee members shall review the draft minutes of the committee's meetings before approval and final copies thereof shall be sent to the members after being approved for keeping purpose.

Duties and Obligations of the Committee:

- Ensuring the independency of its independent members on continuous basis.
- Preparing the Company's policy for bonuses, benefits, incentives and salaries, in addition to reviewing it annually.
- Identifying the key competencies needed by the Company at the level of senior executive management and staff, as well as setting the key selection criteria.
- Preparing the Company's human resources and training policy, monitoring its application, and reviewing it annually.

C. A statement of the number and details of meetings held by the Committee during the current fiscal year:

The Nomination and Remuneration Committee held two meetings in 2022 attended by the members as shown in the below table:

Meeting	Date	Attendance
First	18/07/2022	All members attended

Seventh: Supervision and Follow-up Committee of Insiders' Transaction:

In 2021; the members of the Board of Directors, as stipulated in Article (33) of SCA'S Board of Directors' Decision no. (3/Chairman) of 2020, assigned the tasks and system of following up and supervising the transactions of insiders to the Audit Committee.

Eighth: Other Committees:

***Risk Committee:**

A. **Khalaf Ahmad Al Habtoor**, as a Head of Risk Committee, acknowledges my responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.

B. Risk Committee member's specialization and functions:

	Name	Title
1	Mr. Khalaf Ahmad Al Habtoor	Chairman - Head of the Committee
2	Mr. Sultan Ahmad Al Habtoor	Vice Chairman - Deputy Head of the Committee
3	Mr. Abdulla Fadhel Al Mazrooei	Director (Independent)
4	Mr. Abdulla Al Nuaimi	Chief Executive Officer Of the Company

Duration of the Committee:

Duration of the Committee as described above is three years ending with the election of a new board of directors at the beginning of 2024.

Committee work system:

- The committee meets once every three months or whenever the need arises, at the invitation of its chairman or his deputy in his absence.
- The meeting of the committee is legal in the presence of at least three members, and the committee takes its recommendations by a majority vote of the attendees, and in the event of a tie, the vote of the chairman shall prevail.
- The minutes of its meetings shall be kept by the Board Secretary, provided that copies of the minutes are sent to the members of the Committee after its approval to keep them with them.

Duties and Obligations of the Committee:

The Duties and obligations of the committee include the following:

- Develop a comprehensive risk management strategy and policies that are consistent with the nature and size of the company's activities, monitor their implementation, review and update them based on the company's internal and external changing factors.
- Develop a risk management policy and establish its own system to show the risks associated with the investment and expected for each asset, which may result in potential losses if not dealt with appropriately, with the identification of the risk and its degree and the strategy or alternative tools that can be relied upon to remedy it, deal with it or transfer it in the event its occurrence.
- Determine and maintain an acceptable level of risks that the company may face, and ensure that the company does not exceed this level.

- Overseeing the company's risk management framework and evaluating the effectiveness of the framework and mechanisms for identifying and controlling risks that threaten the company to identify areas of inadequacy and adequacy.
- Provide guides to management as needed to help it improve its risk management practices and/or mitigate specific risks, including having qualified personnel at the management level to carry out risk management activities effectively.
- Ensure the availability of adequate resources and systems to manage risks.

C. Number of meetings held by the Risk Committee during the year and their details:

The Committee held one meeting in 2021 and the members of the Committee attended, as follows:

Meeting	Date	Attendance
First	08/04/2022	All members attended
Second	15/07/2022	All members attended
Third	14/10/2022	All members attended

***Investment Committee:**

A. **Mohammed Khalaf Al Habtoor**, as a Head of Investment Committee and Managing Director, acknowledges my responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.

B. Investment Committee members, specialization and functions:

	Name	Title
1	Mr. Mohammed Khalaf Al Habtoor	Managing Director - Head of the Committee
2	Mr. Abdulla Fadhel Al Mazrooei	Director (Independent) - Vice Chairman of the Committee
3	Mr. Abdulla Al Nuaimi	Chief Executive Officer of the company
4	Mr. Teran Prasanna	Finance Manager

Duration of Committee:

The duration of the committee as described above is three years ending with the election of the new Board at the beginning of 2024.

Committee work system:

The Investment Committee shall hold its meeting twice a year or whenever the need arises and its minutes of meeting is kept by the rapporteur. Final copies of the minutes that be sent to the members after approval for their record.

Duties and Obligations of the Committee:

The Duties and obligations of the committee include the following:

The Investment Committee shall be responsible for the development of an investment and risk management policy in line with the level of risk acceptance set by the Board to ensure proper investment of the company's funds.

The Committee shall be responsible for:

- Development of the committee investment policy and guidelines that define and clarify the investment process or investment of the company's capital or funds inside and outside the country for profit-making purposes, especially guidelines for the classification of assets, distribution of assets, banned investments and evaluation.

- The committee shall monitor the various results of investments undertaken by the company and develop its guidelines, monitor the results regularly and identify investments that require special attention and review the degree of compliance with the company investment objectives approved by the Board.
- Regular auditing and monitoring of company investments and investment results as well as investment criteria approved by the company to monitor its investment performance.
- Carry out any other tasks related to company investment activities or other things that are assigned to the committee from time to time by the Board or according to the "Board policy".

B. Number of meetings held by the Investment Committee during the year and their details:

The Committee held two meetings in 2022 and the members of the Committee attended, as follows:

Meeting	Date	Attendance
First	13/07/2022	All members attended
Second	26/12/2022	All members attended

Ninth: Internal Control System:

Internal Control Management enjoys full independence to perform its duties. It is directly subordinate to the Board of Directors and submits its report to the Audit Committee and the Board. The report shall be annual and is submitted during the last week of December.

Internal Control Management objectives, functions, and powers:

- Ensure the company and staff compliance to the provisions of laws, regulations and decisions in force to regulate the work of the company.
- Supervise the application of corporate governance principles.
- Submitting an assessment of means and procedures of the company risk management.
- Submit suggestions and recommendations to company management with regard to risk management.
- Management Control - includes the organization plan and relevant means and procedures to control and ensure accuracy, improve and raise the level of performance.
- Accounting control - all procedures designed to ensure the accuracy of data, making sure of sound treatment of accounting treatment before presenting these data on the senior management of the company.

A. Responsibility for the Internal Control System:

The Board acknowledges its responsibility for the company Internal Control System as well as review and effectiveness through the Audit Committee of the Board, and in line with the decision of the Chairman of Securities and Commodities Authority Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide.

B. Manager of Internal Control System name and qualifications:

Ms. Swathi Krishna is the responsible of the Internal Control System, joined the company on the 21/11/2022. She holds a Certified Internal Auditor Certificate (CIA) from the Institute of Internal Auditors (IIA - USA) and a Bachelor's degree in Commerce.

C. Manager of Compliance Management name and qualifications:

Mr. Charbel Yazbeck is the manager of the Compliance Management, joined the company in 2007; moreover, he holds a Bachelor's degree in Business Administration - majoring in Accounting, and also holds the internal audit certificate.

D. The Internal Control Department deals with any significant problems in the company or those disclosed in annual reports and accounts.

The Internal Control Management shall inform the Audit Committee of problems that occur, if any, and informing the joint senior management of the company of problems address them and follow up the activation of the proposed procedures by the Internal Control Management. Knowing that there are no situations or problems faced the Internal Control Management.

E. Number of reports issued by the Internal Control Department to the Company's Board of Directors.

Internal Control Department submitted three periodic reports to the company's board of directors during the year 2022.

Tenth: Details of violations committed during the fiscal year, showing their causes and how to address them: -

None, as no material violations were recorded during the fiscal year 2022.

Eleventh: Local Community Service:

As part of the company's role in local community service, the company takes actions in this regard, the most important of which are:

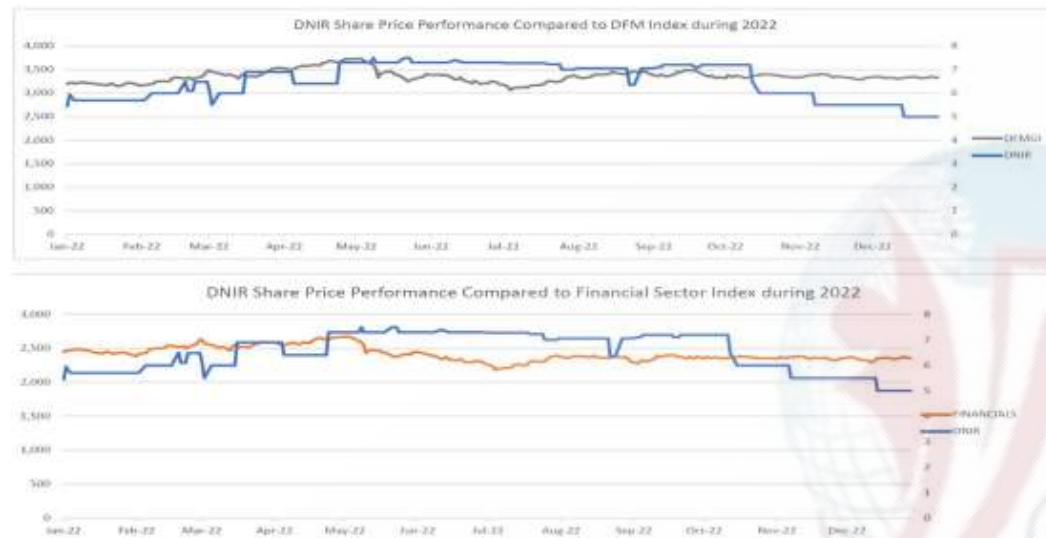
- Joined the 'Dubai Chamber Sustainability Network' by getting the annual membership that serves as a platform for Dubai Business Community to identify and share expertise on CSR and sustainability challenges and develop practical solutions.
- Participated in 'Zayed Humanitarian Day' during the month of Ramadan under the slogan of "Love and loyalty to Zayed Al-Atta" by supporting orphans and people of determination.
- Supported 'The Emirates Association for the Care of Parents' during the month of Ramadan by providing Eid Al Fitr Clothing for 10 families of communication and compassion.
- Participated in 'One Billion Meal' that was organized by "Mohammed Bin Rashid Al Matoum Global Initiatives" during the month of Ramadan by providing 5,000 meals to the poor and needy people around the world.
- Supported 'International Therapeutic Diet Initiative for Volunteers' organized by "Al Tareq Rehabilitation & Autism Centre".
- The company organized a blood donation campaign in cooperation with the Dubai Health Authority, in which 40 employees participated.
- The company organized a seasonal influenza vaccination campaign.

Twelfth: General Information:

A. Company's share price in the market at the end of each month during Fiscal Year 2022

	January	February	March	April	May	June	July	August	September	October	November	December
highest price	5.940	6.500	6.900	7.300	7.500	7.400	7.280	7.050	7.200	7.200	5.500	5.500
lowest price	5.450	6.000	5.500	6.400	7.300	7.300	7.000	6.350	7.100	6.000	5.500	5.500
Closing price	5.700	6.480	6.900	7.300	7.300	7.300	7.000	7.050	7.200	6.000	5.500	5.000

B. Comparative performance of the company's shares in the public market index and the insurance sector index during 2022:



C. Shareholders' Equity as of 31/12/2022

Shareholder Classification	Percentage of Shares			
	Individuals	Companies	Government	Total
Local	49.0247%	50.3477%	0.0087%	99.3811%
Arab	0.5395%	0%	0%	0.5395%
foreign	0.0794%	0%	0%	0.0794%
Total	49.6436%	50.3477%	0.0087%	100%

D. Shareholders who own 5% or more of the company's capital as of 31/12/2022 according to the following table: -

No.	Name	Percentage
2	Mr. Khalaf Ahmad Mohammed Al Habtoor	26.0273%
1	Messrs. Al Habtoor Investment (LLC)	28.2681%
3	Messrs. Dubai National Investment (LLC)	10.2165%
4	Messrs. Sultan Ahmad Al Habtoor Investment Group LLC	7.0825%

E. Statement of shareholder's distribution according to the "ownership Percentage" as of 31/12/2022 according to the following table:

S.N.	Share Ownership (Share)	No. of Shareholders	No. of Owned Shares	Owned Capital Stock Ratio
1	less than 50,000	431	7,985,066	6.914%
2	From 50,000 to less than 500,000	57	8,394,715	7.268%
3	From 500,000 to less than 5,000,000	9	16,428,761	14.224%
4	more than 5,000,000	4	82,691,458	71.594%
	Total	501	115,500,000	100%

F. Statement of actions that have been taken on Investor Relationships controls:

- Ms. Roula Najeeb Iskandar is the Head of Investors Relations Department; she's also the head of the legal department in the company. She joined the company in 2014, and she holds a Bachelor degree in Law from the Lebanese University Faculty of Law and Political and Administrative Sciences, and she has more than fifteen years of experience in this field.
- To communicate with Investor Relationships Department, a page for investors' inquiries was created in the section of investors' relationships on the company's website, and allocating contacts as follows:
Phone: +971 4 5969211
E-mail: investor@dni.ae
Website: <https://www.dni.ae/Investor-Relations/>

G. Statement of decisions that have been reviewed in the General Assembly held during 2021 and actions taken

During the company's General Assembly meeting on 31/03/2022, a special decision was approved to amend some articles of the company's articles of association in accordance with the provisions of Federal Decree-Law No. (32) of 2021 concerning commercial companies.

H. Name of the Board meeting rapporteur and date of appointment.

- ❖ **Name of the rapporteur:** Hadi N. El Kadi
- ❖ **Appointment Date:** 30/03/2021
- ❖ **Qualifications and experiences:** Holds a Master Degree (LLM) in International Business Law from Paris II Pantheon-Assas University, a Master degree (MBA) in Business Administration from the American University, Dubai, UAE , a Bachelor Degree in Law from the faculty of Law and Political Science - Beirut-Lebanon, Certified In Governance, Risk and Compliance (CGRC), Certificate In Governance, Risk and Compliance (CGRC) from London School of Business and Finance LSBF, holding Certificate of Licensing and technology Transfer from Licensing Executives Society (U.S.A. and Canada), Inc, Compliance and Corporate Governance Courses from Thomson Reuters. Lawyer and Legal advisor specialized in corporate law, Joint Ventures, Mergers and Acquisitions, Hospitality, Real Estate, Construction, General Legal Consultancies, Labor law, Corporate Governance, Compliance, Family Trust, Negotiations and criminal law has more than 24 years of practical experience gained in major companies and international law firms across the Middle East where he was appointed as President, Vice President, General Counsel for Legal Affairs, Partner, Board Member and Former Secretary of a group of companies.

I. Statement of significant events encountered by the company in 2022:

The most important events encountered by the company in 2022:

- The gross written premiums of 2022 is AED 419.1 Million.
- The company achieved net profit estimated of AED 44.1 Million for 2022.
- The international rating agency "A.M. Best" has upgraded the company's financial strength rating to A- (Excellent) and the Long-Term Issuer Credit Rating to "a-" (Excellent).
- During the year 2022, the company was able to obtain the following awards and certificates of thanks:
 - Mr. Abdulla Al Nuaimi, CEO of Dubai National Insurance and Reinsurance Company, was awarded "Insurance Professional of the Year" at the MENA IR Awards 2022.
 - Dubai National Insurance and Reinsurance Company was awarded 'Marine Insurer of the Year' at the InsureTek Golden Shield Excellence Awards 2022

- o Dubai National Insurance and Reinsurance Company was awarded 'Best in Future of Customer Experience' at the IDC-DX Future Enterprise Awards 2022.

J. Statement of the transactions that the company has made with related parties during the year 2022 that are equal to 5% or more of the company's capital: -

There are no deals concluded with the related parties during the year 2022.

K. Statement of Emiratization percentage in the company at the end of 2020, 2021 and 2022: -

The Emiratization percentage of the company at the end of the years 2020 – 2021 – 2022 as follows:


- Emiratization percentage at the end of 2020 was 6.89% of the total number of employees in the company.
- Emiratization percentage at the end of 2021 was 7.56% of the total number of employees in the company
- Emiratization percentage at the end of 2022 was 7.29% of the total number of employees in the company.

However, the company is still making efforts to attract more young nationals to raise the level of nationals' participation in the insurance sector in the UAE.

L. Innovative projects and initiatives undertaken or developed by the company in 2022: -

In line with the general framework regarding developing the insurance sector electronically in general, the company devised a robust IT strategy aligned to business needs and enhanced the infrastructure and security perimeters, implemented business portals and applications to enhance customer service aligned to market needs and be competitive

Best Regards,

Signature of the Chairman of the Board of Directors	Signature of Audit Committee Chairman	Signature of Nomination and Remuneration Committee Chairman	Signature of Internal Auditor
			
Date: 14/03/2023	Date: 14/03/2023	Date: 14/03/2023	Date: 14/03/2023

المعلومة مهمة .. وتحديها أهم



Protecting what matters

"المعلومة... وتحليلها أهم"