

**ABU DHABI NATIONAL  
TAKAFUL COMPANY P.S.C.**

**Review report and interim  
financial information for the  
six-month period ended  
30 June 2022**

**ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C.**

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for the six-month period ended 30 June 2022**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C.

### *Introduction*

We have reviewed the accompanying condensed statement of financial position of Abu Dhabi National Takaful Company P.S.C. (the “Company”) as of 30 June 2022, and the related condensed statements of profit or loss, comprehensive income, changes in shareholders’ equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” (“IAS 34”). Our responsibility is to express a conclusion on these interim financial information based on our review.

### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah  
Registration No. 717  
11 August 2022  
Abu Dhabi  
United Arab Emirates

**Condensed statement of financial position  
as at 30 June 2022**

	Notes	30 June 2022 (unaudited) AED	31 December 2021 (audited) AED
<b>ASSETS</b>			
<b>Takaful operations assets</b>			
Financial assets measured at fair value	6	13,124,883	13,352,921
Re-takaful share of unearned contributions	10	286,799,473	274,002,126
Prepaid expenses and other assets		26,583,347	20,736,311
Re-takaful share of outstanding claims	10	119,128,454	127,776,349
Contributions and re-takaful balances receivables	11	95,626,952	18,379,044
Term deposits	4	282,385,772	318,095,203
Cash and bank balances	4	39,575,877	59,953,280
		<hr/>	<hr/>
<b>Total takaful operations assets</b>		<b>863,224,758</b>	832,295,234
<b>Shareholders' assets</b>			
Property and equipment		21,890,702	22,440,515
Statutory deposit	5	10,000,000	10,000,000
Financial assets measured at fair value	6	320,892,292	362,770,698
Investments properties	8	16,815,000	16,815,000
Deferred policy acquisition costs		12,171,482	7,445,788
Prepaid expenses and other assets		14,705,721	13,034,499
Term deposits	4	109,846,080	60,148,778
Cash and bank balances	4	9,542,775	32,893,283
		<hr/>	<hr/>
<b>Total shareholders' assets</b>		<b>515,864,052</b>	525,548,561
<b>TOTAL ASSETS</b>		<b>1,379,088,810</b>	1,357,843,795
<b>LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY</b>			
<b>Takaful operations liabilities</b>			
Takaful payables		15,054,731	11,300,119
Outstanding claims	10	158,152,389	164,079,350
Unearned contributions	10	382,720,759	353,999,279
Re-takaful payables		300,155,119	279,732,447
Accrued expenses and other liabilities		3,640,343	5,953,230
Unearned re-takaful commission income		12,612,743	6,762,953
		<hr/>	<hr/>
<b>Total takaful operations liabilities</b>		<b>872,336,084</b>	821,827,378

The accompanying notes form an integral part of these interim financial information.

**Condensed statement of financial position  
as at 30 June 2022 (continued)**

	Notes	30 June 2022 (unaudited) AED	31 December 2021 (audited) AED
<b>Shareholders' liabilities</b>			
Accrued expenses and other liabilities		1,276,701	9,377,066
Provision for end of service benefits		11,694,169	10,856,237
<b>Total shareholders' liabilities</b>		<b>12,970,870</b>	<b>20,233,303</b>
<b>Total liabilities</b>		<b>885,306,954</b>	<b>842,060,681</b>
<b>Policyholders' fund</b>			
Deficit of life policyholders takaful fund	12	(12,617,980)	(4,322,044)
Deficit of general policyholders takaful fund	12	(5,269,827)	(5,482,687)
Loan from shareholders	12	17,887,807	9,804,731
Investment revaluation reserve	12	(1,159,323)	(234,958)
<b>Total Policyholders' fund</b>		<b>(1,159,323)</b>	<b>(234,958)</b>
<b>Shareholders' equity</b>			
Share capital		105,000,000	100,000,000
Legal reserve		50,000,000	50,000,000
General reserve		42,500,000	42,500,000
Re-takaful default reserve		3,848,642	3,848,642
Investment revaluation reserve		(11,449,028)	7,318,068
Retained earnings		305,041,565	312,351,362
<b>Total shareholders' equity</b>		<b>494,941,179</b>	<b>516,018,072</b>
<b>TOTAL LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY</b>		<b>1,379,088,810</b>	<b>1,357,843,795</b>

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Company.

**Khamis Buharoon**  
Chairman of the Board of Directors

**Osama Abdeen**  
Chief Executive Officer

The accompanying notes form an integral part of these interim financial information.

**Condensed statement of profit or loss  
for the six-month period ended 30 June 2022 (unaudited)**

	Notes	3 month ended 30 June		6 month ended 30 June	
		2022 AED	2021 AED	2022 AED	2021 AED
<b>Attributable to policyholders</b>					
Gross contributions written		106,640,912	65,005,319	207,891,683	168,811,293
Retakaful contributions accepted		13,396,716	21,903,230	33,101,067	35,450,479
Retakaful contributions ceded		(77,905,413)	(64,636,604)	(158,480,893)	(162,218,931)
Net written contributions		42,132,215	22,271,945	82,511,857	42,042,841
Change in net unearned contribution provision		(7,800,990)	7,134,773	(15,924,133)	16,724,963
Net earned contributions		34,331,225	29,406,718	66,587,724	58,767,804
Commissions earned		5,123,485	5,571,787	10,027,253	11,662,136
<b>Gross takaful income</b>		<b>39,454,710</b>	34,978,505	<b>76,614,977</b>	70,429,940
Gross claims paid		(77,509,946)	(66,460,384)	(133,106,904)	(119,271,877)
Retakaful share of accepted claims paid		(1,313,636)	(1,039,580)	(2,170,247)	(5,595,023)
Retakaful share of ceded claims paid		60,228,875	51,360,005	98,354,657	92,593,032
<b>Net paid claims</b>		<b>(18,594,707)</b>	(16,139,959)	<b>(36,922,494)</b>	(32,273,868)
Change in outstanding claim		2,292,892	24,116,023	1,023,213	16,946,858
Change in retakaful share of outstanding claims		(5,181,623)	(21,558,584)	(3,352,515)	(16,737,280)
Change in incurred but not reported claims reserve		328,886	(259,806)	4,736,358	(1,746,205)
Change in retakaful share of incurred but not reported claims reserve		(889,585)	627,791	(5,295,378)	2,436,057
Change in unallocated loss adjustment expense		(376,488)	(181,055)	(1,700,991)	(238,661)
<b>Net claims incurred</b>		<b>(22,420,625)</b>	(13,395,590)	<b>(41,511,807)</b>	(31,613,099)
<b>Takaful income</b>		<b>17,034,085</b>	21,582,915	<b>35,103,170</b>	38,816,841
Other income		721,255	2,130,954	730,845	2,483,435
<b>Takaful operating profit</b>		<b>17,755,340</b>	23,713,869	<b>35,834,015</b>	41,300,276
Policyholders' investment income		1,993,177	2,532,299	3,993,887	5,297,949
Mudareb share	13	(697,614)	(886,303)	(1,397,862)	(1,854,281)
Wakalah fees	13	(24,351,767)	(20,699,524)	(46,513,116)	(57,576,437)
<b>(Deficit)/surplus of takaful result for the period</b>	12	<b>(5,300,864)</b>	4,660,341	<b>(8,083,076)</b>	(12,832,493)
<b>Attributable to shareholders</b>					
Shareholders' investment and other income, net		979,090	12,132,927	9,409,202	18,744,337
Mudareb share from policyholders		697,614	886,303	1,397,862	1,854,281
Wakalah fees from policyholders		24,351,767	20,699,524	46,513,116	57,576,437
Takaful expense		(6,869,452)	(5,727,328)	(12,498,495)	(12,395,167)
General and administrative expenses		(12,738,932)	(11,008,728)	(23,401,752)	(21,220,262)
(Increase)/decrease in provision of loan from shareholders	12	(5,300,864)	6,457,498	(8,083,076)	5,181,268
<b>Shareholders' profit for the period</b>	17	<b>1,119,223</b>	23,440,196	<b>13,336,857</b>	49,740,894
<b>Basic and diluted earnings per share</b>	14	<b>0.01</b>	0.22	<b>0.13</b>	0.47

The accompanying notes form an integral part of these interim financial information.

**Condensed statement of comprehensive income  
for the six-month period ended 30 June 2022 (unaudited)**

	<u>3 month ended 30 June</u>		<u>6 month ended 30 June</u>	
	<u>2022</u> <u>AED</u>	<u>2021</u> <u>AED</u>	<u>2022</u> <u>AED</u>	<u>2021</u> <u>AED</u>
<b>Profit for the period</b>	<b>1,119,223</b>	23,440,196	<b>13,336,857</b>	49,740,894
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Change in fair value of equity investments measured at fair value through other comprehensive income	(7,649,731)	142,451	(7,619,263)	11,990,834
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Change in fair value of sukuk investments measured at fair value through other comprehensive income	(879,614)	389,613	(1,794,487)	(19,847)
<b>Total other comprehensive (loss)/income for the period</b>	<b>(8,529,345)</b>	532,064	<b>(9,413,750)</b>	11,970,987
<b>Total comprehensive (loss)/income for the period</b>	<b>(7,410,122)</b>	23,972,260	<b>3,923,107</b>	61,711,881

The accompanying notes form an integral part of these interim financial information.

**Condensed statement of changes in shareholders' equity  
for the six-month period ended 30 June 2022**

	Share capital AED	Legal reserve AED	General reserve AED	Re-takaful default reserve	Investment revaluation reserve AED	Retained earnings AED	Total AED
Balance at 1 January 2022 (audited)	100,000,000	50,000,000	42,500,000	3,848,642	7,318,068	312,351,362	516,018,072
<b>Profit for the period</b>	-	-	-	-	-	13,336,857	13,336,857
Other comprehensive loss for the period	-	-	-	-	(9,413,750)	-	(9,413,750)
Total comprehensive (loss)/income for the period	-	-	-	-	(9,413,750)	13,336,857	3,923,107
Gain on disposal of financial assets classified at fair value through other comprehensive income	-	-	-	-	(9,353,346)	9,353,346	-
Issuance of bonus shares	5,000,000	-	-	-	-	(5,000,000)	-
Dividends paid (note 9)	-	-	-	-	-	(25,000,000)	(25,000,000)
<b>Balance at 30 June 2022 (unaudited)</b>	<b>105,000,000</b>	<b>50,000,000</b>	<b>42,500,000</b>	<b>3,848,642</b>	<b>(11,449,028)</b>	<b>305,041,565</b>	<b>494,941,179</b>
Balance at 1 January 2021 (audited)	100,000,000	50,000,000	42,500,000	2,511,787	15,010,837	229,285,376	439,308,000
Profit for the period	-	-	-	-	-	49,740,894	49,740,894
Other comprehensive income for the period	-	-	-	-	11,970,987	-	11,970,987
Total comprehensive income for the period	-	-	-	-	11,970,987	49,740,894	61,711,881
Gain on disposal of financial assets classified at fair value through other comprehensive income	-	-	-	-	(7,907,198)	7,907,198	-
Zakat (note 18)	-	-	-	-	-	5,320,778	5,320,778
Dividends paid (note 9)	-	-	-	-	-	(20,000,000)	(20,000,000)
Balance at 30 June 2021 (unaudited)	100,000,000	50,000,000	42,500,000	2,511,787	19,074,626	272,254,246	486,340,659

The accompanying notes form an integral part of these interim financial information.



**Condensed statement of cash flows  
for the six-month period ended 30 June 2022 (unaudited)**

	6 month ended 30 June	
	2022	2021
	AED	AED
<b>OPERATING ACTIVITIES</b>		
Profit for the period	13,336,857	49,740,894
<b>Adjustments for:</b>		
Depreciation of property and equipment	903,901	773,799
Movement of unearned contributions, net	15,924,133	(16,724,964)
Investment and other income	(13,404,433)	(24,042,266)
Net movement in provision for end of service benefits	837,932	136,675
Movement in provision for doubtful debts	156,238	(1,026,000)
Movement in provision of loan from shareholders	8,083,076	(5,181,268)
Surplus of life policy holders takaful fund	-	(18,013,761)
Loss on disposal of property and equipment	(1,344)	20
<b>Operating profit/(loss) before movements in working capital:</b>	<b>25,836,360</b>	<b>(14,336,871)</b>
Increase in prepaid and other assets	(7,518,258)	(13,725,892)
Increase in contributions and re-takaful balances receivables	(77,404,146)	(37,980,929)
(Increase)/decrease in deferred policy acquisition costs	(4,725,694)	8,191,441
(Increase)/decrease in outstanding claims, net	2,720,934	(1,035,495)
(Increase)/decrease in provision of loan from shareholders	(8,083,076)	5,181,268
Increase/(decrease) in takaful payables	3,754,612	(744,936)
Increase/(decrease) in re-takaful payables	20,422,672	(16,246,656)
Decrease in accrued expenses and other liabilities	(4,881,257)	(10,660,980)
Increase in unearned re-takaful commission income	5,849,790	4,229,694
Directors' remuneration paid	(5,531,995)	(4,867,668)
<b>Net cash used in operating activities</b>	<b>(49,560,058)</b>	<b>(81,997,024)</b>
<b>INVESTING ACTIVITIES</b>		
Net movement in investments	31,768,329	44,490,697
Purchase of property and equipment	(354,562)	(6,414,065)
Proceeds from disposal of property and equipment	1,818	-
Investment and other income received	13,404,433	24,042,266
(Increase)/decrease in term deposits	(13,957,338)	11,231,035
<b>Net cash generated from investing activities</b>	<b>30,862,680</b>	<b>73,349,933</b>
<b>FINANCING ACTIVITY</b>		
Dividends paid	(25,000,000)	(20,000,000)
<b>Net cash used in financing activity</b>	<b>(25,000,000)</b>	<b>(20,000,000)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(43,697,378)</b>	<b>(28,647,091)</b>
Cash and cash equivalents at the beginning of the period	100,144,891	112,107,465
<b>Cash and cash equivalents at the end of the period</b>	<b>56,447,513</b>	<b>83,460,374</b>

The accompanying notes form an integral part of these interim financial information.

**Notes to the interim financial information  
for the six-month period ended 30 June 2022****1 Corporate information**

Abu Dhabi National Takaful Company PSC (the “Company”) is a public shareholding company which was incorporated in Abu Dhabi, United Arab Emirates (“UAE”) on 16 November 2003. The Company is registered in accordance with the Federal Law No. (2) of 2015.

Federal Law No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on 20 September 2021 and came into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the “2015 Law”). The amendments of its article of association to reflect the change in the Federal Law was approved by shareholders on 28 March 2022.

Federal Decree Law No. (24) of 2020 which amends certain provisions of the U.A.E Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organisation of its Operations, as amended, was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. Effective 2 January 2021, the Insurance Sector became under the supervision and authority of the Central Bank of the United Arab Emirates (“CBUAE”).

The Company carries out takaful and retakaful activities of all classes in accordance with the provisions of the UAE Federal Law No. (6) of 2007 regarding the Establishment of the Insurance Authority and Insurance Operations. The Company is domiciled and operates in the UAE and its registered address is P.O. Box 35335, Abu Dhabi, UAE.

**2 Basis of preparation and accounting policies*****Basis of preparation***

The interim financial information for the six-month period ended 30 June 2022 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”).

The interim financial information does not contain all information and disclosures required in the annual financial statements prepared in accordance with the International Financial Reporting Standards and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2021. In addition, results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The interim financial information are presented in UAE Dirhams (AED) being the functional and presentation currency of the Company.

The interim financial information has been prepared on the historical cost convention as modified for re-measurement of investment securities and investment properties at fair value.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

**2.1 New and revised IFRSs applied with no material effect on the financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)****2 Basis of preparation and accounting policies (continued)****2.1 New and revised IFRSs applied with no material effect on the financial statements (continued)**

- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts—Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture.

**2.2 New and revised IFRS in issue but not yet effective**

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

- IFRS 17 Insurance Contracts (effective from 1 January 2023).
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from 1 January 2023).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective from 1 January 2023) and
- Amendments to IAS 1 and IFRS Practice Statement 2 related to Disclosure of Accounting Policies (effective from 1 January 2023).

The above stated new standards and amendments are not expected to have any significant impact on financial statement of the Company, except for IFRS17 as mentioned below.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the financial statement of the Company.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards and amendments may have no material impact on the condensed financial information of the Company in the period of initial application, except for IFRS 17 and IFRS 9.

**3 Critical accounting judgments and key sources of estimation uncertainty**

The preparation of these condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed financial statements, the significant judgments used by management in applying the Company's accounting policies, and the key sources of estimates uncertainty were same as those applied to the financial statements as at and for the year ended 31 December 2021.

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**4 Cash and cash equivalents**

	<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Cash and bank balances	<b>49,118,652</b>	92,846,563
Term deposits	<b>392,231,852</b>	378,243,981
	<hr/>	<hr/>
Cash and bank balances	<b>441,350,504</b>	471,090,544
Less: term deposits with original maturity of more than three months	<b>(384,902,991)</b>	(370,945,653)
	<hr/>	<hr/>
Cash and cash equivalents	<b>56,447,513</b>	100,144,891
	<hr/> <hr/>	<hr/> <hr/>
Takaful operations assets	<b>46,904,738</b>	67,251,608
Shareholders' assets	<b>9,542,775</b>	32,893,283
	<hr/>	<hr/>
Cash and cash equivalents	<b>56,447,513</b>	100,144,891
	<hr/> <hr/>	<hr/> <hr/>

Term deposits represent deposits held with Islamic financial institutions in the UAE, are denominated in UAE dirhams and carry profit at the prevailing market rates ranging from 1.20% to 5% per annum (31 December 2021: 0.75% to 4.5% per annum).

**5 Statutory deposit**

In accordance with the requirements of the Federal Law No. (6) of 2007 regarding the Establishment of the Insurance Authority and Insurance Operations, the Company maintains a bank deposit of AED 10,000,000 which cannot be utilised without the consent of the Central Bank of the UAE. The statutory deposit is held with a commercial bank in the UAE, a related party (note 7).

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**6 Investments**

		<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>Takaful operations assets</b>			
Financial assets measured at fair value through profit or loss	<b>6(a)</b>	-	-
Financial assets measured at fair value through other comprehensive income	<b>6(b)</b>	<b>13,124,883</b>	13,352,921
		<hr/> <b>13,124,883</b> <hr/>	<hr/> 13,352,921 <hr/>
<b>Shareholders' assets</b>			
Financial assets measured at fair value through profit or loss	<b>6(a)</b>	<b>64,593,499</b>	135,765,710
Financial assets measured at fair value through other comprehensive income	<b>6(b)</b>	<b>256,298,793</b>	227,004,988
		<hr/> <b>320,892,292</b> <hr/>	<hr/> 362,770,698 <hr/>

**6 (a) Financial assets measured at fair value through profit or loss**

		<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b><u>Takaful operations assets</u></b>			
Quoted securities			
- Sukuks		-	-
<b><u>Shareholders assets</u></b>			
Unquoted securities			
- Real estate funds		<b>64,593,499</b>	135,765,710
		<hr/> <b>64,593,499</b> <hr/>	<hr/> 135,765,710 <hr/>
<i>Total securities for shareholder's asset</i>		<hr/> <b>64,593,499</b> <hr/>	<hr/> 135,765,710 <hr/>
<b>Total fair value through profit and loss securities</b>		<hr/> <b>64,593,499</b> <hr/>	<hr/> 135,765,710 <hr/>

The geographical concentration of investments is as follows:

		<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Within UAE		-	-
Outside UAE		<b>64,593,499</b>	135,765,710
		<hr/> <b>64,593,499</b> <hr/>	<hr/> 135,765,710 <hr/>

Notes to the financial statements  
for the six-month period ended 30 June 2022 (continued)

6 Investments (continued)

6 (b) Financial assets measured at fair value through other comprehensive income

	<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b><u>Takaful operations assets</u></b>		
Quoted securities		
- <i>Sukuks</i>	<b>13,124,883</b>	13,352,921
<b><u>Shareholders' assets</u></b>		
Quoted securities		
- <i>Equity securities</i>	<b>81,959,545</b>	78,976,074
- <i>Sukuks</i>	<b>31,526,693</b>	32,425,158
<b><i>Total quoted securities for shareholders assets</i></b>	<b>113,486,238</b>	111,401,232
Unquoted securities		
- <i>Unlisted equities</i>	<b>142,812,555</b>	115,603,756
- <i>Real estate funds</i>	-	-
<b><i>Total unquoted securities for shareholders assets</i></b>	<b>142,812,555</b>	115,603,756
<b>Total quoted and unquoted securities for shareholders assets</b>	<b>256,298,793</b>	227,004,988
	<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Quoted securities	<b>126,611,121</b>	124,754,153
Unquoted securities	<b>142,812,555</b>	115,603,756
	<b>269,423,676</b>	240,357,909

**Notes to the financial statements  
for the six-month period ended 30 June 2022 (continued)**

**6 Investments (continued)**

**6 (b) Financial assets measured at fair value through other comprehensive income (continued)**

The geographical concentration of investments is as follows:

	<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Within UAE	<b>84,817,189</b>	69,248,063
Outside UAE	<b>184,606,487</b>	171,109,846
	<b>269,423,676</b>	240,357,909
Total investments	<b>334,017,175</b>	376,123,619

Unquoted equity securities are valued primarily based on net assets of the investees unless recent transactions provide evidence of the current fair value. The Company classified these as level 3 investments.

**7 Related parties**

Related parties comprise the shareholders, Directors and key management personnel of the Company and those entities in which they have a significant interest and the ability to control or exercise significant influence in financial and operational decisions. Details of significant transactions with related parties in the normal course of business are as follows:

	<b>Shareholders AED</b>	<b>Directors and their related parties AED</b>	<b>Key management personnel AED</b>	<b>Total AED</b>
<b>Balances as at 30 June 2022 (unaudited)</b>				
Statutory deposit (note 5)	<b>10,000,000</b>	-	-	<b>10,000,000</b>
Due from related parties	<b>2,317,499</b>	<b>16,978,976</b>	-	<b>19,296,475</b>
Due to a related party	<b>879,644</b>	-	-	<b>879,644</b>
<b>Transactions for the six-month period ended 30 June 2022 (unaudited)</b>				
Gross contributions written	<b>12,384,380</b>	<b>18,536,431</b>	-	<b>30,920,811</b>
Takaful expense	<b>694,053</b>	-	-	<b>694,053</b>
Director's fee	-	<b>167,334</b>	-	<b>167,334</b>
Short-term benefits	-	-	<b>2,193,089</b>	<b>2,193,089</b>
Long-term benefits	-	-	<b>336,448</b>	<b>336,448</b>

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**7 Related parties (continued)**

	Shareholders AED	Directors and their related parties AED	Key management personnel AED	Total AED
<b>Balances as at 31 December 2021 (audited)</b>				
Statutory deposit (note 5)	10,000,000	-	-	10,000,000
Due from related parties	83,005	394,943	-	477,948
Due to a related party	654,630	-	-	654,630
<b>Transactions for the six-month period ended 30 June 2021 (unaudited)</b>				
Gross contributions written	11,940,905	16,588,677	-	28,529,582
Director's fee	-	142,854	-	142,854
Takaful Expense	4,676,161	-	-	4,676,161
Short-term benefits	-	-	1,967,783	1,967,783
Long-term benefits	-	-	107,584	107,584

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

Directors' remuneration of AED 5,465,449 pertaining to 31 December 2021 (2020: AED 4,867,668) was paid in March 2022.

**8 Investment properties**

	30 June 2022 (unaudited) AED	31 December 2021 (audited) AED
At 1 January	16,815,000	14,403,000
Increase in fair value	-	2,412,000
	<u>16,815,000</u>	<u>16,815,000</u>

Investment properties are stated at fair value which represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. Management estimates that there has been no change in the fair value of investment properties. Investment properties are classified as Level 3 in the fair value hierarchy as at 30 June 2022 (31 December 2021: Level 3).

**9 Dividends**

For the year ended 31 December 2021, cash dividend of AED 25,000,000 at a rate of AED 0.25 per share and a 5% stock dividend amounting to AED 5,000,000 was approved by shareholder on 28 March 2022. The cash dividend was paid in March 2022.

For the year ended 31 December 2020, cash dividend of AED 20,000,000 at a rate of AED 0.20 per share was approved by the shareholders on 15 March 2021 and paid in March 2021.



**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**9 Dividends**

For the year ended 31 December 2021, cash dividend of AED 25,000,000 at a rate of AED 0.25 per share and a 5% stock dividend amounting to AED 5,000,000 was approved by shareholder on 28 March 2022. The cash dividend was paid in March 2022.

For the year ended 31 December 2020, cash dividend of AED 20,000,000 at a rate of AED 0.20 per share was approved by the shareholders on 15 March 2021 and paid in March 2021.

**10 Re-takaful contract assets and Takaful contract liabilities**

	<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>Gross</b>		
Takaful contract liabilities:		
Reported claims	<b>114,835,522</b>	115,858,737
Claims incurred but not reported	<b>42,681,548</b>	47,417,904
Unallocated loss adjustment expense reserve	<b>635,319</b>	802,709
	<hr/>	<hr/>
Outstanding claims	<b>158,152,389</b>	164,079,350
Unearned contributions reserve	<b>382,720,759</b>	353,999,279
	<hr/>	<hr/>
	<b>540,873,148</b>	518,078,629
	<hr/>	<hr/>
<b>Recoverable from Re-takaful</b>		
Re-takaful contract assets:		
Reported claims	<b>84,615,108</b>	87,967,625
Claims incurred but not reported	<b>34,513,346</b>	39,808,724
	<hr/>	<hr/>
Re-takaful share of outstanding claims	<b>119,128,454</b>	127,776,349
Re-takaful share of unearned contributions	<b>286,799,473</b>	274,002,126
	<hr/>	<hr/>
	<b>405,927,927</b>	401,778,475
	<hr/>	<hr/>
<b>Takaful liabilities – net</b>		
Reported claims	<b>30,220,414</b>	27,891,112
Claims incurred but not reported	<b>8,168,202</b>	7,609,180
Unallocated loss adjustment expense reserve	<b>635,319</b>	802,709
	<hr/>	<hr/>
	<b>39,023,935</b>	36,303,001
	<hr/>	<hr/>
Unearned contributions reserve	<b>95,921,286</b>	79,997,153
	<hr/>	<hr/>
	<b>134,945,221</b>	116,300,154
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**11 Contributions and re-takaful balances receivable**

	<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Due from policyholders	<b>48,126,700</b>	6,406,801
Due from Brokers	<b>39,590,940</b>	13,264,804
Due from insurance and reinsurance companies	<b>11,253,644</b>	1,895,533
Less: Provision for doubtful debts	<b>(3,344,332)</b>	(3,188,094)
	<hr/>	<hr/>
	<b>95,626,952</b>	18,379,044
	<hr/> <hr/>	<hr/> <hr/>

The movement of provision for doubtful debts is as follows:

	<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Balance at the beginning of period / year	<b>3,188,094</b>	4,414,094
Provision / (reversal) for the period / year	<b>156,238</b>	(1,226,000)
	<hr/>	<hr/>
Balance at the end of period / year	<b>3,344,332</b>	3,188,094
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**12 Movement in policyholders' funds and Distribution payable to life Policyholders**

	Surplus /(deficit) of life policyholders' funds AED	Deficit of general policyholders takaful funds AED	Loan from shareholders AED	Investment revaluation reserve AED	Total AED
At 1 January 2022 (audited)	(4,322,044)	(5,482,687)	9,804,731	(234,958)	(234,958)
Deficit in the reporting period	(8,295,936)	212,860	-	-	(8,083,076)
Repayment of loan	-	-	(212,860)	-	(212,860)
Loan received from shareholders for family takaful	-	-	8,295,936	-	8,295,936
Change in investment valuation reserve	-	-	-	(924,365)	(924,365)
<b>At 30 June 2022 (unaudited)</b>	<b>(12,617,980)</b>	<b>(5,269,827)</b>	<b>17,887,807</b>	<b>(1,159,323)</b>	<b>(1,159,323)</b>
Balance at 1 January 2021	18,642,051	(5,643,460)	5,643,460	103,558	18,745,609
Surplus/(deficit) in the reporting period	(22,964,095)	160,773	-	-	(22,803,322)
Repayment of loan	-	-	(160,773)	-	(160,773)
Loan received from shareholders for family takaful	-	-	4,322,044	-	4,322,044
Change in investment valuation reserve	-	-	-	(338,516)	(338,516)
At 31 December 2021 (audited)	(4,322,044)	(5,482,687)	9,804,731	(234,958)	(234,958)

**13 Mudareb share and wakalah fees**

The shareholders manage the policyholders' investment fund and charge 35% (2021: 35%) of investment income earned by policyholders' investment fund as mudareb share.

The shareholders manage the takaful operations for the policyholders and charge the following percentage of gross takaful contributions as wakalah fees.

During the period, the Company changed the wakalah fee percentage on various products which is under allowable limit of the Central Bank of UAE.

	<b>30 June 2022 (%)</b>	30 June 2021 (%)
Motor	<b>15%</b>	10%
Medical	<b>15%</b>	24%
Workers Protection	<b>12.5%</b>	25%
Energy	<b>10%</b>	12.5%
Property, marine, and engineering	<b>15%</b>	25%
All other takaful classes	<b>35%</b>	35%

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**14 Basic and diluted earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

	<b>3 month ended 30 June</b>		<b>6 month ended 30 June</b>	
	<b>2022</b> <b>(unaudited)</b>	2021 (unaudited)	<b>2022</b> <b>(unaudited)</b>	2021 (unaudited)
Profit for the period (AED)	<b>1,227,446</b>	23,440,196	<b>13,336,857</b>	49,740,894
Weighted average number of shares outstanding at 1 January	<b>100,000,000</b>	100,000,000	<b>100,000,000</b>	100,000,000
Effect of bonus shares issued in 2022	<b>5,000,000</b>	5,000,000	<b>5,000,000</b>	5,000,000
Weighted average number of shares at 30 June	<b>105,000,000</b>	105,000,000	<b>105,000,000</b>	105,000,000
Basic and diluted earnings per share (AED)	<b>0.01</b>	0.22	<b>0.13</b>	0.47

The weighted average number of ordinary shares in issue throughout the period ended 30 June 2022 has been adjusted to reflect the bonus shares issued during the period ended 31 March 2022. Correspondingly the EPS for the period ended 30 June 2021 has been recomputed to incorporate effect of bonus shares.

The Company has not issued any instruments which would have a dilutive impact on earnings per share when converted or exercised.

**15 Segment information**

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

- Underwriting of takaful business incorporating all classes of takaful including fire, marine, motor, general accident, engineering, medical and family takaful. This business is conducted fully within the UAE.
- Investments incorporating investments in UAE marketable equity securities, short-term investments with banks and other securities.

Information regarding the Company's reportable segments is presented below:

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**15 Segment information (continued)**

**Segment revenue and results**

	<b>Six month ended 30 June 2022 (unaudited)</b>			<b>Six month ended 30 June 2021 (unaudited)</b>		
	<b>Underwriting AED</b>	<b>Investments AED</b>	<b>Total AED</b>	<b>Underwriting AED</b>	<b>Investments AED</b>	<b>Total AED</b>
Direct revenues	223,029,368	13,403,089	236,432,457	215,075,555	24,042,286	239,117,841
Direct costs	(187,195,353)	-	(187,195,353)	(173,775,279)	-	(173,775,279)
Takaful expenses	(12,498,495)	-	(12,498,495)	(12,395,167)	-	(12,395,167)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Segment results</b>	<b>23,335,520</b>	<b>13,403,089</b>	<b>36,738,609</b>	28,905,109	24,042,286	52,947,395
Unallocated costs			(23,401,752)			(3,206,501)
			<hr/>			<hr/>
<b>Profit for the period</b>			<b>13,336,857</b>			49,740,894
			<hr/> <hr/>			<hr/> <hr/>

Revenue reported above represents revenue generated from external customers and third parties. There were no inter-segment revenues in the period (30 June 2021: AED Nil).

The accounting policies of the reportable segments are the same as the Company's accounting policies used in the annual audited financial statements for the year ended 31 December 2021, except for adoption of new and amended standards as set out in note 2.

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**15 Segment information (continued)**

**Segment assets and liabilities**

	As at 30 June 2022 (unaudited)			As at 31 December 2021 (audited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Segment assets	579,885,585	743,064,027	1,322,949,612	508,292,898	771,182,600	1,279,475,498
Unallocated assets			56,139,198			78,368,297
			<hr/>			<hr/>
<b>Total assets</b>			<b>1,379,088,810</b>			<b>1,357,843,795</b>
			<hr/>			<hr/>
Segment liabilities	871,846,035	490,049	872,336,084	821,352,657	474,721	821,827,378
Unallocated liabilities			12,970,870			20,166,757
			<hr/>			<hr/>
<b>Total liabilities</b>			<b>885,306,954</b>			<b>841,94,135</b>
			<hr/>			<hr/>
<b>Capital expenditure</b>		354,562	354,562		8,160,673	8,160,673
			<hr/>			<hr/>

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**16 Seasonality of results**

No income of seasonal nature was recorded in the income statement for the six-month period ended 30 June 2022 and 2021.

**17 Profit for the period**

The Company's net profit for the period (before Qard Hasan) is AED 13.3 million (30 June 2021: AED 31.7 million).

**18 Zakat**

In 2020, the Company recorded Zakat payable of AED 5,320,778 in accordance with the Cabinet Resolution No. (15/9) of 2020 of Insurance Authority. The Company was required to pay Zakat and transfer 20% of total Zakat amount payable to the Zakat Fund in UAE.

However, in 2021, a resolution No. (50/1) for 2021 of Council of Minister was issued on 24 January 2021 cancelling the Cabinet Resolution No. (15/9) of 2020 which requires the Company to pay Zakat and transfer 20% of total Zakat amount payable to the Zakat Fund in UAE. Therefore, in 2021, the Company reversed back the previously recognised Zakat of AED 5,320,778 to retained earnings.

**19 Contingent liabilities and commitments**

	<b>30 June 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Bank guarantees	<b>529,688</b>	529,688

Bank guarantees were issued in the normal course of business.

**Notes to the interim financial information  
for the six-month period ended 30 June 2022 (continued)**

**20 Fair value of financial instruments**

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

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

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b><u>30 June 2022 (unaudited)</u></b>				
Investment properties	-	-	16,815,000	16,815,000
Financial assets measured at fair value through profit and loss	-	-	64,593,499	64,593,499
Financial assets measured at fair value through other comprehensive income	126,611,121	-	142,812,555	269,423,676
	<u>126,611,121</u>	<u>-</u>	<u>224,221,054</u>	<u>350,832,175</u>
<b><u>31 December 2021 (audited)</u></b>				
Investment properties	-	-	16,815,000	16,815,000
Financial assets measured at fair value through profit and loss	-	-	135,765,710	135,765,710
Financial assets measured at fair value through other comprehensive income	124,754,153	-	115,603,756	240,357,909
	<u>124,754,153</u>	<u>-</u>	<u>268,184,466</u>	<u>392,938,619</u>

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

**21 Approval of condensed interim financial information and responsibility statement**

The condensed interim financial information of the Company for the period ended 30 June 2022 has been authorised for issue in accordance with a resolution of the Board of Directors on 11 August 2022.