

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

**Review report and interim  
financial information for the  
nine-month period ended  
30 September 2022**

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

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for the nine-month period ended 30 September 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 September 2022, and the related condensed statements of profit or loss, comprehensive income, changes in shareholders’ equity and cash flows for the nine-month period then ended and explanatory notes. 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  
10 November 2022  
Abu Dhabi  
United Arab Emirates

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

	Notes	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
<b>ASSETS</b>			
<b>Takaful operations assets</b>			
Financial assets measured at fair value	6	13,067,117	13,352,921
Re-takaful share of unearned contributions	10	254,967,129	274,002,126
Prepaid expenses and other assets		29,439,026	20,736,311
Re-takaful share of outstanding claims	10	115,131,588	127,776,349
Contributions and re-takaful balances receivables	11	47,882,073	18,379,044
Term deposits	4	301,382,204	318,095,203
Cash and bank balances	4	48,254,551	59,953,280
		<hr/>	<hr/>
<b>Total takaful operations assets</b>		<b>810,123,688</b>	832,295,234
<b>Shareholders' assets</b>			
Property and equipment		21,992,058	22,440,515
Statutory deposit	5	10,000,000	10,000,000
Financial assets at fair value	6	327,163,008	362,770,698
Investments properties	8	16,815,000	16,815,000
Deferred policy acquisition costs		12,365,722	7,445,788
Prepaid expenses and other assets		12,438,094	13,034,499
Term deposits	4	94,014,546	60,148,778
Cash and bank balances	4	7,251,768	32,893,283
		<hr/>	<hr/>
<b>Total shareholders' assets</b>		<b>502,040,196</b>	525,548,561
<b>TOTAL ASSETS</b>		<b>1,312,163,884</b>	1,357,843,795
<b>LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY</b>			
<b>Takaful operations liabilities</b>			
Takaful payables		25,125,293	11,300,119
Outstanding claims	10	157,813,512	164,079,350
Unearned contributions	10	344,398,858	353,999,279
Re-takaful payables		254,087,570	279,732,447
Accrued expenses and other liabilities		3,465,226	5,953,230
Unearned re-takaful commission income		11,199,395	6,762,953
		<hr/>	<hr/>
<b>Total takaful operations liabilities</b>		<b>796,089,854</b>	821,827,378

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

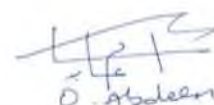
**Condensed statement of financial position  
as at 30 September 2022 (continued)**

	Notes	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
<b>Shareholders' liabilities</b>			
Accrued expenses and other liabilities		981,452	9,377,066
Provision for end of service benefits		12,095,535	10,856,237
<b>Total shareholders' liabilities</b>		<b>13,076,987</b>	<b>20,233,303</b>
<b>Total liabilities</b>		<b>809,166,841</b>	<b>842,060,681</b>
<b>Policyholders' fund</b>			
Deficit of life policyholders takaful fund	12	(12,541,445)	(4,322,044)
Deficit of general policyholders takaful fund	12	(24,821,581)	(5,482,687)
Loan from shareholders	12	37,363,026	9,804,731
Investment revaluation reserve	12	(1,490,383)	(234,958)
<b>Total Policyholders' fund</b>		<b>(1,490,383)</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		(8,198,599)	7,318,068
Retained earnings		311,337,383	312,351,362
<b>Total shareholders' equity</b>		<b>504,487,426</b>	<b>516,018,072</b>
<b>TOTAL LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY</b>		<b>1,312,163,884</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 nine-month period ended 30 September 2022 (unaudited)**

	Notes	3 month ended 30 September		9 month ended 30 September	
		2022 AED	2021 AED	2022 AED	2021 AED
<b>Attributable to policyholders</b>					
Gross contributions written		52,910,693	86,336,995	260,802,376	255,148,288
Retakaful contributions accepted		19,396,140	11,516,321	52,497,207	46,966,800
Retakaful contributions ceded		(45,648,068)	(60,772,192)	(204,128,957)	(222,991,123)
Net written contributions		26,658,765	37,081,124	109,170,626	79,123,965
Change in net unearned contribution provision		6,489,561	(8,200,358)	(9,434,576)	8,524,605
Net earned contributions		33,148,326	28,880,766	99,736,050	87,648,570
Commissions earned		6,087,430	4,759,697	16,114,683	16,421,833
<b>Gross takaful income</b>		<b>39,235,756</b>	<b>33,640,463</b>	<b>115,850,733</b>	<b>104,070,403</b>
Gross claims paid		(57,935,281)	(49,052,509)	(191,042,185)	(168,324,386)
Retakaful share of accepted claims paid		(1,350,001)	(1,111,688)	(3,520,248)	(6,706,711)
Retakaful share of ceded claims paid		41,410,419	34,391,775	139,765,076	126,984,807
<b>Net paid claims</b>		<b>(17,874,863)</b>	<b>(15,772,422)</b>	<b>(54,797,357)</b>	<b>(48,046,290)</b>
Change in outstanding claim		3,988,943	(4,211,047)	5,012,158	12,735,811
Change in retakaful share of outstanding claims		(6,742,878)	3,642,429	(10,095,395)	(13,094,851)
Change in incurred but not reported claims reserve		(3,599,111)	(180,725)	1,137,247	(1,926,930)
Change in retakaful share of incurred but not reported claims reserve		2,746,013	227,486	(2,549,366)	2,663,543
Change in unallocated loss adjustment expense		(496,417)	(1,054,225)	(2,197,407)	(1,292,886)
<b>Net claims incurred</b>		<b>(21,978,313)</b>	<b>(17,348,504)</b>	<b>(63,490,120)</b>	<b>(48,961,603)</b>
<b>Takaful income</b>		<b>17,257,443</b>	<b>16,291,959</b>	<b>52,360,613</b>	<b>55,108,800</b>
Other (loss) / income		(266,155)	(228,231)	464,690	2,255,204
<b>Takaful operating profit</b>		<b>16,991,288</b>	<b>16,063,728</b>	<b>52,825,303</b>	<b>57,364,004</b>
Policyholders' investment income		2,246,250	2,343,303	6,240,137	7,641,252
Mudareb share	13	(786,186)	(820,158)	(2,184,048)	(2,674,439)
Wakalah fees	13	(37,926,571)	(21,218,248)	(84,439,687)	(78,794,685)
<b>Deficit of takaful result for the period</b>		<b>(19,475,219)</b>	<b>(3,631,375)</b>	<b>(27,558,295)</b>	<b>(16,463,868)</b>
<b>Attributable to shareholders</b>					
Shareholders' investment and other income, net		7,214,531	8,512,069	16,623,733	27,256,406
Mudareb share from policyholders		786,186	820,158	2,184,048	2,674,439
Wakalah fees from policyholders		37,926,571	21,218,248	84,439,687	78,794,685
Takaful expense		(8,290,604)	(6,113,017)	(20,789,099)	(18,508,184)
General and administrative expenses		(13,936,730)	(9,927,046)	(37,338,482)	(31,147,308)
Increase in provision of loan from shareholders	12	(19,475,219)	(3,003,085)	(27,558,295)	2,178,183
<b>Profit for the period</b>	17	<b>4,224,735</b>	<b>11,507,327</b>	<b>17,561,592</b>	<b>61,248,221</b>
<b>Basic and diluted earnings per share</b>	14	<b>0.04</b>	<b>0.12</b>	<b>0.17</b>	<b>0.58</b>

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

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

	<u>3 month ended 30 September</u>		<u>9 month ended 30 September</u>	
	2022 AED	2021 AED	2022 AED	2021 AED
<b>Profit for the period</b>	<b>4,224,735</b>	11,507,327	<b>17,561,592</b>	61,248,221
<b>Other comprehensive income:</b>				
<i><u>Items that will not be reclassified subsequently to profit or loss:</u></i>				
Change in fair value of equity investments measured at fair value through other comprehensive income	<b>5,940,640</b>	801,157	<b>(1,678,623)</b>	12,791,991
<i><u>Items that may be reclassified subsequently to profit or loss:</u></i>				
Change in fair value of sukuk investments measured at fair value through other comprehensive income	<b>(619,128)</b>	(269,707)	<b>(2,413,615)</b>	(289,554)
<b>Total other comprehensive (loss) / income for the period</b>	<b>5,321,512</b>	531,450	<b>(4,092,238)</b>	12,502,437
<b>Total comprehensive income for the period</b>	<b>9,546,247</b>	12,038,777	<b>13,469,354</b>	73,750,658

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

**Condensed statement of changes in shareholders' equity  
for the nine-month period ended 30 September 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
Profit for the period	-	-	-	-	-	17,561,592	17,561,592
Other comprehensive loss for the period	-	-	-	-	(4,092,238)	-	(4,092,238)
Total comprehensive (loss)/income for the period	-	-	-	-	(4,092,238)	17,561,592	13,469,354
Gain on disposal of financial assets classified at fair value through other comprehensive income	-	-	-	-	(11,424,429)	11,424,429	-
Issuance of bonus shares	5,000,000	-	-	-	-	(5,000,000)	-
Dividends paid (note 9)	-	-	-	-	-	(25,000,000)	(25,000,000)
<b>Balance at 30 September 2022 (unaudited)</b>	<b>105,000,000</b>	<b>50,000,000</b>	<b>42,500,000</b>	<b>3,848,642</b>	<b>(8,198,599)</b>	<b>311,337,383</b>	<b>504,487,426</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	-	-	-	-	-	61,248,221	61,248,221
Other comprehensive income for the period	-	-	-	-	12,502,437	-	12,502,437
Total comprehensive income for the period	-	-	-	-	12,502,437	61,248,221	73,750,658
Gain on disposal of financial assets classified at fair value through other comprehensive income	-	-	-	-	(8,448,587)	8,448,587	-
Zakat (note 18)	-	-	-	-	-	5,320,778	5,320,778
Dividends paid (note 9)	-	-	-	-	-	(20,000,000)	(20,000,000)
Balance at 30 September 2021 (unaudited)	100,000,000	50,000,000	42,500,000	2,511,787	19,064,687	284,302,962	498,379,436

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



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

	<b>9 month ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	17,561,592	61,248,221
<b>Adjustments for:</b>		
Depreciation of property and equipment	1,404,698	1,171,522
Movement of unearned contributions, net	9,434,576	(8,524,604)
Investment and other income	(22,865,216)	(34,897,638)
Net movement in provision for end of service benefits	1,239,298	400,866
Movement in provision for doubtful debts	156,239	(1,026,000)
Movement in provision of loan from shareholders	27,558,295	(2,178,183)
Increase in fair value of investment property	-	(2,224,000)
Deficit of life policy holders takaful fund	-	(18,642,051)
Loss on disposal of property and equipment	(1,346)	20
<b>Operating profit before movements in working capital:</b>	<b>34,488,136</b>	<b>(4,671,847)</b>
(Increase)/decrease in prepaid and other assets	(8,106,310)	7,696,400
Increase in contributions and re-takaful balances receivables	(29,659,268)	(12,035,664)
(Increase)/decrease in deferred policy acquisition costs	(4,919,934)	9,532,829
Increase/(decrease) in outstanding claims, net	6,378,923	(477,088)
(Increase)/decrease in provision of loan from shareholders	(27,558,295)	2,178,183
Increase/(decrease) in takaful payables	13,825,174	(1,020,658)
Decrease in retakaful payables	(25,644,877)	(16,376,193)
Decrease in accrued expenses and other liabilities	(5,351,623)	(9,869,466)
Increase in unearned retakaful commission income	4,436,442	2,610,896
Directors' remuneration paid	(5,531,995)	(4,867,668)
<b>Net cash used in operating activities</b>	<b>(47,643,627)</b>	<b>(27,300,276)</b>
<b>INVESTING ACTIVITIES</b>		
Net movement in investments	30,545,831	14,832,950
Proceeds from sale of property and equipment	1,848	-
Purchase of property and equipment	(956,743)	(6,450,815)
Investment and other income received	22,865,216	34,897,638
Movement in term deposits	(24,451,097)	(21,750,002)
<b>Net cash generated from investing activities</b>	<b>28,005,055</b>	<b>21,529,771</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>(44,638,572)</b>	<b>(25,770,505)</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>55,506,319</b>	<b>86,336,960</b>
<b>Non-cash transaction</b>		
Redemption of units in kind (note 6)	67,082,090	-

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

**Notes to the interim financial information  
for the nine-month period ended 30 September 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 the article of association of the Company 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, holding trade license no. CN-1002130, 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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.
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) (effective from 1 April 2022).

**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.

**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 nine-month period ended 30 September 2022 (continued)**

**4 Cash and cash equivalents**

	<b>30 September 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Cash and bank balances - Takaful operations assets	<b>48,254,551</b>	59,953,280
Cash and bank balances - Shareholders' assets	<b>7,251,768</b>	32,893,283
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Total Cash and bank balances	<b>55,506,319</b>	92,846,563
	<hr/> <hr/>	<hr/> <hr/>
Term deposits - Takaful operations assets	<b>301,382,204</b>	318,095,203
Term deposits - Shareholders' assets	<b>94,014,546</b>	60,148,778
	<hr/>	<hr/>
Total Term deposits	<b>395,396,750</b>	378,243,981
	<hr/> <hr/>	<hr/> <hr/>
Cash and bank balances including term deposits	<b>450,903,069</b>	471,090,544
Less: term deposits with original maturity of more than three months	<b>(395,396,750)</b>	(370,945,653)
	<hr/>	<hr/>
Cash and cash equivalents	<b>55,506,319</b>	100,144,891
	<hr/> <hr/>	<hr/> <hr/>
Takaful operations assets	<b>48,254,551</b>	67,251,608
Shareholders' assets	<b>7,251,768</b>	32,893,283
	<hr/>	<hr/>
Cash and cash equivalents	<b>55,506,319</b>	100,144,891
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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 nine-month period ended 30 September 2022 (continued)**

**6 Investments**

		<b>30 September 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>Takaful operations assets</b>			
Financial assets measured at fair value through other comprehensive income	<b>6(b)</b>	<b>13,067,117</b>	13,352,921
		<u>13,067,117</u>	<u>13,352,921</u>
<b>Shareholders' assets</b>			
Financial assets measured at fair value through profit or loss	<b>6(a)</b>	-	135,765,710
Financial assets measured at fair value through other comprehensive income	<b>6(b)</b>	<b>327,163,008</b>	227,004,988
		<u>327,163,008</u>	<u>362,770,698</u>

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

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

- (i) On 29 September 2022, the Company redeemed 100% units in real estate funds against consideration in kind which comprise of equity shares of underlying investments of the Funds.

The geographical concentration of investments is as follows:

		<b>30 September 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Within UAE		-	-
Outside UAE		-	135,765,710
		<u>-</u>	<u>135,765,710</u>
		<u>-</u>	<u>135,765,710</u>

Notes to the financial statements  
for the nine-month period ended 30 September 2022 (continued)

6 Investments (continued)

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

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
<b><u>Takaful operations assets</u></b>		
Quoted securities		
- Sukuks	13,067,117	13,352,921
<b><u>Shareholders' assets</u></b>		
Quoted securities		
- Equity securities	93,389,920	78,976,074
- Sukuks	31,626,266	32,425,158
<b>Total quoted securities for shareholders assets</b>	<b>125,016,186</b>	111,401,232
Unquoted securities		
- Unlisted equities	202,146,822	115,603,756
<b>Total unquoted securities for shareholders assets</b>	<b>202,146,822</b>	115,603,756
<b>Total quoted and unquoted securities for shareholders assets</b>	<b>327,163,008</b>	227,004,988
	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Quoted securities	138,083,303	124,754,153
Unquoted securities	202,146,822	115,603,756
<b>Total Takaful operation and shareholders investments at fair value</b>	<b>340,230,125</b>	240,357,909

**Notes to the financial statements  
for the nine-month period ended 30 September 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 September 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Within UAE	<b>103,654,439</b>	69,248,063
Outside UAE	<b>236,575,686</b>	171,109,846
	<b>340,230,125</b>	240,357,909
	<b>340,230,125</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 September 2022 (unaudited)</b>				
Statutory deposit (note 5)	10,000,000	-	-	10,000,000
Due from related parties	1,205	1,187,785	-	1,188,990
Due to a related party	4,465,354	-	-	4,465,354
<b>Transactions for the nine-month period ended 30 September 2022 (unaudited)</b>				
Gross contributions written	14,426,813	19,979,680	-	34,406,493
Takaful expense	1,122,028	-	-	1,122,028
Director's fee	-	239,751	-	239,751
Short-term benefits	-	-	3,190,394	3,190,394
Long-term benefits	-	-	447,198	447,198

**Notes to the interim financial information  
for the nine-month period ended 30 September 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 nine-month period ended 30 September 2021 (unaudited)</b>				
Gross contributions written	75,552,340	17,455,069	-	93,007,409
Director's fee	4,479,518	-	-	4,479,518
Short-term benefits	-	-	2,898,874	2,898,874
Long-term benefits	-	-	161,732	161,732

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**

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

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 September 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 nine-month period ended 30 September 2022 (continued)**

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

	<b>30 September 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>Gross</b>		
Takaful contract liabilities:		
Reported claims	<b>110,846,579</b>	115,858,737
Claims incurred but not reported	<b>46,280,657</b>	47,417,904
Unallocated loss adjustment expense reserve	<b>686,276</b>	802,709
	<hr/>	<hr/>
Outstanding claims	<b>157,813,512</b>	164,079,350
Unearned contributions reserve	<b>344,398,858</b>	353,999,279
	<hr/>	<hr/>
	<b>502,212,370</b>	518,078,629
	<hr/>	<hr/>
<b>Recoverable from Re-takaful</b>		
Re-takaful contract assets:		
Reported claims	<b>77,872,230</b>	87,967,625
Claims incurred but not reported	<b>37,259,358</b>	39,808,724
	<hr/>	<hr/>
Re-takaful share of outstanding claims	<b>115,131,588</b>	127,776,349
Re-takaful share of unearned contributions	<b>254,967,129</b>	274,002,126
	<hr/>	<hr/>
	<b>370,098,717</b>	401,778,475
	<hr/>	<hr/>
<b>Takaful liabilities – net</b>		
Reported claims	<b>32,974,349</b>	27,891,112
Claims incurred but not reported	<b>9,021,299</b>	7,609,180
Unallocated loss adjustment expense reserve	<b>686,276</b>	802,709
	<hr/>	<hr/>
	<b>42,681,924</b>	36,303,001
	<hr/>	<hr/>
Unearned contributions reserve	<b>89,431,729</b>	79,997,153
	<hr/>	<hr/>
	<b>132,113,653</b>	116,300,154
	<hr/> <hr/>	<hr/> <hr/>

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

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

	<b>30 September 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Due from policyholders	<b>11,513,384</b>	6,406,801
Due from Brokers	<b>29,660,306</b>	13,264,804
Due from insurance and reinsurance companies	<b>10,085,302</b>	1,895,533
Less: Provision for doubtful debts	<b>(3,376,919)</b>	(3,188,094)
	<hr/>	<hr/>
	<b>47,882,073</b>	18,379,044
	<hr/> <hr/>	<hr/> <hr/>

The movement of provision for doubtful debts is as follows:

	<b>30 September 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Balance at the beginning of period / year	<b>3,188,094</b>	4,414,094
Reversal / (provision) for the period / year	<b>188,825</b>	(1,226,000)
	<hr/>	<hr/>
Balance at the end of period / year	<b>3,376,919</b>	3,188,094
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim financial information  
for the nine-month period ended 30 September 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	(8,219,401)	(19,338,894)	-	-	(27,558,295)
Loan received from shareholders for general takaful			19,338,894	-	19,338,894
Loan received from shareholders for family takaful	-	-	8,219,401	-	8,219,401
Change in investment valuation reserve	-	-	-	(1,255,425)	(1,255,425)
<b>At 30 September 2022 (unaudited)</b>	<b>(12,541,445)</b>	<b>(24,821,581)</b>	<b>37,363,026</b>	<b>(1,490,383)</b>	<b>(1,490,383)</b>
Balance at 1 January 2021 (audited)	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.

	30 September 2022 (%) (unaudited)	30 September 2021 (%) (unaudited)
Motor	35	25
Medical	25	20
Workers Protection	15	12.5
Energy	15	10
Property	20	25
All other takaful classes	20 - 35	25 - 35

**Notes to the interim financial information  
for the nine-month period ended 30 September 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:

	<u>3 month ended 30 September</u>		<u>9 month ended 30 September</u>	
	<u>2022</u> <u>(unaudited)</u>	2021 (unaudited)	<u>2022</u> <u>(unaudited)</u>	2021 (unaudited)
Profit for the period	<b>4,224,735</b>	11,507,327	<b>17,561,592</b>	61,248,221
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 September	<b>105,000,000</b>	105,000,000	<b>105,000,000</b>	105,000,000
Basic and diluted earnings per share (AED)	<b>0.04</b>	0.12	<b>0.17</b>	0.58

The weighted average number of ordinary shares in issue throughout the period ended 30 September 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 September 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 nine-month period ended 30 September 2022 (continued)**

**15 Segment information (continued)**

**Segment revenue and results**

	<b>Nine-month ended 30 September 2022 (unaudited)</b>			<b>Nine-month ended 30 September 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	<b>339,479,377</b>	<b>22,863,870</b>	<b>362,343,247</b>	313,120,895	34,897,658	348,018,553
Direct costs	<b>(286,654,078)</b>	-	<b>(286,654,078)</b>	(255,756,891)	-	(255,756,891)
Takaful expenses	<b>(20,789,095)</b>	-	<b>(20,789,095)</b>	(18,508,184)	-	(18,508,184)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Segment results</b>	<b>32,036,204</b>	<b>22,863,870</b>	<b>54,900,074</b>	38,855,820	34,897,658	73,753,478
Unallocated costs			<b>(37,338,482)</b>			(12,505,257)
			<hr/>			<hr/>
<b>Profit for the period</b>			<b>17,561,592</b>			61,248,221
			<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 September 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 nine-month period ended 30 September 2022 (continued)**

**15 Segment information (continued)**

**Segment assets and liabilities**

	As at 30 September 2022 (unaudited)			As at 31 December 2021 (audited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Segment assets	507,402,387	752,441,875	1,260,481,964	508,292,898	771,182,600	1,279,475,498
Unallocated assets			51,681,920			78,368,297
			<hr/>			<hr/>
<b>Total assets</b>			<b>1,312,163,884</b>			<b>1,357,843,795</b>
			<hr/>			<hr/>
Segment liabilities	795,660,716	429,138	796,089,854	821,352,657	474,721	821,827,378
Unallocated liabilities			13,076,987			20,166,757
			<hr/>			<hr/>
<b>Total liabilities</b>			<b>809,166,841</b>			<b>842,060,681</b>
			<hr/>			<hr/>
<b>Capital expenditure</b>		<b>956,743</b>	<b>956,743</b>		<b>8,160,673</b>	<b>8,160,673</b>
			<hr/>			<hr/>

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

**16 Seasonality of results**

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

**17 Profit for the period**

The Company's net profit for the period (before Qard Hasan) is AED 17.6 million (30 September 2021: AED 42.6 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 September 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 nine-month period ended 30 September 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 September 2022 (unaudited)</u></b>				
Investment properties	-	-	16,815,000	16,815,000
Financial assets measured at fair value through other comprehensive income	138,083,303	-	202,146,822	340,230,125
	<u>138,083,303</u>	<u>-</u>	<u>218,961,822</u>	<u>357,045,125</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 Subsequent events**

On 27 October 2022, the Company reached an initial agreement to acquire the individual life takaful portfolio from Dubai Islamic Insurance & Reinsurance Company (AMAN), subject to obtaining regulatory approval of the Central Bank of UAE.

The Company has sent a request to the Central Bank of UAE - Insurance Sector for initial approval and to complete the necessary procedures in order to finalize the transaction between the two companies.

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

The condensed interim financial information of the Company for the period ended 30 September 2022 has been authorised for issue in accordance with a resolution of the Board of Directors on 10 November 2022.