

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2022

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information (Unaudited)
For the six-months period ended 30 June 2022

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Report on review of the condensed interim financial information To the Board of Directors of Al Dhafra Insurance Company P.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al Dhafra Insurance Company P.S.C. (the "Company") as at 30 June 2022 and the related condensed interim statements of comprehensive income for the three-month and six-month period then ended and the condensed interim statements of changes in equity, and cash flows for the six-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 ("IAS 34") "Interim Information Reporting" as issued by the International Accounting Standard Board (IASB). Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with the 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.


GRANT THORNTON
Farouk Mohamed
Registration No: 86
Abu Dhabi, United Arab Emirates
Date: 11 August 2022

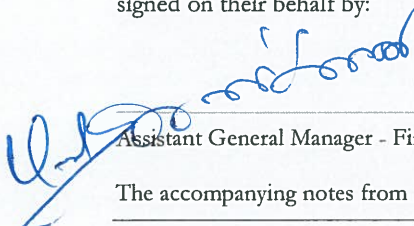


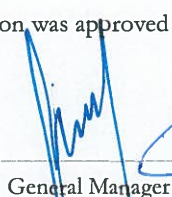
Al Dhafra Insurance Company P.S.C.
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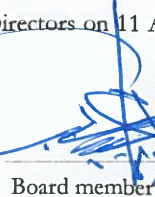
Condensed interim statement of financial position
As at 30 June 2022

		30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
	Notes		
ASSETS			
Property and equipment		1,098,635	1,270,692
Intangible assets		3,720,510	3,287,444
Right-of-use assets	17	3,715,489	4,305,866
Investment properties		67,912,225	65,812,225
Statutory deposit	4	9,980,000	9,980,000
Investments carried at fair value through other comprehensive income	5	237,045,783	245,695,433
Investments carried at fair value through profit and loss	6	123,431,347	103,340,654
Insurance balance receivable	7	124,943,141	99,869,670
Deferred acquisitions costs		22,631,698	23,221,362
Reinsurer's share of unearned premium reserve	8	116,449,639	89,822,167
Reinsurer's share of outstanding claims reserves	8	198,167,052	181,060,392
Reinsurer's share of claims incurred but not reported reserve	8	69,328,950	70,375,343
Prepayments and other receivables	7	6,191,168	6,861,229
Deposits	9	150,506,145	165,330,125
Cash and cash equivalents	9	27,581,377	49,090,158
TOTAL ASSETS		1,162,703,159	1,119,322,760
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		100,000,000	100,000,000
Legal reserve		50,000,000	50,000,000
General reserve		145,000,000	145,000,000
Investment revaluation reserve		45,792,423	54,442,073
Reinsurance reserve		2,260,256	2,260,256
Retained earnings		95,792,224	111,398,149
TOTAL EQUITY		438,844,903	463,100,478
LIABILITIES			
Provision for employees' end of service benefits		7,935,355	8,456,579
Lease liabilities	17	3,296,291	4,015,012
Insurance payables	11	192,668,058	156,978,257
Other payables	11	15,763,916	22,279,429
Unearned commission income		23,408,955	21,871,898
Technical provisions			
Unearned premium reserve	8	154,811,058	133,985,913
Outstanding claims reserve	8	227,269,150	208,070,108
Claims incurred but not reported reserve	8	88,622,764	89,971,813
Unallocated loss adjustment expense reserve	8	6,067,721	5,556,468
Unexpired risk reserve (premium deficiency reserve)	8	4,014,988	5,036,805
TOTAL LIABILITIES		723,858,256	656,222,282
TOTAL EQUITY AND LIABILITIES		1,162,703,159	1,119,322,760

This condensed interim financial information was approved by the Board of Directors on 11 August 2022 and signed on their behalf by:


Assistant General Manager - Finance


General Manager


Board member

The accompanying notes from 1 to 21 form an integral part of this condensed interim financial information



Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Condensed interim statement of comprehensive income
For the six-month period ended 30 June 2022

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2022 (Unaudited) AED	2021 (Unaudited) AED	2022 (Unaudited) AED	2021 (Unaudited) AED
Gross premiums written		88,294,805	84,766,370	178,022,465	173,666,031
Reinsurance premium ceded		(70,518,767)	(65,871,952)	(140,049,999)	(131,847,888)
Net premium		17,776,038	18,894,418	37,972,466	41,818,143
Net change in unearned premium		3,699,196	(1,431,215)	5,802,327	(8,111,472)
Net premium earned		21,475,234	17,463,203	43,774,793	33,706,671
Commission earned		13,486,396	13,888,545	26,843,700	27,206,320
Commission incurred		(12,889,904)	(10,743,532)	(26,018,262)	(19,663,371)
Gross underwriting income		22,071,726	20,608,216	44,600,231	41,249,620
Gross claims paid		(43,569,744)	(37,148,018)	(91,539,912)	(68,076,272)
Reinsurance share of claims paid		33,123,537	27,587,010	71,892,676	50,424,741
Net claims paid		(10,446,207)	(9,561,008)	(19,647,236)	(17,651,531)
Change in gross outstanding claims reserve		(17,435,932)	8,268,686	(19,199,042)	8,807,124
Change in reinsurer's share of outstanding claims reserve		16,802,287	(3,878,094)	17,106,660	(4,807,382)
Change in claims incurred but not reported reserve, net		(114,456)	48,046	302,656	2,206,550
Change in unexpired risk reserve, net		13,512	(418,578)	1,021,817	(519,855)
Change in unallocated loss adjustment expense reserve		(259,774)	(180,366)	(511,253)	(294,254)
Net claims incurred		(11,440,570)	(5,721,314)	(20,926,398)	(12,259,348)
Underwriting income		10,631,156	14,886,902	23,673,833	28,990,272
Other income relating to underwriting		3,265,017	284,523	5,045,741	588,026
General and administrative expenses relating to underwriting		(565,596)	(913,700)	(1,186,340)	(1,769,759)
Net underwriting income		13,330,577	14,257,725	27,533,234	27,808,539
Income from investments, net	14	(7,501,422)	1,801,187	7,242,128	11,619,832
Income from investment properties (rental income)		508,847	473,742	990,751	994,759
Other income, net		-	-	-	3,500
Total income		6,338,002	16,532,654	35,766,113	40,426,630
General and administrative expenses		(8,227,970)	(8,541,900)	(16,295,336)	(16,325,095)
Finance cost		(38,351)	(52,693)	(76,702)	(105,386)
(LOSS)/PROFIT FOR THE PERIOD		(1,928,319)	7,938,061	19,394,075	23,996,149
Basic and diluted earnings per share	13	(0.02)	0.08	0.19	0.24

The accompanying notes from 1 to 21 form an integral part of this condensed interim financial information.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Condensed interim statement of comprehensive income (continued)
For the six-month period ended 30 June 2022

	Notes	Three-month period ended 30 June 2022		Six-month period ended 30 June 2022	
		(Unaudited) AED	(Unaudited) AED	(Unaudited) AED	(Unaudited) AED
(Loss)/Profit for the period		(1,928,319)	7,938,061	19,394,075	23,996,149
Other comprehensive income					
<i>Items that will not be reclassified to statement of income:</i>					
Change in fair value relating to investments carried at fair value through other comprehensive income	5	(50,777,395)	14,592,515	(8,649,650)	30,857,122
Other comprehensive (loss)/income for the period		(50,777,395)	14,592,515	(8,649,650)	30,857,122
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(52,705,714)	22,530,576	10,744,425	54,853,271

The accompanying notes from 1 to 21 form an integral part of this condensed interim financial information.

**Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information**

**Condensed interim statement of changes in equity
For the six-month period ended 30 June 2022**

	Share capital AED	Legal reserve AED	General reserve AED	Investment revaluation reserve AED	Reinsuranc e reserve AED	Retained earnings AED	Total equity AED
Balance as at 1 January 2021 (Audited)	100,000,000	50,000,000	145,000,000	(20,696,624)	1,101,777	113,917,671	389,322,824
Net profit for the period	-	-	-	-	-	23,996,149	23,996,149
Other comprehensive income for the period	-	-	-	30,857,122	-	-	30,857,122
Dividends declared and paid	-	-	-	-	-	(40,000,000)	(40,000,000)
Balance as at 30 June 2021 (Unaudited)	100,000,000	50,000,000	145,000,000	10,160,498	1,101,777	97,913,820	404,176,095
Balance as at 1 January 2022 (Audited)	100,000,000	50,000,000	145,000,000	54,442,073	2,260,256	111,398,149	463,100,478
Net profit for the period	-	-	-	-	-	19,394,075	19,394,075
Other comprehensive loss for the period	-	-	-	(8,649,650)	-	-	(8,649,650)
Dividends declared and paid	-	-	-	-	-	(35,000,000)	(35,000,000)
Balance as at 30 June 2022 (Unaudited)	100,000,000	50,000,000	145,000,000	45,792,423	2,260,256	95,792,224	438,844,903

The accompanying notes from 1 to 21 form an integral part of this condensed interim financial information.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

Condensed interim statement of cash flows
For the six-month period ended 30 June 2022

		Six-month period ended 30 June 2022 (Unaudited) AED	Six-month period ended 30 June 2021 (Unaudited) AED
	Notes		
OPERATING ACTIVITIES			
Profit for the period		19,394,075	23,996,149
Adjustments for:			
Unearned premium and unexpired risk reserve, net		(6,824,144)	8,631,327
Change in gross outstanding claims and claims incurred but not reported reserves		18,361,246	5,699,146
Change in reinsurance share of outstanding claims and claims incurred but not reported reserves		(16,060,267)	(11,611,184)
Change in fair value of investments carried at fair value through profit or loss	6, 14	4,841,956	(1,743,127)
Gain/(loss) on disposal of investments carried at fair value through profit or loss	14	(261,913)	453,788
Change in fair value of investment properties		(2,100,000)	-
Provision for employees' end of service benefits		279,088	264,163
Depreciation of property and equipment and right-of-use asset		883,938	929,568
Amortisation of intangible assets		524,483	462,176
Finance cost		76,702	105,386
(Gain)/loss on termination of lease contract		(188,408)	15,649
Gain on disposal of property and equipment		-	(3,500)
Dividend income	14	(9,292,109)	(7,697,127)
Interest income	14	(2,545,358)	(2,679,911)
		7,089,289	16,822,503
Working capital changes:			
Insurance receivable, other receivables and prepayments		(24,409,404)	(23,895,372)
Insurance and other payables		29,174,287	7,958,674
Deferred acquisition costs		589,664	(5,470,154)
Unearned commission income		1,537,057	1,967,714
Cash generated from/(used in) operations		13,980,893	(2,616,635)
Employees' end of service benefits paid		(800,312)	(303,533)
Net cash generated from/(used in) operating activities		13,180,581	(2,920,168)
INVESTING ACTIVITIES			
Purchase of property and equipment		(138,141)	(433,185)
Proceeds from disposal of property and equipment		-	3,500
Purchase of intangible assets		(957,549)	(137,736)
Purchase of investments at FVTPL		(30,424,521)	(73,258,078)
Proceeds from disposal of investment carried at fair value through profit and loss		5,753,785	6,154,801
Movement in term deposits		14,823,980	34,806,998
Interest received		2,551,352	3,118,405
Dividends received		9,292,109	7,697,127
Net cash generated from/(used in) investing activities		901,015	(22,048,168)
FINANCING ACTIVITIES			
Dividends paid		(35,000,000)	(40,000,000)
Payment of lease liabilities		(590,377)	(687,612)
Net cash used in financing activities		(35,590,377)	(40,687,612)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(21,508,781)	(65,655,948)
Cash and cash equivalents at the beginning of the period		49,090,158	98,881,191
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	27,581,377	33,225,243

The accompanying notes from 1 to 21 form an integral part of this condensed interim financial information

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information

Notes to the condensed interim financial information

For the six-month period ended 30 June 2022

1 General information

Al Dhafra Insurance Company P.S.C. (the “Company”), is a public shareholding company incorporated in Abu Dhabi by Emiri Decree No. 8 of 1979.

The Federal Decree-Law No. 26 of 2020 on the amendment of certain provisions of Federal Law No. 2 of 2015 (as amended) on Commercial Companies was issued on 27 September 2020 and shall take effect starting from the 2 January 2021. The Company shall apply and adjust their status in accordance with the provisions thereof by no later than one year from the date on which this Decree-Law takes effect.

The 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 Central Bank of the United Arab Emirates and Organization of its Operations 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 CBUAE.

Federal Law by Decree No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on 20 September 2021 with an effective date of 2 January 2022 and will entirely replace Federal Law No. 2 of 2015 (as amended) on Commercial Companies, as amended. The Company has twelve months from the effective date to comply with the provisions of the new Companies Law.

The Company’s ordinary shares are listed on the Abu Dhabi Securities Exchange.

The Company is engaged in insurance and reinsurance of all classes of business with the exception of endowments and annuities. The Company is domiciled in the United Arab Emirates and its registered office address is P.O. Box 319, Abu Dhabi, United Arab Emirates.

2 Basis of preparation

Statement of compliance

The condensed interim financial information is prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The condensed interim financial information does not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as at 31 December 2021. In addition, the 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 condensed interim financial information has been prepared on the historical cost basis except for the investments carried at fair value through profit or loss, investments carried at fair value through other comprehensive income and investment properties.

The condensed interim financial information is presented in United Arab Emirates Dirhams (“AED”), being the functional and presentation currency of the Company.

Use of estimates and judgements

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

In preparing this interim condensed financial information, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the financial statements as at and for the year ended 31 December 2021, except for the adoption of new standards and interpretations effective 1 January 2022.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

2 Basis of preparation (continued)

However, the Company has reviewed the key sources of estimation uncertainties disclosed in the recent annual audited financial information against the backdrop of Covid-19 pandemic. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the recent annual audited financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

Impact of COVID-19

In response to the spread of the Covid-19 where the Company operates and its resulting disruptions to the social and economic activities in those markets, the Company's management has proactively assessed its impacts on its operations and has taken a series of preventive measures, including the creating of a business contingency plan, to ensure the health and safety of its employees, customers and wider community as well as to ensure the continuity of its services throughout the market. The business operations of the Company currently remain largely unaffected. Based on these factors, the Company's management believes that the Covid-19 pandemic has had no material effects on the reported condensed interim financial information as at and for the three-month period ended 30 June 2022.

3 Significant accounting policies

Application of new and revised International Financial Reporting Standards (IFRS)

Standards, interpretations and amendments to existing standards that are effective in 2022

In the current period, the Company has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2022. The application of these amendments to IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for the Company's future transactions or arrangements.

- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Amendments to IFRS 3 - References to the Conceptual Framework

These amendments do not have a significant impact on the financial information and therefore the disclosures have not been made.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

3 Significant accounting policies (continued)

Amendment to standards and interpretations issued but not yet effective

The new standards and revised IFRSs not yet effective and have not been adopted early by the Group include:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Amendments to IFRS 3 - References to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities from a Single Transaction
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective. Management is currently assessing the impact of the above standards.

4 Statutory deposit

In accordance with the requirements of Federal Law No. (6) of 2007, concerning the formation of Insurance Authority of UAE, the Company maintains the below deposit which cannot be utilized without the consent of the Central Bank of the UAE.

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Statutory deposit	10,000,000	10,000,000
Less: Allowance for expected credit losses	(20,000)	(20,000)
	9,980,000	9,980,000

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

5 Investments carried at fair value through other comprehensive income

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Quoted UAE equity securities	237,045,783	245,695,433

The movement in the investments at fair value through other comprehensive income is as follows:

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Fair value at beginning of period / year	245,695,433	170,556,736
Additions	-	177,999
Disposals	-	(177,999)
Change in fair value	(8,649,650)	75,138,697
Fair value at end of the period / year	237,045,783	245,695,433

6 Investments carried at fair value through profit or loss

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Managed funds (i)	69,507,770	51,133,441
Quoted UAE equity securities	40,883,077	36,048,600
Quoted debt securities (ii)	6,476,073	10,476,326
Unquoted equity security	6,564,427	5,682,287
	123,431,347	103,340,654

(i) It represents investment in equity and credit funds.

(ii) Quoted debts securities carry interest at a rate ranging from 4.23% to 7.00% (2021: 4.23% to 7.00%) per annum.

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

6 Investments carried at fair value through profit or loss (continued)

The movement in investments at fair value through profit or loss is as follows:

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Fair value at beginning of period / year	103,340,654	40,136,263
Additions	30,424,521	99,192,681
Disposals	(5,491,872)	(43,696,613)
Change in fair value (note 14)	(4,841,956)	7,708,323
Fair value at end of the period / year	<u>123,431,347</u>	<u>103,340,654</u>

7 Insurance balances receivables, prepayments and other receivables

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Due from policy holders	103,662,389	85,545,554
Due from policy holders - related parties (note 10)	986,606	170,363
Due from reinsurance companies	7,038,349	4,755,730
Due from insurance companies, broker and agents	<u>33,591,646</u>	<u>33,030,521</u>
	145,278,990	123,502,168
Less: Allowance for expected credit losses	<u>(20,335,849)</u>	<u>(23,632,498)</u>
Insurance balance receivable	124,943,141	99,869,670
Prepayments	1,648,763	3,063,138
Interest receivables	1,598,542	1,604,536
Other receivables	<u>2,943,863</u>	<u>2,193,555</u>
Prepayments and other receivables	6,191,168	6,861,229
	<u>131,134,309</u>	<u>106,730,899</u>

Al Dhafra Insurance Company P.S.C.
Condensed Interim Financial Information

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

8 Insurance contract liabilities and reinsurance contract assets

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Insurance contract liabilities		
Outstanding claims reserve	227,269,150	208,070,108
Claims incurred but not reported reserve	88,622,764	89,971,813
Unearned premiums reserve	154,811,058	133,985,913
Unallocated loss adjustment expense reserve	6,067,721	5,556,468
Unexpired risk reserve (premium deficiency reserve)	4,014,988	5,036,805
	480,785,681	442,621,107
Reinsurance contract assets		
Outstanding claims reserve	198,167,052	181,060,392
Claims incurred but not reported reserve	69,328,950	70,375,343
Unearned premiums reserve	116,449,639	89,822,167
Unexpired risk reserve (premium deficiency reserve)	-	-
	383,945,641	341,257,902
Insurance liabilities – net		
Outstanding claims reserve	29,102,098	27,009,716
Claims incurred but not reported reserve	19,293,814	19,596,470
Unearned premiums reserve	38,361,419	44,163,746
Unallocated loss adjustment expense reserve	6,067,721	5,556,468
Unexpired risk reserve (premium deficiency reserve)	4,014,988	5,036,805
	96,840,040	101,363,205

9 Cash and cash equivalents

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Cash on hand	15,230	393,086
Current accounts	27,566,147	48,697,072
Term deposits*	150,506,145	165,330,125
Bank balances and cash	178,087,522	214,420,283
Less: Term deposits with an original maturity of more than three months	(150,506,145)	(165,330,125)
Cash and cash equivalents	27,581,377	49,090,158

*Term deposits are stated net of expected credit losses amounting to AED 392,227 as at 30 June 2022 (31 December 2021: AED 392,227).

The interest rate on term deposits and current accounts with banks ranges between 0.65% and 3.3% (31 December 2021: 0.50% and 3%) per annum. All bank balances are held in local banks in the United Arab Emirates.

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

10 Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Company, and the companies of which they are principal owners and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Due from policyholders (note 7)	986,606	170,363

Transactions with related parties during the period are as follows

	30 June 2022 (Unaudited) AED	30 June 2021 (Unaudited) AED
Gross premiums written	1,481,199	1,169,190
Claims paid	1,131,187	198,562

Remuneration of key management personnel

	30 June 2022 (Unaudited) AED	30 June 2021 (Unaudited) AED
Short term benefits	1,174,860	1,174,860
Post-employment benefits	56,981	56,980
	1,231,841	1,231,840

11 Insurance and other payables

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Due to policy holders	48,778,943	42,118,472
Due to insurance companies	57,312,644	41,774,416
Due to reinsurance companies	28,351,178	15,271,037
Premium reserve withheld	58,225,293	57,814,333
Insurance payables	192,668,058	156,978,258

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Notes to the condensed interim financial information (continued)
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11 Insurance and other payables (continued)

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Dividend payable	5,283,005	5,283,005
CBUAE fees reserve	701,512	1,238,063
Deferred income	1,401,049	1,338,213
Directors' remuneration	-	4,500,000
Other payables	8,378,350	9,920,148
	<u>15,763,916</u>	<u>22,279,429</u>
Total insurance and other payables	<u>208,431,974</u>	<u>179,257,687</u>

12 Dividends

On 23 March 2022, the shareholders at the Annual General Assembly approved cash dividends of 0.35 fils per share amounting to AED 35,000,000 (31 March 2021: 0.40 fils per share amounting to AED 40,000,000).

13 Basic and diluted earnings per share

Basic earnings per share is computed by dividing the profit for the period by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

	Three-month period ended 30 June 2022 (Unaudited) AED		Six-month period ended 30 June 2022 (Unaudited) AED	
	2021 (Unaudited) AED		2021 (Unaudited) AED	
(Loss)/profit for the period (AED)	(1,928,319)	7,938,061	19,394,075	23,996,149
Weighted average number of ordinary shares outstanding during the period	100,000,000	100,000,000	100,000,000	100,000,000
Basic and diluted earnings per share (AED)	(0.02)	0.08	0.19	0.24

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For the six-month period ended 30 June 2022

14 Income from investments, net

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	AED	AED	AED	AED
Dividend income	424,395	334,308	9,292,109	7,697,127
Interest income	1,499,909	1,276,459	2,545,358	2,679,911
Change in fair value of investments at fair value through profit or loss (note 6)	(9,438,985)	563,746	(4,841,956)	1,743,127
Gain/(loss) on sale of investments at fair value through profit or loss	23,819	(328,481)	261,913	(453,788)
Foreign exchange loss on investments	(9,839)	-	-	-
Other investment or loss	(721)	(44,845)	(15,296)	(46,545)
	(7,501,422)	1,801,187	7,242,128	11,619,832

15 Segment reporting

15.1 Segment revenue and results

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units are managed separately because they require different approach, technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis.

The following summary describes the two main business segments:

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

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Notes to the condensed interim financial information (continued)
For the three-month period ended 31 March 2022

15 Segment reporting (continued)

15.1 Segment revenue and results (continued)

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

	Six-month period ended 30 June (Unaudited)			2021		
	2022			2021		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Direct revenues	204,866,165	13,440,575	218,306,740	200,872,351	11,257,251	212,129,602
Direct costs	(181,192,332)	(365,740)	(181,558,072)	(171,882,079)	(385,786)	(172,267,865)
Other underwriting income	5,045,741	-	5,045,741	588,026	-	588,026
Other underwriting expenses	(1,186,340)	-	(1,186,340)	(1,769,759)	-	(1,769,759)
Non-cash investment (loss)/gain	-	(4,841,956)	(4,841,956)	-	1,743,126	1,743,126
Segment profit	27,533,234	8,232,879	35,766,113	27,808,539	12,614,591	40,423,130
General and administrative expenses	(16,295,336)	-	(16,295,336)	(16,325,095)	-	(16,325,095)
Finance cost	(76,702)	-	(76,702)	(105,386)	-	(105,386)
Other income	-	-	-	-	3,500	3,500
Profit for the period	11,161,196	8,232,879	19,394,075	11,378,058	12,618,091	23,996,149

	Three-month period ended 30 June (Unaudited)			2021		
	2022			2021		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Direct revenues	101,781,201	2,638,712	104,419,913	98,654,915	1,934,070	100,588,985
Direct costs	(91,150,045)	(192,302)	(91,342,347)	(83,768,014)	(222,885)	(83,990,899)
Other underwriting income	3,265,017	-	3,265,017	284,523	-	284,523
Other underwriting expenses	(565,596)	-	(565,596)	(913,700)	-	(913,700)
Non-cash investment (loss)/gain	-	(9,438,985)	(9,438,985)	-	563,745	563,745
Segment profit	13,330,577	(6,992,575)	6,338,002	14,257,724	2,274,930	16,532,654
General and administrative expenses	(8,227,970)	-	(8,227,970)	(8,541,900)	-	(8,541,900)
Finance cost	(38,351)	-	(38,351)	(52,693)	-	(52,693)
Other income	-	-	-	-	-	-
Profit for the period	5,064,256	(6,992,575)	(1,928,319)	5,663,131	2,274,930	7,938,061

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For the three-month period ended 31 March 2022

15 Segment reporting (continued)

15.2 Segment revenue and results (continued)

	As at 30 June 2022 (Unaudited)			As at 31 December 2021 (Audited)		
	Underwriting	Investments	Total	Underwriting	Investments	Total
	AED	AED	AED	AED	AED	AED
Segment assets	546,246,282	588,875,500	1,135,121,782	480,074,165	590,158,437	1,070,232,602
Unallocated assets	-	-	27,581,377	-	-	49,090,158
Total assets	546,246,282	588,875,500	1,162,703,159	480,074,165	590,158,437	1,119,322,760
Segment liabilities	713,841,616	4,733,635	718,575,251	645,548,054	5,391,224	650,939,278
Unallocated liabilities	-	-	5,283,005	-	-	5,283,005
Total liabilities	713,841,616	4,733,635	723,858,256	645,548,054	5,391,224	656,222,283
Capital expenditure	1,095,690	-	1,095,690	846,235	-	846,235

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16 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of statutory deposit, investments carried at fair value through other comprehensive income, investments carried at fair value through profit and loss, insurance receivables, deposits, bank balances and cash, and certain other assets. Financial liabilities consist of insurance payables, lease liabilities and certain other liabilities.

The fair values of the financial assets and liabilities are not materially different from their carrying values.

The following table shows the analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 30 June 2022 and 31 December 2021:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
30 June 2022 (Unaudited)				
Investments at fair value through statement of comprehensive income	237,045,783	-	-	237,045,783
Investments at fair value through profit and loss	7,359,150	69,507,770	6,564,427	123,431,347
	<u>284,404,933</u>	<u>69,507,770</u>	<u>6,564,427</u>	<u>360,477,130</u>
31 December 2021 (Audited)				
Investments at fair value through statement of comprehensive income	245,695,433	-	-	245,695,433
Investments at fair value through profit and loss	46,524,926	51,133,441	5,682,287	103,340,654
	<u>292,220,359</u>	<u>51,133,411</u>	<u>5,682,287</u>	<u>349,036,087</u>

Valuation technique:

Level 1: Quoted bid prices in an active market

Level 2: Valuation based selected observable market price

Level 3: Net assets value based on audited financials

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Notes to the condensed interim financial information (continued)
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17 Leasing

Lease liabilities are presented in the condensed interim information of financial position as follows:

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Current	1,185,243	1,195,243
Non-current	2,111,048	2,819,769
	<u>3,296,291</u>	<u>4,015,012</u>

Carrying amount of right-of-use assets as presented in the condensed interim information of financial position is as follows:

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Right-of-use assets	<u>3,715,489</u>	<u>4,305,866</u>

18 Contingent liability

	30 June 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Bank guarantees	<u>11,914,421</u>	<u>16,044,222</u>

19 Post reporting date events

No adjusting or significant non-adjusting events occurred between the reporting date and the date of approval of the condensed interim financial information.

20 General

The figures in the condensed interim financial information are rounded to the nearest Dirham of United Arab Emirates.

21 Approval of condensed interim financial information

The condensed interim financial information was approved and authorized for issue by the Board of Directors on 11 August 2022.