

Al Dhafra Insurance Company P.S.C.

Condensed Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2022

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

Table of contents

	Pages
Report on review of the condensed interim financial information	1
Condensed interim statement of financial position	2
Condensed interim statement of profit or loss	3
Condensed interim statement of comprehensive income	4
Condensed interim statement of changes in equity	5
Condensed interim statement of cash flows	6
Notes to the condensed interim financial information	7 - 19

Grant Thornton UAE - Abu Dhabi

Office 1101, 11th Floor
Al Kamala Tower
Zayed the 1st Street
Khalidiya
Abu Dhabi, UAE

T +971 2 666 9750

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 September 2022 and the related condensed interim statements of profit or loss and comprehensive income for the three-month and nine-month period then ended, statement of changes in equity and cash flows for the nine-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: 10 November 2022

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

Condensed interim statement of financial position
As at 30 September 2022

		30 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
	Notes		
ASSETS			
Property and equipment		932,467	1,270,692
Intangible assets		3,575,704	3,287,444
Right-of-use assets	17	3,447,114	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	241,388,616	245,695,433
Investments carried at fair value through profit and loss	6	112,288,655	103,340,654
Insurance balance receivable	7	125,050,453	99,869,670
Deferred acquisitions costs		22,773,756	23,221,362
Reinsurer's share of unearned premium reserve	8	112,238,353	89,822,167
Reinsurer's share of outstanding claims reserves	8	206,289,087	181,060,392
Reinsurer's share of claims incurred but not reported reserve	8	68,595,659	70,375,343
Prepayments and other receivables	7	5,749,566	6,861,229
Deposits	9	155,169,136	165,330,125
Cash and cash equivalents	9	40,823,102	49,090,158
TOTAL ASSETS		1,176,213,893	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		50,135,256	54,442,073
Reinsurance reserve		2,260,256	2,260,256
Retained earnings		102,599,832	111,398,149
TOTAL EQUITY		449,995,344	463,100,478
LIABILITIES			
Provision for employees' end of service benefits		7,557,912	8,456,579
Lease liabilities	17	3,244,566	4,015,012
Insurance payables	11	189,827,824	156,978,257
Other payables	11	15,474,944	22,279,429
Unearned commission income		23,219,598	21,871,898
Technical provisions			
Unearned premium reserve	8	150,387,263	133,985,913
Outstanding claims reserve	8	237,155,216	208,070,108
Claims incurred but not reported reserve	8	87,469,202	89,971,813
Unallocated loss adjustment expense reserve	8	6,181,404	5,556,468
Unexpired risk reserve	8	5,700,620	5,036,805
TOTAL LIABILITIES		726,218,549	656,222,282
TOTAL EQUITY AND LIABILITIES		1,176,213,893	1,119,322,760

This condensed interim financial information was approved by the Board of Directors on 10 November 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 profit or loss
For the nine-month period ended 30 September 2022

		Three-month period ended 30 September		Nine-month period ended 30 September	
		2022	2021	2022	2021
	Notes	(Unaudited) AED	(Unaudited) AED	(Unaudited) AED	(Unaudited) AED
Gross premiums written		78,193,790	71,154,305	256,216,255	244,820,336
Reinsurance premium ceded		(58,348,665)	(47,178,757)	(198,398,664)	(179,026,645)
Net premium		19,845,125	23,975,548	57,817,591	65,793,691
Net change in unearned premium		212,509	(1,919,415)	6,014,836	(10,030,887)
Net premium earned		20,057,634	22,056,133	63,832,427	55,762,804
Commission earned		14,343,442	14,049,671	41,187,142	41,255,991
Commission incurred		(12,884,420)	(11,920,271)	(38,902,682)	(31,583,642)
Gross underwriting income		21,516,656	24,185,533	66,116,687	65,435,153
Gross claims paid		(48,211,764)	(34,393,424)	(139,751,676)	(102,469,696)
Reinsurance share of claims paid		38,532,949	26,244,390	110,425,625	76,669,131
Net claims paid		(9,678,815)	(8,149,034)	(29,326,051)	(25,800,565)
Change in gross outstanding claims reserve		(9,886,066)	(38,537,750)	(29,085,108)	(29,730,626)
Change in reinsurer's share of outstanding claims reserve		8,122,035	37,961,525	25,228,695	33,154,143
Change in claims incurred but not reported reserve, net		420,271	1,125,510	722,927	3,332,060
Change in unexpired risk reserve, net		(1,685,632)	(852,696)	(663,815)	(1,372,551)
Change in unallocated loss adjustment expense reserve		(113,683)	(821,554)	(624,936)	(1,115,808)
Net claims incurred		(12,821,890)	(9,273,999)	(33,748,288)	(21,533,347)
Underwriting income		8,694,766	14,911,534	32,368,599	43,901,806
Other income relating to underwriting		3,697,232	1,224,166	8,742,973	1,812,192
General and administrative expenses relating to underwriting		(480,398)	(645,818)	(1,666,738)	(2,415,577)
Net underwriting income		11,911,600	15,489,882	39,444,834	43,298,421
Income from investments, net	14	2,677,303	3,110,668	9,919,431	14,730,500
Income from investment properties		664,127	554,477	1,654,878	1,549,236
Other income, net		-	-	-	3,500
Total income		15,253,030	19,155,027	51,019,143	59,581,657
General and administrative expenses		(8,407,941)	(7,738,048)	(24,703,277)	(24,063,143)
Finance cost		(37,481)	(52,693)	(114,183)	(158,079)
PROFIT FOR THE PERIOD		6,807,608	11,364,285	26,201,683	35,360,434
Basic and diluted earnings per share	13	0.07	0.11	0.26	0.35

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 nine-month period ended 30 September 2022

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2022 (Unaudited) AED	2021 (Unaudited) AED	2022 (Unaudited) AED	2021 (Unaudited) AED
Profit for the period		6,807,608	11,364,285	26,201,683	35,360,434
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/(loss)	5	4,342,833	11,522,548	(4,306,817)	42,379,670
Other comprehensive income/(loss) for the period		4,342,833	11,522,548	(4,306,817)	42,379,670
TOTAL COMPREHENSIVE INCOME		11,150,441	22,886,833	21,894,866	77,740,104

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 nine-month period ended 30 September 2022**

	Share capital AED	Legal reserve AED	General reserve AED	Investment revaluation reserve AED	Reinsurance 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	-	-	-	-	-	35,360,434	35,360,434
Other comprehensive income for the period	-	-	-	42,379,670	-	-	42,379,670
Dividends declared and paid	-	-	-	-	-	(40,000,000)	(40,000,000)
Balance as at 30 September 2021 (Unaudited)	100,000,000	50,000,000	145,000,000	21,683,046	1,101,777	109,278,105	427,062,928
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	-	-	-	-	-	26,201,683	26,201,683
Other comprehensive loss for the period	-	-	-	(4,306,817)	-	-	(4,306,817)
Dividends declared and paid	-	-	-	-	-	(35,000,000)	(35,000,000)
Balance as at 30 September 2022 (Unaudited)	100,000,000	50,000,000	145,000,000	50,135,256	2,260,256	102,599,832	449,995,344

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 nine-month period ended 30 September 2022

	Notes	Nine-month period ended 30 September 2022 (Unaudited) AED	Nine-month period ended 30 September 2021 (Unaudited) AED
OPERATING ACTIVITIES			
Profit for the period		26,201,683	35,360,434
Adjustments for:			
Unearned premium and unexpired risk reserve, net		(5,351,021)	11,403,438
Change in gross outstanding claims and claims incurred but not reported reserves		27,207,433	53,174,739
Change in reinsurance share of outstanding claims and claims incurred but not reported reserves		(23,449,011)	(58,814,508)
Change in fair value of investments carried at fair value through profit or loss	6, 14	4,414,102	(1,750,272)
(Loss)/gain on disposal of investments carried at fair value through profit or loss	14	(343,432)	453,788
Provision for employees' end of service benefits		404,893	398,673
Depreciation of property and equipment and right-of-use asset		1,381,985	1,396,237
Amortisation of intangible assets		739,325	655,570
Finance cost		114,183	158,079
loss on termination of lease contract		(15,034)	(45,674)
Gain/(loss) on disposal of property and equipment		91	(3,501)
Dividend income	14	(9,885,139)	(8,737,037)
Interest income	14	(4,228,341)	(4,754,794)
		17,191,717	28,895,172
Working capital changes:			
Insurance receivable, other receivables and prepayments		(24,290,665)	(23,142,014)
Insurance and other payables		26,045,081	(15,918,394)
Deferred acquisition costs		447,606	(4,969,032)
Unearned commission income		1,347,700	234,823
Cash generated from/(used in) operations		20,741,439	(14,899,445)
Employees' end of service benefits paid		(1,303,559)	(318,300)
Net cash generated from/(used in) operating activities		19,437,880	(15,217,745)
INVESTING ACTIVITIES			
Purchase of property and equipment		(195,942)	(472,054)
Proceeds from disposal of property and equipment		-	3,500
Purchase of intangible assets		(1,027,585)	(213,746)
Purchase of investments at FVTPL		(47,332,833)	(75,404,048)
Proceeds from disposal of investment carried at fair value through profit and loss		34,314,162	6,154,802
Additions to investment properties		(2,100,000)	-
Movement in term deposits		10,160,989	19,030,868
Interest received		4,449,886	6,407,766
Dividends received		9,885,139	8,737,037
Net cash generated from/(used in) investing activities		8,153,816	(35,755,875)
FINANCING ACTIVITIES			
Dividends paid		(35,000,000)	(40,000,000)
Payment of lease liabilities		(858,752)	(796,057)
Net cash used in financing activities		(35,858,752)	(40,796,057)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(8,267,056)	(91,769,677)
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	40,823,102	7,111,514

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 nine-month period ended 30 September 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 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 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 condensed interim 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 nine-month period ended 30 September 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 September 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)
	<u>9,980,000</u>	<u>9,980,000</u>

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

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

5 Investments carried at fair value through other comprehensive income

	30 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Quoted UAE equity securities	241,388,616	245,695,433

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

	30 September 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	(4,306,817)	75,138,697
Fair value at end of the period / year	241,388,616	245,695,433

6 Investments carried at fair value through profit or loss

	30 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Managed funds (i)	60,132,434	51,133,441
Quoted UAE equity securities	41,509,385	36,048,600
Quoted debt securities (ii)	4,082,409	10,476,326
Unquoted equity security	6,564,427	5,682,287
	112,288,655	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 nine-month period ended 30 September 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 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Fair value at beginning of period / year	103,340,654	40,136,263
Additions	47,332,833	99,192,681
Disposals	(33,970,730)	(43,696,613)
Change in fair value (note 14)	(4,414,102)	7,708,323
Fair value at end of the period / year	112,288,655	103,340,654

7 Insurance balances receivables, prepayments and other receivables

	30 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Due from policy holders	99,232,703	85,545,554
Due from policy holders - related parties (note 10)	1,058,837	170,363
Due from reinsurance companies	6,008,202	4,755,730
Due from insurance companies, broker and agents	36,230,517	33,030,521
	142,530,259	123,502,168
Less: Allowance for expected credit losses	(17,479,806)	(23,632,498)
Insurance balance receivable	125,050,453	99,869,670
Prepayments	1,856,484	3,063,138
Interest receivables	1,382,991	1,604,536
Other receivables	2,510,091	2,193,555
Prepayments and other receivables	5,749,566	6,861,229
	130,800,019	106,730,899

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

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

8 Insurance contract liabilities and reinsurance contract assets

	30 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Insurance contract liabilities		
Outstanding claims reserve	237,155,216	208,070,108
Claims incurred but not reported reserve	87,469,202	89,971,813
Unearned premiums reserve	150,387,263	133,985,913
Unallocated loss adjustment expense reserve	6,181,404	5,556,468
Unexpired risk reserve	5,700,620	5,036,805
	<u>486,893,705</u>	<u>442,621,107</u>
Reinsurance contract assets		
Outstanding claims reserve	206,289,087	181,060,392
Claims incurred but not reported reserve	68,595,659	70,375,343
Unearned premiums reserve	112,238,353	89,822,167
	<u>387,123,099</u>	<u>341,257,902</u>
Insurance liabilities – net		
Outstanding claims reserve	30,866,129	27,009,716
Claims incurred but not reported reserve	18,873,543	19,596,470
Unearned premiums reserve	38,148,910	44,163,746
Unallocated loss adjustment expense reserve	6,181,404	5,556,468
Unexpired risk reserve	5,700,620	5,036,805
	<u>99,770,606</u>	<u>101,363,205</u>

9 Cash and cash equivalents

	30 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Cash on hand	318,427	393,086
Current accounts	40,504,675	48,697,072
Term deposits*	155,169,136	165,330,125
Bank balances and cash	195,992,238	214,420,283
Less: Term deposits with an original maturity of more than three months	<u>(155,169,136)</u>	<u>(165,330,125)</u>
Cash and cash equivalents	<u>40,823,102</u>	<u>49,090,158</u>

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

The interest rate on term deposits and current accounts with banks ranges between 1.85% and 3.5% (31 December 2021: 0.50% and 3%) per annum. All bank balances are held in local banks in the United Arab Emirates.

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

Notes to the condensed interim financial information (continued)
For the nine-month period ended 30 September 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 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Due from policyholders (note 7)	1,058,837	170,363

Transactions with related parties during the period are as follows

	30 September 2022 (Unaudited) AED	30 September 2021 (Unaudited) AED
Gross premiums written	1,598,854	1,341,770
Claims paid	1,271,156	293,235

Remuneration of key management personnel

	30 September 2022 (Unaudited) AED	30 September 2021 (Unaudited) AED
Short term benefits	1,762,290	1,762,290
Post-employment benefits	85,944	85,943
	1,848,234	1,848,233

11 Insurance and other payables

	30 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Due to policy holders	60,150,012	42,118,472
Due to insurance companies	45,933,318	41,774,416
Due to reinsurance companies	25,773,468	15,271,037
Premium reserve withheld	57,971,026	57,814,333
Insurance payables	189,827,824	156,978,258

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

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

11 Insurance and other payables (continued)

	30 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Dividend payable	5,281,154	5,283,005
CBUAE fees reserve	976,224	1,238,063
Deferred income	1,221,290	1,338,213
Directors' remuneration	-	4,500,000
Other payables	7,996,276	9,920,148
	<u>15,474,944</u>	<u>22,279,429</u>
Total insurance and other payables	<u>205,302,768</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 September		Nine-month period ended 30 September	
	2022 (Unaudited) AED	2021 (Unaudited) AED	2022 (Unaudited) AED	2021 (Unaudited) AED
Profit for the period (AED)	<u>6,807,608</u>	<u>11,364,285</u>	<u>26,201,683</u>	<u>35,360,434</u>
Weighted average number of ordinary shares outstanding during the period	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Basic and diluted earnings per share (AED)	<u>0.07</u>	<u>0.11</u>	<u>0.26</u>	<u>0.35</u>

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

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

14 Income from investments, net

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	AED	AED	AED	AED
Dividend income	593,030	1,039,910	9,885,139	8,737,037
Interest income	1,682,983	2,074,883	4,228,341	4,754,794
Change in fair value of investments at fair value through profit or loss (note 6)	427,854	7,146	(4,414,102)	1,750,273
Gain/(loss) on sale of investments at fair value through profit or loss	81,519	-	343,432	(453,788)
Other investment or loss	(108,083)	(11,271)	(123,379)	(57,816)
	2,677,303	3,110,668	9,919,431	14,730,500

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.

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

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

15 Segment reporting (continued)

15.1 Segment revenue and results (continued)

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

	Nine-month period ended 30 September (Unaudited)			2021		
	2022			2021		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Direct revenues	297,403,397	16,566,666	313,970,063	286,076,327	15,110,389	301,186,716
Direct costs	(265,034,798)	(578,255)	(265,613,053)	(242,174,523)	(580,926)	(242,755,449)
Other underwriting income	8,742,973	-	8,742,973	1,812,192	-	1,812,192
Other underwriting expenses	(1,666,738)	-	(1,666,738)	(2,415,577)	-	(2,415,577)
Non-cash investment (loss)/gain	-	(4,414,102)	(4,414,102)	-	1,750,273	1,750,273
Segment profit	39,444,834	11,574,309	51,019,143	43,298,419	16,279,736	59,578,155
General and administrative expenses	(24,703,277)	-	(24,703,277)	(24,063,143)	-	(24,063,143)
Finance cost	(114,183)	-	(114,183)	(158,079)	-	(158,079)
Other income	-	-	-	-	3,500	3,500
Profit for the period	14,627,374	11,574,309	26,201,683	19,077,196	16,283,236	35,360,432

	Three-month period ended 30 September (Unaudited)			2021		
	2022			2021		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Direct revenues	92,537,232	3,126,091	95,663,323	85,203,976	3,853,138	89,057,114
Direct costs	(83,842,465)	(212,515)	(84,054,980)	(70,292,444)	(195,140)	(70,487,584)
Other underwriting income	3,697,232	-	3,697,232	1,224,166	-	1,224,166
Other underwriting expenses	(480,398)	-	(480,398)	(645,818)	-	(645,818)
Non-cash investment gain	-	427,854	427,854	-	7,147	7,147
Segment profit	11,911,601	3,341,430	15,253,031	15,489,880	3,665,145	19,155,025
General and administrative expenses	(8,407,942)	-	(8,407,942)	(7,738,048)	-	(7,738,048)
Finance cost	(37,481)	-	(37,481)	(52,693)	-	(52,693)
Other income	-	-	-	-	-	-
Profit for the period	3,466,178	3,341,430	6,807,608	7,699,138	3,665,145	11,364,283

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

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

15 Segment reporting (continued)

15.2 Segment revenue and results (continued)

	As at 30 September 2022 (Unaudited)			As at 31 December 2021 (Audited)		
	Underwriting	Investments	Total	Underwriting	Investments	Total
	AED	AED	AED	AED	AED	AED
Segment assets	548,652,159	586,738,632	1,135,390,791	480,074,165	590,158,437	1,070,232,602
Unallocated assets	-	-	40,823,102	-	-	49,090,158
Total assets	548,652,159	586,738,632	1,176,213,893	480,074,165	590,158,437	1,119,322,760
Segment liabilities	716,431,496	4,505,899	720,937,395	645,548,054	5,391,224	650,939,278
Unallocated liabilities	-	-	5,281,154	-	-	5,283,005
Total liabilities	716,431,496	4,505,899	726,218,549	645,548,054	5,391,224	656,222,283
Capital expenditure	1,223,527	-	1,223,527	846,235	-	846,235

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

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

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 September 2022 and 31 December 2021:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
30 September 2022 (Unaudited)				
Investments at fair value through statement of comprehensive income	241,388,616	-	-	241,388,616
Investments at fair value through profit and loss	45,591,794	60,132,434	6,564,427	112,288,655
	<u>286,980,410</u>	<u>60,132,434</u>	<u>6,564,427</u>	<u>353,677,271</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

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

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

17 Leasing

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

	30 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Current	1,188,053	1,195,243
Non-current	2,056,513	2,819,769
	<u>3,244,566</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 September 2022 (Unaudited) AED	31 December 2021 (Audited) AED
Right-of-use assets	<u>3,447,114</u>	<u>4,305,866</u>

18 Contingent liability

	30 September 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 10 November 2022.