Orient UNB Takaful P.J.S.C.

Condensed interim financial information

for the nine-month period ended 30 September 2021

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Contents

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Independent Auditors' Report on Review of Condensed Interim Financial Information

To the Shareholders of Orient UNB Takaful P.J.S.C.

Introduction

We have reviewed the accompanying 30 September 2021 condensed interim financial information of Orient UNB Takaful P.J.S.C. (the "Company"), which comprises:

- the condensed interim statement of financial position as at 30 September 2021;
- the condensed interim statement of profit or loss and other comprehensive income for the three month and nine-month periods ended 30 September 2021;
- the condensed interim statement of changes in equity for the nine-month period ended 30 September 2021;
- the condensed interim statement of cash flows for the nine-month period ended 30 September 2021; and
- notes to the condensed interim financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this 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 condensed 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 30 September 2021 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'*.

KPMG Lower Gulf Limited

Emilio Pera
Registration No.: 1146
Dubai, United Arab Emirates

Date: 09 November 2021

Orient UNB Takaful P.J.S.C.

Condensed interim statement of financial position

as at

	Note	(Unaudited) 30 September 2021 AED	(Audited) 31 December 2020 AED
TAKAFUL OPERATIONS' ASSETS			
Cash and cash equivalent	7	**70,680,865**	53,176,260
Retakaful contract assets	8	**295,004,330**	234,816,797
Takaful, retakaful and other receivable	9	**81,393,207**	55,978,050
Due from related parties	19	**55,995,078**	43,747,254
Other receivables	10	**7,436,023**	7,753,922
Receivable from shareholders	11	**49,014,453**	34,813,645
Total takaful operations' assets		**559,523,956**	430,285,928
SHAREHOLDERS' ASSETS			
Cash and cash equivalent	7	**7,640,230**	108,757,658
Other receivables and prepayments	12	**7,196,866**	2,045,002
Wakala deposit	13	**241,000,000**	116,000,000
Statutory deposit	14	**6,000,000**	6,000,000
Due from related parties	19	**2,261,160**	3,620,333
Property and equipment		**3,787,200**	4,577,161
Intangible assets		**365,613**	463,308
Total shareholders' assets		**268,251,069**	241,463,462
Total assets		**827,775,025**	671,749,390
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT			
TAKAFUL OPERATIONS' LIABILITIES			
Takaful contract liabilities	8	**366,543,526**	292,127,729
Payable to takaful, insurance, reinsurance and retakaful companies	15	**128,954,608**	101,334,193
Other takaful payables	16	**63,798,502**	35,945,213
Due to related parties	19	**227,320**	878,793
Total takaful operations' liabilities		**559,523,956**	430,285,928
TAKAFUL OPERATIONS' DEFICIT			
Deficit in policyholders' fund	17	**(163,275,425)**	(119,498,234)
Provision against Qard Hassan	17	**163,275,425**	119,498,234
Total takaful operations' deficit		**-**	-
Total takaful operations' liabilities and deficit		559,523,956	430,285,928

Orient UNB Takaful P.J.S.C.

Condensed interim statement of financial position (continued)

as at

	Note	(Unaudited) 30 September 2021 AED	(Audited) 31 December 2020 AED
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Due to related parties	*19*	**3,358,391**	1,986,976
Accruals, provisions and other payables		**7,074,445**	6,659,307
Employees' end of service benefits		**1,401,049**	1,138,038
Payable to policyholders' - takaful operations	*11*	**49,014,453**	34,813,645
Lease liabilities		**2,406,269**	3,622,466
Total shareholders' liabilities		**63,254,607**	48,220,432
SHAREHOLDERS' EQUITY			
Share capital	*18*	**200,000,000**	200,000,000
Share premium	*18*	**1,198,390**	1,198,390
Statutory reserve		**727,323**	727,323
Retakaful risk reserve	*18*	**2,792,685**	-
Retained earnings / (accumulated loss)		**278,064**	(8,682,683)
Total shareholders' equity		**204,996,462**	193,243,030
Total shareholders' liabilities and equity		**268,251,069**	241,463,462
Total takaful operations' liabilities, deficit, shareholders' liabilities and equity		**827,775,025**	671,749,390

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

These condensed interim financial information were approved and authorised for issue by the Board of Directors on 09 November 2021 and signed on their behalf by:

Chairman — Chief Executive Officer — Senior Vice President Finance

The notes on pages 8 to 19 form an integral part of these condensed interim financial information.

The independent auditors' report on review of condensed interim financial information is set out on pages 1 and 2.

Orient UNB Takaful P.J.S.C.

Condensed interim statement of profit or loss and other comprehensive income

for the nine-month period ended 30 September (Un-audited)

	Note	For the three-month period ended 30 September 2021 AED	30 September 2020 AED	For the nine-month period ended 30 September 2021 AED	30 September 2020 AED
Attributable to policyholders'					
Gross written contribution	21	**86,447,358**	80,353,067	**311,288,770**	266,062,945
Changes in unearned contribution reserve		**4,526,525**	(5,225,732)	**(51,986,401)**	(59,061,675)
Takaful contributions earned		**90,973,883**	75,127,335	**259,302,369**	207,001,270
Retakaful contributions		**69,461,936**	61,871,236	**238,370,378**	204,380,944
Changes in retakaful share of unearned contribution		**(513,410)**	(4,123,889)	**(41,989,106)**	(48,957,299)
Retakaful share of earned contributions		**68,948,526**	57,747,347	**196,381,272**	155,423,645
Net earned contributions		**22,025,357**	17,379,988	**62,921,097**	51,577,625
Commission earned		**12,726,292**	8,995,946	**35,528,433**	26,050,105
Gross takaful income		**34,751,649**	26,375,934	**98,449,530**	77,627,730
Gross claims paid		**(44,799,621)**	(31,273,976)	**(110,952,114)**	(123,252,841)
Retakaful share of claims paid		**33,291,624**	23,807,090	**81,907,432**	98,468,468
Net claims paid		**(11,507,997)**	(7,466,886)	**(29,044,682)**	(24,784,373)
(Increase) / decrease in reserve for outstanding claims and unallocated loss adjustment expense		**(11,342,127)**	(5,168,096)	**(19,604,654)**	7,464,708
Increase / (decrease) in reserve for retakaful share of outstanding claims		**10,030,623**	4,639,314	**15,300,088**	(7,766,989)
Decrease/ (increase) in reserve for incurred but not reported claims		**1,709,530**	(10,216,324)	**(2,824,742)**	(15,657,087)
(Decrease)/ increase in reserve for retakaful share of incurred but not reported claims		**(1,427,793)**	10,045,919	**2,898,339**	14,011,895
Net claims incurred		**(12,537,764)**	(8,166,073)	**(33,275,651)**	(26,731,846)
Takaful results before wakala fees		**22,213,885**	18,209,861	**65,173,879**	50,895,884
Wakala fees	11	**(30,256,576)**	(28,123,572)	**(108,951,070)**	(93,122,030)
Net deficit from takaful operations		**(8,042,691)**	(9,913,711)	**(43,777,191)**	(42,226,146)
Attributable to shareholders'					
Wakala fees income from policyholders		**30,256,576**	28,123,572	**108,951,070**	93,122,030
Income from deposits		**1,916,245**	1,788,645	**5,613,373**	5,364,552
General and administrative expenses		**(5,122,680)**	(4,613,242)	**(15,738,657)**	(15,226,326)
Commission expenses		**(13,348,618)**	(11,118,430)	**(39,161,351)**	(31,600,364)
Other takaful expenses		**(1,440,827)**	(1,709,169)	**(4,133,812)**	(5,576,998)
Profit for the period before Qard Hassan		**12,260,696**	12,471,376	**55,530,623**	46,082,894
Provision against Qard Hassan to policyholders'	17	**(8,042,691)**	(9,913,711)	**(43,777,191)**	(42,226,146)
Profit for the period attributable to shareholders'		**4,218,005**	2,557,665	**11,753,432**	3,856,748
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**4,218,005**	2,557,665	**11,753,432**	3,856,748
Earnings per share	22	**2.11**	1.28	**5.88**	1.93

The notes on pages 8 to 19 form an integral part of these condensed interim financial information.

The independent auditors' report on review of condensed interim financial information is set out on pages 1 and 2.

Orient UNB Takaful P.J.S.C.

Condensed interim statement of changes in equity
for the nine-month period ended 30 September (Un-audited)

	Share capital AED	Share Premium AED	Statutory reserve AED	Retakaful risk reserve AED	Retained earning / (Accumulated (loss) AED	Total AED
As at 1 January 2020 (Audited)	200,000,000	1,198,390	111,141	-	(14,228,318)	187,081,213
Total comprehensive income for the period	-	-	-	-	3,856,748	3,856,748
As at 30 September 2020	**200,000,000**	**1,198,390**	**111,141**	-	**(10,371,570)**	**190,937,961**
As at 1 January 2021 (Audited)	200,000,000	1,198,390	727,323	-	(8,682,683)	193,243,030
Total comprehensive income for the period	-	-	-	-	11,753,432	11,753,432
Transfer to reserve	-	-	-	2,792,685	(2,792,685)	-
As at 30 September 2021	**200,000,000**	**1,198,390**	**727,323**	**2,792,685**	**278,064**	**204,996,462**

The notes on pages 8 to 19 form an integral part of these condensed interim financial information.

Orient UNB Takaful P.J.S.C.

Condensed interim statement of cash flows

for the nine-month period ended 30 September (Un-audited)

	30 September 2021 AED	30 September 2020 AED
Cash flows from operating activities		
Profit for the period	**11,753,432**	3,856,748
Adjustment for:		
Depreciation of property and equipment	**1,011,471**	1,213,466
Amortisation of intangible assets	**97,695**	97,262
Provision for employees' end of service benefits	**327,346**	289,695
Finance costs on lease liabilities	**116,048**	145,616
Operating cash flows before movements in working capital	**13,305,992**	5,602,787
Change in:		
Retakaful contract assets	**(60,187,533)**	(55,202,205)
Takaful, retakaful and other receivable	**(25,415,157)**	(32,257,565)
Due from related parties (relating to takaful operations)	**(12,247,824)**	(16,325,435)
Other receivables (relating to takaful operations)	**317,899**	382,512
Other receivables and prepayments (relating to shareholders')	**(5,151,864)**	(6,312,322)
Due from related parties (relating to shareholders')	**1,359,173**	(311,680)
Takaful contract liabilities	**74,415,797**	67,254,054
Payable to takaful, insurance, reinsurance and retakaful companies	**27,620,415**	63,402,001
Other takaful payables	**27,853,289**	(6,659,015)
Due to related parties (relating to takaful operations)	**(651,473)**	(989,823)
Due to related parties (relating to shareholders')	**1,371,415**	(2,088,264)
Accruals, provisions and other payables	**415,138**	2,881,750
Net cash generated from operating activities	**43,005,267**	19,376,795
Employees' end of service benefits paid	**(64,335)**	(13,585)
Net cash generated from operations	**42,940,932**	19,363,210
Cash flows from investing activities		
Purchase of property and equipment	**(221,510)**	(74,531)
Purchase of intangible assets	**-**	(7,344)
Deposit with an Islamic bank	**(125,000,000)**	(29,930,875)
Maturity of deposits with Islamic bank	**-**	45,930,875
Net cash (used in) / generated from investing activities	**(125,221,510)**	15,918,125
Cash flows from financing activity		
Payment of lease liabilities	**(1,332,245)**	(1,304,004)
Net cash used in financing activity	**(1,332,245)**	(1,304,004)
Net (decrease) / increase in cash and cash equivalents	**(83,612,823)**	33,977,331
Cash and cash equivalents at 1 January	**161,933,918**	10,091,741
Cash and cash equivalents at 30 September (note 7)	**78,321,095**	44,069,072

The notes on pages 8 to 19 form an integral part of these condensed interim financial information.

The independent auditors' report on review of condensed interim financial information is set out on pages 1 and 2.

1 Legal status and activities

Orient UNB Takaful P.J.S.C. (the "Company") is a public joint stock company registered under UAE Federal Law No. (2) of 2015 relating to the incorporation of commercial companies in the UAE, and UAE Federal Law No. (6) of 2007 (as amended) relating to the establishment of insurance companies. The registered address of the Company is P.O. Box 183368, Dubai, United Arab Emirates.

The Company was incorporated on 8 November 2016, while the formalities of issuance and allotment of shares to the public were finalised on 28 December 2016. The shares of the Company are listed on the Dubai Financial Market. The Company obtained a commercial license on 23 January 2017 and a license from the Insurance Authority of the UAE on 16 July 2017.

The principal activity of the Company is issuance of short term takaful contracts in connection with accidents and liabilities insurance, fire insurance, transportation risk insurance, other type of insurance and health insurance. The Company also invests its funds in wakala deposits.

During the year, Orient Insurance P.J.S.C., a public joint stock company incorporated in Dubai, United Arab Emirates acquired shares of the Company from Abu Dhabi Commercial Bank PJSC and Al Wifaq Finance Company to become the parent company and have taken control over the Company. The ultimate parent company is Al Futtaim Private Co. which is based in Dubai, United Arab Emirates.

As at reporting date the shareholding patterns are as follows:

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Orient Insurance PJSC	**83.91%**	34.85%
Abu Dhabi Commercial Bank PJSC	-	35.00%
Al Wifaq Finance Company	-	14.06%
Others	**16.09%**	16.09%
	100.00%	100.00%

2 Basis of preparation

Statement of compliance

These condensed interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting", and comply with applicable requirements of the Federal Law No. (6) of 2007 concerning the Establishment of the Insurance Authority & Organization of the Insurance Operations, the Federal Law No. (2) of 2015 concerning the Commercial Companies, Insurance Authority Board Decision No. (25) of 2014 Pertinent to Financial Regulations for Insurance Companies and Insurance Authority's Board of Directors Decision No. (23) of 2019 concerning Instructions Organizing Reinsurance Operations. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Furthermore, the Federal Decree-Law No. 26 of 2020 has amended certain provisions of Federal Law No. 2 of 2015 on Commercial Companies which was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

b) Basis of measurement

These condensed interim financial information have been prepared on the historical cost basis.

2 Basis of preparation (continued)

c) Functional and presentation currency

These condensed interim financial information are presented in UAE Dirhams (AED), which is the Company's functional currency. Except as otherwise indicated, financial information is presented in AED.

d) Use of estimates and judgements

In preparing the condensed interim financial information, management has made judgments and estimates 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2020 except the estimates and judgements which are applicable from 1 January 2021.

e) Impact of COVID-19

On 11 March 2020, the World Health Organization ("WHO") officially declared COVID-19 a global pandemic. In light of the rapid spread of COVID-19 across the globe, various economies and sectors have faced significant disruptions and uncertainty and governments and authorities have instigated a host of measures to contain the spread of the virus.

Insurance risk

In its underwriting segment, the Company is primarily exposed to medical and business interruption policies. The Health Authorities in Dubai and Abu Dhabi have instructed all insurers to accept medical claims related to COVID-19 irrespective of cover terms and conditions. The Company anticipates that the impact of medical claims would be immaterial due to low rate of hospitalisation and deferral of elective medical procedures required.

With regards to Business Interruption (BI) policies, the Company has in place pandemic and infectious disease policy exclusions as well. The Company has evaluated all business interruption policies in force for which the Company may have to incur claim payouts. As a result of initial examination of the policies, the Company has determined that these will not have a material impact in relation to the net claims paid due to lower retention levels of the Company and specific policy exclusions. Furthermore, the Company has been able to retain major customers during the nine-month period ended 30 September 2021 and has generally witnessed renewals and new business across major lines of businesses.

Credit risk

The Company's retakaful is placed with retakaful companies approved by the management, which are generally international reputed companies with high credit ratings. As of 30 September 2021, no retakaful companies has expressly disassociated with the Company nor has any retakaful companies communicated its non-willingness to accept COVID-19 related claims.

Liquidity risk management

In response to COVID-19 outbreak, the Company continues to monitor and respond to all liquidity requirements that are presented. The Company continues to calibrate stress testing scenarios to current market conditions in order to assess the impact on the Company in the current extreme stress. As at the reporting date the liquidity position of the Company remains strong and is well placed to absorb and manage the impacts of this disruption.

3 Significant accounting policies

The accounting policies applied in the condensed interim financial information are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2020.

3.1 *Standards issued but not yet effective*

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 however these do not have a material impact on the condensed interim financial information.

4 Interim measurement

The nature of the Company's business is such that income and expense are incurred in a manner, which is not materially impacted by any form of seasonality. These condensed interim financial information were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the period. However, the results may not represent a proportionate share of the annual profits due to variability in contributions and investment income and uncertainty of claims occurrences.

5 Classes and categories of financials assets and financial liabilities

The table below sets out the classification of each class of financial assets and liabilities along with their fair values. For financial assets and liabilities carried at amortised cost, management believes that the amortised cost of those instruments approximates to their fair values.

At 30 September 2021 (Un-audited)

Financial assets	**Amortised cost**	**Total**
	AED	**AED**
Cash and bank balances	78,321,095	78,321,095
Takaful, retakaful and other receivable	81,393,207	81,393,207
Due from related parties (relating to takaful operations)	55,995,078	55,995,078
Other receivables (relating to takaful operations)	7,436,023	7,436,023
Receivable from shareholders	49,014,453	49,014,453
Other receivables (relating to shareholders')	6,078,467	6,078,467
Wakala deposit	241,000,000	241,000,000
Statutory deposit	6,000,000	6,000,000
Due from related parties (relating to shareholders')	2,261,160	2,261,160
	527,499,483	527,499,483

Financial liabilities	**Amortised cost**	**Total**
	AED	**AED**
Payable to takaful, insurance, reinsurance and retakaful companies	128,954,608	128,954,608
Other takaful payables	63,798,502	63,798,502
Due to related parties (relating to takaful operations)	227,320	227,320
Due to related parties (relating to shareholders')	3,358,391	3,358,391
Accruals, provisions and other payables	7,074,445	7,074,445
Payable to policyholders - takaful operations	49,014,453	49,014,453
Lease liabilities	2,406,269	2,406,269
	254,833,988	254,833,988

5 Classes and categories of financials assets and financial liabilities (continued)

At 31 December 2020 (Audited)

Financial assets	Amortised cost AED	Total AED
Cash and bank balances	161,933,918	161,933,918
Takaful and retakaful receivable	55,978,050	55,978,050
Due from related parties (relating to takaful operations)	43,747,254	43,747,254
Other receivables (relating to takaful operations)	7,753,922	7,753,922
Receivable from shareholders	34,813,645	34,813,645
Other receivables (relating to shareholders')	384,950	384,950
Wakala deposit	116,000,000	116,000,000
Statutory deposit	6,000,000	6,000,000
Due from related parties (relating to shareholders')	3,620,333	3,620,333
	430,232,072	430,232,072

Financial liabilities	Amortised cost AED	Total AED
Payable to takaful, insurance, reinsurance and retakaful companies	101,334,193	101,334,193
Other takaful payables	35,945,213	35,945,213
Due to related parties (relating to takaful operations)	878,793	878,793
Due to related parties (relating to shareholders')	1,986,976	1,986,976
Accruals, provisions and other payables	6,659,307	6,659,307
Payable to policyholders - takaful operations	34,813,645	34,813,645
Lease liabilities	3,622,466	3,622,466
	185,240,593	185,240,593

6 Fair value of financial instruments

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

6 Fair value of financial instruments (continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 30 September 2021 and 31 December 2020, all financial assets and liabilities are stated at amortised cost and are classified as Level 3 within the fair value hierarchy. The fair values of the financial assets and liabilities at amortised cost are not materially different from their carrying value at the reporting date.

7 Cash and cash equivalent

Cash and cash equivalents included in the condensed interim statement of cash flows comprise the following condensed interim statement of financial position amounts:

	30 September 2021 (Un-audited)		
	Takaful Operations AED	**Shareholders' Operations AED**	**Total AED**
Cash in hand	-	**6,125**	**6,125**
Current accounts with banks and Islamic financial institutions	**70,680,865**	**7,634,105**	**78,314,970**
	70,680,865	**7,640,230**	**78,321,095**

	31 December 2020 (Audited)		
	Takaful Operations AED	Shareholders' Operations AED	Total AED
Cash in hand	-	4,678	4,678
Current accounts with banks and Islamic financial institutions	53,176,260	108,752,980	161,929,240
	53,176,260	108,757,658	161,933,918

8 Takaful contract liabilities and retakaful contract assets - (relating to takaful operations)

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Gross takaful contract liabilities		
Reserve for outstanding claims	**120,033,739**	100,530,484
Reserve for unallocated loss adjustment expense	**943,288**	841,889
Reserve for incurred but not reported claims (IBNR)	**49,605,264**	46,780,522
Reserve for outstanding claims (including IBNR)	**170,582,291**	148,152,895
Unearned contribution reserve	**195,961,235**	143,974,834
Total takaful contract liabilities (gross)	**366,543,526**	292,127,729
Less: Retakaful contract assets		
Reserve for retakaful share of outstanding claims	**(102,906,086)**	(87,605,998)
Reserve for retakaful share of incurred but not reported claims (IBNR)	**(39,303,323)**	(36,404,984)
Reserve for retakaful share of outstanding claims (including IBNR)	**(142,209,409)**	(124,010,982)
Retakaful share of unearned contribution	**(152,794,921)**	(110,805,815)
Total retakaful contract assets	**(295,004,330)**	(234,816,797)
Net takaful contract liabilities	**71,539,196**	57,310,932

9 Takaful, retakaful and other receivable (relating to takaful operations)

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Inside U.A.E.:		
Due from policyholders	**4,896,731**	1,584,296
Due from takaful and retakaful companies	**7,594,636**	12,261,475
Due from brokers and agents	**62,950,661**	37,568,555
	75,442,028	51,414,326
Outside U.A.E.:		
Due from takaful and retakaful companies	**7,251,179**	5,863,724
	7,251,179	5,863,724
Total takaful and retakaful receivable	**82,693,207**	57,278,050
Less: Allowance for doubtful debts	**(1,300,000)**	(1,300,000)
	81,393,207	55,978,050

10 Other receivables (relating to takaful operations)

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Deposit	**10,000**	10,000
Receivable from third party administrators	**1,075,000**	1,025,000
VAT input receivable - net	**6,340,977**	6,718,919
Other receivable	**10,046**	3
	7,436,023	7,753,922

11 Receivable from shareholders and payable to policyholders - takaful operations

		(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
As at 1 January		**34,813,645**	53,419,455
Wakala fees for the period / year	*11.1*	**(108,951,070)**	(105,223,918)
Other movement in account during the period / year		**123,151,878**	86,618,108
		49,014,453	34,813,645

11.1 For all takaful policies, wakala fees were charged at 35% of gross takaful contributions. Wakala fees are approved by the Sharia'a Supervisory Board and are charged to the condensed interim statement of profit or loss and comprehensive income when incurred.

12 Other receivables and prepayments - (relating to shareholders')

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Accrued profit on Wakala deposits	**5,613,373**	-
Prepayments	**1,118,399**	1,660,052
Other receivables	**465,094**	384,950
	7,196,866	2,045,002

13 Wakala deposit

This consists of term wakala deposits with an Islamic bank and Islamic division of a commercial bank in United Arab Emirates and Sultanate of Oman, at profit rates from 1.60% to 4.50% per annum *(31 December 2020: 0.25% to 4.50% per annum)* amounting to AED 241 million *(31 December 2020: AED 116 million)*, which matures in December 2021.

14 Statutory deposit

This consists of a fixed deposit under lien with an Islamic bank in UAE, at a profit rate of 2.0% per annum *(31 December 2020: 1.6% per annum),* which matures in December 2022 for the purpose of license renewal from the Insurance Authority (currently central bank).

15 Payable to takaful, insurance, reinsurance and retakaful companies - (relating to takaful operations)

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Payables – Inside UAE	**62,383,249**	54,882,321
Payables – Outside UAE	**66,571,359**	46,451,872
	128,954,608	101,334,193
<u>Inside UAE:</u>		
Payable to insurance and takaful companies	26,753,365	13,043,842
Payable to reinsurers and retakaful companies	35,629,884	41,838,479
	62,383,249	54,882,321
<u>Outside UAE:</u>		
Payable to insurance and takaful companies	46,988,680	43,006,466
Payable to reinsurers and retakaful companies	19,582,679	3,445,406
	66,571,359	46,451,872

16 Other takaful payables (relating to takaful operations)

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Payable to policyholders	**945,720**	1,173,156
Payable to third party administrators	**41,819,839**	20,526,024
Payable to brokers and agents	**10,354,462**	3,092,453
Other payables	**10,678,481**	11,153,580
	63,798,502	35,945,213

17 Qard Hassan

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Deficit in policyholders' fund		
As at 1 January	**(119,498,234)**	(78,182,926)
Deficit during the period / year	**(43,777,191)**	(41,315,308)
	(163,275,425)	(119,498,234)
Provision against Qard Hassan		
As at 1 January	**119,498,234**	78,182,926
Provision during the period / year	**43,777,191**	41,315,308
	163,275,425	119,498,234

18 Share capital and share premium

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Issued and paid up capital		
Issued and fully paid 2,000,000 shares of AED 100 each	**200,000,000**	200,000,000
Share premium reserve	**1,198,390**	1,198,390
	201,198,390	201,198,390

Statutory reserve

In accordance with the UAE Commercial Companies Law no. (2) of 2015 ("the Law") and the Company's Articles of Association, 10% of the profit for the year should be transferred to legal reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated by the Law.

Retakaful risk reserve

In accordance with Article 34 of the Insurance Authority's Board of Directors Decision No. (23) of 2019, the Company has created a Retakaful Risk Reserve amounting to AED 2.8 million, being 0.5% of the total retakaful contribution ceded by the Company in all classes of business. The Company shall accumulate such provision year on year and not dispose of the provision without the written approval of the Director General of the UAE Insurance Authority (currently Central Bank).

19 Related party transactions

Related parties comprise of shareholders, associate companies, directors and key management personnel of the Company, together with entities controlled, jointly controlled or significantly influenced by those parties. Pricing policies and terms of these transactions are approved by the Company's management as per agreed terms.

Significant transactions with related parties included in the condensed interim statement of profit or loss and other comprehensive income are as follows:

	Nine-month period ended 30 September 2021 (Un-Audited)		
	Shareholders AED	**Associated companies of the shareholders AED**	**Total AED**
Gross written contribution	**48,182,164**	**41,879,175**	**90,061,339**
Retakaful contribution	**33,949,186**	**-**	**33,949,186**
General and administrative expenses	**-**	**1,409,178**	**1,409,178**
Claims reported	**5,769,655**	**13,561,395**	**19,331,050**

19 Related party transactions (continued)

	Nine-month period ended 30 September 2020 (Un-Audited)		
	Shareholders AED	Associated companies of the shareholders AED	Total AED
Gross written contribution	55,112,648	14,181,140	69,293,788
Retakaful contribution	39,196,201	-	39,196,201
General and administrative expenses	-	1,733,220	1,733,220
Claims reported	17,518,419	12,812,754	30,331,173

Balances with related parties included in the condensed interim statement of financial position are as follows:

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Due from related parties (relating to takaful operations)		
Orient Insurance P.J.S.C.	**40,264,769**	28,830,076
Al Futtaim Motors	**7,561,374**	7,974,519
Al Futtaim Willis Co. LLC	**610,742**	999,013
Other related parties	**7,558,193**	5,943,646
	55,995,078	43,747,254
Due to related parties (relating to takaful operations)		
Al Futtaim Auto Centre	**227,320**	-
Abu Dhabi Commercial Bank PJSC	-	878,793
	227,320	878,793
Due from related parties (relating to shareholder operation)		
Al Futtaim Motors Showrooms	**1,528,373**	2,923,644
Al Futtaim Auto Mall Showrooms	**604,756**	462,369
Al Futtaim Trading Enterprises	**128,031**	234,320
	2,261,160	3,620,333

Due to related parties (relating to shareholders)

	(Un-audited) 30 September 2021 AED	(Audited) 31 December 2020 AED
Orient Insurance P.J.S.C.	**6,675**	13,370
Al Futtaim Motor Auto Centre	**2,936,937**	1,961,443
Al Futtaim Trading Enterprises	**275,256**	-
Other related parties	**139,523**	12,163
	3,358,391	1,986,976

20 Segment information

Operating segment information

For management purposes, the Company is organised into four business segments; motor, fire, medical and miscellaneous lines of business. These segments are the basis on which the Company reports its primary segment information.

	Nine-month period ended 30 September 2021 (Un-audited)				
	Motor AED	**Property AED**	**Medical AED**	**Miscellaneous AED**	**Total AED**
Gross written contribution	**26,535,705**	**92,396,591**	**92,842,570**	**99,513,904**	**311,288,770**
Gross takaful income					**98,449,530**
Net underwriting expenses					**(33,275,651)**
Takaful results before wakala fees					**65,173,879**
Wakala fees					**(108,951,070)**
Net deficit from takaful operations					**(43,777,191)**

	Nine-month period ended 30 September 2020 (Un-audited)				
	Motor AED	Property AED	Medical AED	Miscellaneous AED	Total AED
Gross written contribution	26,199,812	67,722,778	100,653,586	71,486,769	266,062,945
Gross takaful income					77,627,730
Net underwriting expenses					(26,731,846)
Takaful results before wakala fees					50,895,884
Wakala fees					(93,122,030)
Net deficit from takaful operations					(42,226,146)

The segmental information of assets and liabilities as per above lines of business is not available. The geographical segmental information is not presented as all the operations of the Company are based locally.

21 Gross written contribution

	(Un-audited) For the three-month period ended		**(Un-audited) For the nine-month period ended**	
	30 September 2021 AED	30 September 2020 AED	**30 September 2021 AED**	30 September 2020 AED
Motor	**7,675,203**	9,939,457	**26,535,705**	26,199,812
Medical	**7,631,660**	15,865,666	**92,842,570**	100,653,586
Property	**34,078,681**	31,575,981	**92,396,591**	67,722,778
Engineering	**2,697,680**	1,276,992	**11,573,980**	11,296,415
Marine	**11,812,020**	3,590,370	**24,864,322**	13,179,562
Others	**22,552,114**	18,104,601	**63,075,602**	47,010,792
	86,447,358	80,353,067	**311,288,770**	266,062,945

22 Earnings per share

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

	(Un-audited) For the three-month period ended		**(Un-audited) For the nine-month period ended**	
	30 September 2021	30 September 2020	**30 September 2021**	30 September 2020
Profit for the period attributable to shareholders' (AED)	**4,218,005**	2,557,665	**11,753,432**	3,856,748
Weighted average number of shares outstanding during the period	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Earnings per share (AED)	**2.11**	1.28	**5.88**	1.93

There is no dilution impact on basic earnings per share.