

**ALLIANCE INSURANCE P.S.C.**

**Review report and condensed interim financial information  
for the three months period ended 31 March 2022**

**ALLIANCE INSURANCE P.S.C.**

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## INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors  
Alliance Insurance P.S.C.  
Dubai  
United Arab Emirates**

### *Introduction*

We have reviewed the accompanying condensed statement of financial position of **Alliance Insurance P.S.C. (the "Company")**, as at 31 March 2022 and the related condensed statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34: "*Interim Financial Reporting*" as issued by International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of 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 condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34: "*Interim Financial Reporting*".

Deloitte & Touche (M.E.)



Signed by:  
Musa Ramahi  
Registration No. 872  
12 May 2022  
Sharjah, United Arab Emirates

**Condensed statement of financial position  
at 31 March 2022**

	Notes	31 March 2022 (unaudited) AED	31 December 2021 (audited) AED
<b>ASSETS</b>			
Property and equipment		3,655,012	3,804,097
Investment properties	6	207,538,000	207,538,000
Investments at amortised cost	7.1	332,662,546	333,077,974
Investments at fair value through other comprehensive income (FVOCI)	7.2	8,672,887	6,888,342
Loans guaranteed by life insurance policies		44,761,007	45,543,850
Reinsurance contract assets	8	160,867,142	160,402,854
Deferred acquisition costs		7,855,515	2,403,699
Premium and insurance balances receivable	9	73,897,889	80,691,232
Other receivables and prepayments	10	32,256,787	24,157,887
Statutory deposits	11	10,463,189	10,228,125
Deposits	12	481,336,551	416,653,053
Cash and cash equivalents	13	30,743,904	82,812,969
<b>Total assets</b>		<b>1,394,710,429</b>	<b>1,374,202,082</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	100,000,000	100,000,000
Statutory reserve	15	93,661,305	93,661,305
Regular reserve		84,072,105	84,072,105
General reserve		222,000,000	222,000,000
Reinsurance reserve		1,770,456	1,770,456
Cumulative change in fair value of FVOCI investments		(2,090,679)	(3,875,224)
Retained earnings		49,519,531	40,988,455
<b>Total equity</b>		<b>548,932,718</b>	<b>538,617,097</b>
<b>Liabilities</b>			
Provision for employees' end of service indemnity		4,494,439	4,713,384
Accounts payable	16	88,861,316	82,837,200
		<b>93,355,755</b>	<b>87,550,584</b>
<b>Insurance liabilities</b>			
Insurance liabilities	17	68,286,218	70,672,128
Premium collected in advance		9,992,582	9,525,707
Deferred commission income		7,635,701	4,685,895
		<b>85,914,501</b>	<b>84,883,730</b>


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

**Condensed statement of financial position  
at 31 March 2022 (continued)**

	Notes	31 March 2022 (unaudited) AED	31 December 2021 (audited) AED
<b>Insurance contract liabilities –</b>			
<b>Technical provisions</b>	8		
Unearned premium reserve		82,301,804	69,655,680
Claims under settlement reserve		90,021,343	88,632,109
Incurred but not reported reserve		17,786,491	25,546,433
Unallocated loss adjustment expense reserve		934,811	912,239
Unexpired risk reserve		158,371	189,079
Mathematical reserve		475,304,635	478,215,131
<b>Total insurance contract liabilities</b>		<b>666,507,455</b>	<b>663,150,671</b>
<b>Total liabilities</b>		<b>845,777,711</b>	<b>835,584,985</b>
<b>Total equity and liabilities</b>		<b>1,394,710,429</b>	<b>1,374,202,082</b>

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

These condensed interim financial information were approved by the Board of Directors on 12 May 22 and were signed on its behalf by:

  
Saeed Mohammed Alkamda  
Vice- Chairman

  
Aimen Saba Azara  
Executive Board Member and CEO

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

**Condensed statement of profit or loss (unaudited)  
for the three months period ended 31 March 2022**

	<b>Three months period ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>
Gross premiums	<b>90,095,016</b>	93,800,963
Reinsurers' share of gross premiums	<b>(52,845,644)</b>	(55,283,909)
<b>Net premium</b>	<b>37,249,372</b>	38,517,054
Net change in unearned premium/ unexpired risk	<b>(6,495,671)</b>	(440,186)
<b>Net premium earned</b>	<b>30,753,701</b>	38,076,868
Commissions received	<b>7,733,091</b>	4,420,730
Commissions paid	<b>(8,662,437)</b>	(4,460,258)
Movement in deferred acquisition costs/ commission income – net	<b>2,502,012</b>	340,410
<b>Gross underwriting income</b>	<b>32,326,367</b>	38,377,750
Gross claims paid	<b>(16,399,918)</b>	(19,168,888)
Reinsurers' share of insurance claims and loss adjustment expenses	<b>10,304,259</b>	11,945,689
<b>Net claims paid</b>	<b>(6,095,659)</b>	(7,223,199)
Movement in claims under settlement reserve, incurred but not reported reserve and unallocated loss adjustment expense reserve	<b>692,679</b>	(1,888,533)
Earnings and cancellations of life insurance policies	<b>(20,313,546)</b>	(23,998,586)
Movement in mathematical reserves	<b>2,910,496</b>	7,716,331
<b>Net claims incurred</b>	<b>(22,806,030)</b>	(25,393,987)
<b>Net underwriting income</b>	<b>9,520,337</b>	12,983,763
Income from financial investments	<b>7,459,136</b>	8,619,115
Income from investments properties - net	<b>2,332,463</b>	2,640,897
Foreign currency exchange gain	<b>80,018</b>	114,890
Other income	<b>644,491</b>	507,459
<b>Total investment and other income</b>	<b>10,516,108</b>	11,882,361
<b>Total income</b>	<b>20,036,445</b>	24,866,124
General and administrative expenses	<b>(7,118,330)</b>	(6,729,572)
Bonuses and rebates (net of reinsurance)	<b>(3,995,482)</b>	(6,753,281)
Other operating expenses	<b>(391,557)</b>	(906,469)
<b>Total expenses</b>	<b>(11,505,369)</b>	(14,389,322)
<b>Profit for the period</b>	<b>8,531,076</b>	10,476,802
<b>Basic and diluted earnings per share (Note 18)</b>	<b>8.53</b>	10.48

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

**Condensed statement of comprehensive income (unaudited)  
for the three months period ended 31 March 2022**

	<b>Three months period ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>
Profit for the period	<b>8,531,076</b>	10,476,802
<b>Other comprehensive income</b>	<hr/>	<hr/>
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net unrealised gain from investments at fair value through other comprehensive income (FVOCI)	<b>1,784,545</b>	606,745
<b>Total comprehensive income for the period</b>	<b>10,315,621</b>	11,083,547
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The accompanying notes form an integral part of this condensed interim financial information.

**Condensed statement of changes in equity  
for the nine months period ended 31 March 2022**

	Share capital AED	Statutory reserve AED	Regular reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative change in fair value of FVOCI investments AED	Retained earnings AED	Total AED
Balance at 31 December 2020 (Audited)	100,000,000	89,549,184	79,959,984	222,000,000	869,651	(5,588,386)	40,108,173	526,898,606
Profit for the period	-	-	-	-	-	-	10,476,802	10,476,802
Other comprehensive income for the period	-	-	-	-	-	606,745	-	606,745
Total comprehensive income for the period	-	-	-	-	-	606,745	10,476,802	11,083,547
Balance at 31 March 2021 (Unaudited)	100,000,000	89,549,184	79,959,984	222,000,000	869,651	(4,981,641)	50,584,975	537,982,153
Balance at 31 December 2021 (Audited)	100,000,000	93,661,305	84,072,105	222,000,000	1,770,456	(3,875,224)	40,988,455	538,617,097
Profit for the period	-	-	-	-	-	-	8,531,076	8,531,076
Other comprehensive income for the period	-	-	-	-	-	1,784,545	-	1,784,545
Total comprehensive income for the period	-	-	-	-	-	1,784,545	8,531,076	10,315,621
<b>Balance at 31 March 2022 (Unaudited)</b>	<b>100,000,000</b>	<b>93,661,305</b>	<b>84,072,105</b>	<b>222,000,000</b>	<b>1,770,456</b>	<b>(2,090,679)</b>	<b>49,519,531</b>	<b>548,932,718</b>

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



**Condensed statement of cash flows (unaudited)  
for the three months period ended 31 March 2022**

	<b>Three months period ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>
<b>Cash flows from operating activities</b>		
Profit for the period	<b>8,531,076</b>	10,476,802
Adjustments for:		
Depreciation of property and equipment	<b>100,120</b>	183,850
Property and equipment written off during the period	<b>250,000</b>	90,020
Interest income from investments at amortised cost	<b>(4,678,211)</b>	(4,677,416)
Amortisation of fees, premiums and discounts on investments	<b>415,428</b>	416,227
Interest income from deposits	<b>(2,149,768)</b>	(3,139,506)
Bad debts written off	<b>38,161</b>	-
Interest income from loans guaranteed by life insurance policies	<b>(631,157)</b>	(802,193)
Income from investment properties	<b>(2,332,463)</b>	(2,640,897)
Provision for employees' end of service indemnity	<b>127,776</b>	137,248
	<hr/>	<hr/>
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>(329,038)</b>	44,135
Increase in insurance, other receivables and prepayments	<b>(451,637)</b>	(16,839,027)
(Increase)/decrease in reinsurance contract assets	<b>(464,288)</b>	10,505,646
Increase/(decrease) in technical provisions	<b>3,356,784</b>	(15,893,258)
(Decrease)/increase in accounts payable, insurance liabilities and premium collected in advance	<b>(3,491,418)</b>	1,120,647
Increase in deferred acquisition cost	<b>(5,451,816)</b>	(923,632)
Increase in deferred commission income	<b>2,949,806</b>	583,222
	<hr/>	<hr/>
<b>Cash used in operations</b>	<b>(3,881,607)</b>	(21,402,267)
Employees end of service indemnity paid	<b>(346,721)</b>	(343,278)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(4,228,328)</b>	(21,745,545)
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	<b>(201,035)</b>	(4,753)
Net increase in loans guaranteed by life insurance policies	<b>1,414,000</b>	782,331
Income received on deposits	<b>66,270</b>	489,072
Income received from investments at amortised cost	<b>5,603,068</b>	3,945,766
Deposits (placed)/encashed during the period	<b>(62,835,064)</b>	6,771,875
Income received from investment properties	<b>8,112,024</b>	8,106,657
	<hr/>	<hr/>
<b>Net cash (used in)/generated from investing activities</b>	<b>(47,840,737)</b>	20,090,948
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(52,069,065)</b>	(1,654,597)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>82,812,969</b>	48,691,929
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<b>Cash and cash equivalents at the end of the period</b>	<b>30,743,904</b>	47,037,332
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The accompanying notes form an integral part of this condensed interim financial information

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022**

**1. Segment information**

For management purposes, the Company is organised into two business segments, property and liability insurance (general insurance) and insurance of persons and fund accumulation operations (life assurance). The general insurance segment comprises motor, marine, fire, engineering, medical, and general accident. The life assurance segment includes only long-term life and group life. These segments are the basis on which the Company reports its primary segment information. Segment-wise information is disclosed below:

**1.1 Segment financial position for insurance of persons and fund accumulation operations**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>ASSETS</b>		
Property and equipment	2,029,087	2,141,398
Investment properties	129,812,500	129,812,500
Investments at amortised cost	243,489,815	243,822,466
Loans guaranteed by life insurance policies	44,761,007	45,543,850
Reinsurance contract assets	3,839,283	3,177,607
Deferred acquisition costs	239,215	159,269
Premium and insurance balances receivable	1,562,656	900,533
Other receivables and prepayments	15,173,300	11,668,759
Statutory deposits	2,463,189	2,228,125
Deposits	224,652,807	187,460,175
Cash and cash equivalents	2,054,417	67,126,616
Inter-division balance	137,386,507	109,549,634
<b>Total assets</b>	<b>807,463,783</b>	<b>803,590,932</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	50,000,000	50,000,000
Statutory reserve	45,155,315	45,155,315
Regular reserve	40,360,715	40,360,715
General reserve	107,552,461	107,552,461
Reinsurance reserve	45,856	45,856
Retained earnings	26,953,363	21,412,790
<b>Total equity</b>	<b>270,067,710</b>	<b>264,527,137</b>
<b>Liabilities</b>		
Provision for employees' end of service indemnity	2,131,637	2,182,683
Accounts payable	17,880,650	10,603,976
	<b>20,012,287</b>	<b>12,786,659</b>
<b>Insurance liabilities</b>		
Insurance liabilities	25,445,073	33,085,243
Premium collected in advance	9,937,891	9,525,707
Deferred commission income	832	1,669
	<b>35,383,796</b>	<b>42,612,619</b>

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**1. Segment information (continued)**

**1.1 Segment financial position for insurance of persons and fund accumulation operations (continued)**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>Insurance contract liabilities – Technical provisions</b>		
Unearned premium reserve	2,975,374	1,946,169
Claims under settlement reserve	2,954,144	2,532,654
Incurred but not reported reserve	611,940	792,327
Unallocated loss adjustment expense reserve	69,189	58,521
Unexpired risk reserve	84,708	119,715
Mathematical reserve	475,304,635	478,215,131
<b>Total insurance contract liabilities</b>	<b>481,999,990</b>	483,664,517
<b>Total liabilities</b>	<b>537,396,073</b>	539,063,795
<b>Total equity and liabilities</b>	<b>807,463,783</b>	803,590,932

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**1. Segment information (continued)**

**1.2 Segment profit or loss for insurance of persons and fund accumulation operations (unaudited)**

	<b>Three months period ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>
Gross premium	27,079,728	26,632,638
Reinsurers' share of gross premiums	(1,831,646)	(1,032,391)
<b>Net premium</b>	<b>25,248,082</b>	<b>25,600,247</b>
Net change in unearned premium/unexpired risk	(425,735)	(224,342)
<b>Net premiums earned</b>	<b>24,822,347</b>	<b>25,375,905</b>
Commissions received	6,432	11,697
Commissions paid	(1,514,678)	(1,669,514)
Movement in deferred acquisition costs/ commission income – net	80,783	1,800
<b>Gross underwriting income</b>	<b>23,394,884</b>	<b>23,719,888</b>
Gross claims paid	(911,848)	(1,752,683)
Reinsurers' share of insurance claims and loss adjustment expenses	521,072	823,229
<b>Net claims paid</b>	<b>(390,776)</b>	<b>(929,454)</b>
Movement in claims under settlement reserve, incurred but not reported reserve and unallocated loss adjustment expense reserve	(158,560)	(74,559)
Earnings and cancellations of life insurance policies	(20,313,546)	(23,998,586)
Movement in mathematical reserves	2,910,496	7,716,331
<b>Net claims incurred</b>	<b>(17,952,386)</b>	<b>(17,286,268)</b>
<b>Net underwriting income</b>	<b>5,442,498</b>	<b>6,433,620</b>
Income from financial investments	5,044,353	5,722,447
Income from investments properties - net	1,684,738	1,753,777
Foreign currency exchange gain	80,977	105,992
Other income	40,387	29,184
<b>Total investment and other income</b>	<b>6,850,455</b>	<b>7,611,400</b>
<b>Total income</b>	<b>12,292,953</b>	<b>14,045,020</b>
General and administrative expenses	(2,676,473)	(2,550,204)
Bonuses and rebates (net of reinsurance)	(3,995,482)	(6,753,281)
Other operating expenses	(80,425)	(84,641)
<b>Total expenses</b>	<b>(6,752,380)</b>	<b>(9,388,126)</b>
<b>Profit for the period</b>	<b>5,540,573</b>	<b>4,656,894</b>

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**1. Segment information (continued)**

**1.3 Segment financial position for property and liability insurance**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>ASSETS</b>		
Property and equipment	<b>1,625,925</b>	1,662,699
Investment properties	<b>77,725,500</b>	77,725,500
Investments at amortised cost	<b>89,172,731</b>	89,255,508
Investments at fair value through other comprehensive income (FVOCI)	<b>8,672,887</b>	6,888,342
Reinsurance contract assets	<b>157,027,859</b>	157,225,247
Deferred acquisition costs	<b>7,616,300</b>	2,244,430
Premium and insurance balances receivable	<b>72,335,233</b>	79,790,699
Other receivables and prepayments	<b>17,083,487</b>	12,489,128
Statutory deposits	<b>8,000,000</b>	8,000,000
Deposits	<b>256,683,744</b>	229,192,878
Cash and cash equivalents	<b>28,689,487</b>	15,686,353
<b>Total assets</b>	<b>724,633,153</b>	680,160,784
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	<b>50,000,000</b>	50,000,000
Statutory reserve	<b>48,505,990</b>	48,505,990
Regular reserve	<b>43,711,390</b>	43,711,390
General reserve	<b>114,447,539</b>	114,447,539
Reinsurance reserve	<b>1,724,600</b>	1,724,600
Cumulative change in fair value of FVOCI investments	<b>(2,090,679)</b>	(3,875,224)
Retained earnings	<b>22,566,168</b>	19,575,665
<b>Total equity</b>	<b>278,865,008</b>	274,089,960
<b>Liabilities</b>		
Provision for employees' end of service indemnity	<b>2,362,802</b>	2,530,701
Accounts payable	<b>70,980,666</b>	72,233,224
Inter-division balance	<b>137,386,507</b>	109,549,634
	<b>210,729,975</b>	184,313,559
<b>Insurance liabilities</b>		
Insurance liabilities	<b>42,841,145</b>	37,586,885
Premium collected in advance	<b>54,691</b>	-
Deferred commission income	<b>7,634,869</b>	4,684,226
	<b>50,530,705</b>	42,271,111

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**1. Segment information (continued)**

**1.3 Segment financial position for property and liability insurance (continued)**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>Insurance contract liabilities – Technical provisions</b>		
Unearned premium reserve	<b>79,326,430</b>	67,709,511
Claims under settlement reserve	<b>87,067,199</b>	86,099,455
Incurred but not reported reserve	<b>17,174,551</b>	24,754,106
Unallocated loss adjustment expense reserve	<b>865,622</b>	853,718
Unexpired risk reserve	<b>73,663</b>	69,364
	<hr/>	<hr/>
<b>Total insurance contract liabilities</b>	<b>184,507,465</b>	179,486,154
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>445,904,549</b>	406,070,824
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>724,633,153</b>	680,160,784
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**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**1. Segment information (continued)**

**1.4 Segment profit or loss for property and liability insurance (unaudited)**

	<b>Three months period ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>
Gross premium	<b>63,015,288</b>	67,168,325
Reinsurers' share of gross premiums	<b>(51,013,998)</b>	(54,251,518)
<b>Net premium</b>	<b>12,001,290</b>	12,916,807
Net change in unearned premium/unexpired risk	<b>(6,069,936)</b>	(215,844)
<b>Net premiums earned</b>	<b>5,931,354</b>	12,700,963
Commissions received	<b>7,726,659</b>	4,409,033
Commissions paid	<b>(7,147,759)</b>	(2,790,744)
Movement in deferred acquisition costs/ commission income – net	<b>2,421,229</b>	338,610
<b>Gross underwriting income</b>	<b>8,931,483</b>	14,657,862
Gross claims paid	<b>(15,488,070)</b>	(17,416,205)
Reinsurers' share of insurance claims and loss adjustment expenses	<b>9,783,187</b>	11,122,460
<b>Net claims paid</b>	<b>(5,704,883)</b>	<b>(6,293,745)</b>
Movement in claims under settlement reserve, incurred but not reported reserve and unallocated loss adjustment expense reserve	<b>851,239</b>	(1,813,974)
<b>Net claims incurred</b>	<b>(4,853,644)</b>	(8,107,719)
<b>Net underwriting income</b>	<b>4,077,839</b>	6,550,143
Income from financial investments	<b>2,414,783</b>	2,896,668
Income from investments properties - net	<b>647,725</b>	887,120
Foreign currency exchange (loss)/gain	<b>(959)</b>	8,898
Other income	<b>604,104</b>	478,275
<b>Total investment and other income</b>	<b>3,665,653</b>	4,270,961
<b>Total income</b>	<b>7,743,492</b>	10,821,104
General and administrative expenses	<b>(4,441,857)</b>	(4,179,368)
Other operating expenses	<b>(311,132)</b>	(821,828)
<b>Total expenses</b>	<b>(4,752,989)</b>	(5,001,196)
<b>Profit for the period</b>	<b>2,990,503</b>	5,819,908

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**2. General information**

Alliance Insurance P.S.C. (the "Company") is a Public Shareholding Company which was originally established in Dubai on 1 July 1975 as a limited liability company under the name of Credit and Commerce Insurance Company. The Company was subsequently incorporated in Dubai on 6 January 1982 as a limited liability company under an Emiri Decree. The Company was converted to a Public Shareholding Company (P.S.C.) in January 1995, in accordance with the UAE Federal Commercial Companies Law No. (8) of 1984 (as amended). The Company's shares are listed on the Dubai Financial Market.

The licensed activities of the Company are issuing short term and long term insurance contracts. The insurance contracts are issued in connection with property, motor, aviation and marine risks (collectively known as general insurance) and individual life (participating and nonparticipating), group life, personal accident, medical and investment linked products.

The registered address of the Company is Warba Centre, P.O. Box 5501, Dubai, United Arab Emirates.

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

**3.1 New and revised IFRS applied with no material effect on the condensed interim financial information**

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

<b>Description</b>	<b>Effective from</b>
COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018 – 2020	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022

**3.2 New and revised IFRS standards and interpretations but not yet effective**

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

<b>Description</b>	<b>Effective from</b>
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely



**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)****3. Application of new and revised International Financial Reporting Standards (IFRS)**  
(continued)**3.2 New and revised IFRS standards and interpretations but not yet effective** (continued)

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

Management anticipates that IFRS 17 will be adopted in the Company's financial statements for the annual period beginning 1 January 2023. The application of IFRS 17 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of its insurance contracts. However, it is not practicable to provide a reasonable estimate of the effects of the application of this standard until the Company performs a detailed review.

Management expects that majority of the short-term contracts issued by the Company will be eligible for the premium allocation approach, while for individual life contracts both the general measurement approach and the variable fee approach will be used as applicable.

**4. Summary of significant accounting policies****4.1 Basis of preparation**

This condensed interim financial information has been prepared in accordance with International Accounting Standard (IAS) No. 34 "Interim Financial Reporting".

The condensed interim financial information is presented in U.A.E. Dirham (AED) since that is the currency in which the majority of the Company's transactions are denominated.

This condensed interim financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments and investment properties. The Company presents its condensed statement of financial position broadly in the order of liquidity.

The accounting policies, presentation and methods in this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2021.

This condensed interim financial information do not include all the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements as at and for the year ended 31 December 2021. In addition, results for the three months period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

**5 Judgements and estimates**

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

In preparing this condensed interim financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**6. Investment properties**

Investment properties comprises two commercial buildings in Dubai, UAE.

Management estimates that there has been no change in the fair value of investment properties. Investment properties are classified as Level 3 in the fair value hierarchy as at 31 March 2022 (31 December 2021: Level 3).

**7. Financial investments**

**7.1 Investments at amortised cost**

Investment in securities comprises of the following:

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Quoted bonds	<b>334,294,378</b>	334,709,806
Provision for expected credit losses (Note 7.1.1)	<b>(1,631,832)</b>	(1,631,832)
	<b>332,662,546</b>	333,077,974

The bonds carry interest at the rates ranging from 4.75% to 7.5% (2021: 4.75% to 7.5%) per annum and interest is receivable semi-annually. The Company holds these investments with the objective of receiving the contractual cash flows over the instrument's life.

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Inside UAE	<b>199,739,362</b>	199,927,331
Outside UAE	<b>132,923,184</b>	133,150,643
	<b>332,662,546</b>	333,077,974

7.1.1 Movement in provision for expected credit loss are as follows:

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Balance at the beginning of the year	<b>1,631,832</b>	772,000
Charge during the period/year	<b>-</b>	859,832
	<b>1,631,832</b>	1,631,832

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**7. Financial investments (continued)**

**7.2 Investments at fair value through other comprehensive income (FVOCI)**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Quoted equity securities in UAE	<b>8,672,887</b>	6,888,342

**7.3 Movements in financial investments**

The gross movements in investments at FVOCI and investments at amortised cost are as follows:

	<b>FVOCI AED</b>	<b>At amortised cost AED</b>	<b>Total AED</b>
At 31 December 2020 (audited)	5,175,180	335,622,610	340,797,790
Amortised	-	(1,684,804)	(1,684,804)
Changes in fair value	1,713,162	-	1,713,162
Provision for expected credit losses		(859,832)	(859,832)
	<hr/>	<hr/>	<hr/>
At 31 December 2021 (audited)	6,888,342	333,077,974	339,966,316
Amortised	-	(415,428)	(415,428)
Changes in fair value	1,784,545	-	1,784,545
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2022 (unaudited)</b>	<b>8,672,887</b>	<b>332,662,546</b>	<b>341,335,433</b>

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**8. Insurance contract liabilities - Technical provisions**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>Insurance contract liabilities - Technical provisions:</b>		
Unearned premium reserve	<b>82,301,804</b>	69,655,680
Claims under settlement reserve	<b>90,021,343</b>	88,632,109
Incurred but not reported reserve ("IBNR")	<b>17,786,491</b>	25,546,433
Unallocated loss adjustment expense reserve ("ULAE")	<b>934,811</b>	912,239
Unexpired risk reserve	<b>158,371</b>	189,079
Mathematical reserve	<b>475,304,635</b>	478,215,131
<b>Total technical provisions – gross</b>	<b>666,507,455</b>	663,150,671
<b>Reinsurance contract assets:</b>		
Unearned premium reserve	<b>64,478,970</b>	58,362,790
Claims under settlement reserve	<b>82,727,925</b>	81,745,675
Incurred but not reported reserve ("IBNR")	<b>13,590,560</b>	20,228,267
Unexpired risk reserve	<b>69,687</b>	66,122
<b>Total reinsurers' share of technical provisions</b>	<b>160,867,142</b>	160,402,854
Unearned premium reserve	<b>17,822,834</b>	11,292,890
Claims under settlement reserve	<b>7,293,418</b>	6,886,434
Incurred but not reported reserve ("IBNR")	<b>4,195,931</b>	5,318,166
Unallocated loss adjustment expense reserve ("ULAE")	<b>934,811</b>	912,239
Unexpired risk reserve	<b>88,684</b>	122,957
Mathematical reserve	<b>475,304,635</b>	478,215,131
<b>Total technical provisions – net</b>	<b>505,640,313</b>	502,747,817

**9. Premium and insurance balances receivable**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Due from policyholders	<b>55,466,108</b>	52,590,134
Due from insurance or reinsurance companies	<b>5,158,672</b>	4,730,505
Due from brokers or agents	<b>16,759,676</b>	26,857,160
Less: Provision for impairment	<b>(3,486,567)</b>	(3,486,567)
	<b>73,897,889</b>	80,691,232

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**9. Premium and insurance balances receivable (continued)**

**Within U.A.E.**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Due from policyholders	<b>55,466,108</b>	52,590,134
Due from insurance or reinsurance companies	<b>2,023,963</b>	2,214,276
Due from brokers or agents	<b>16,759,676</b>	26,857,160
Less: Provision for impairment	<b>(3,486,567)</b>	(3,486,567)
	<b>70,763,180</b>	78,175,003

**Outside U.A.E.**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Due from insurance or reinsurance companies	<b>3,134,709</b>	2,516,229
<b>Total</b>	<b>73,897,889</b>	80,691,232

**10. Other receivables and prepayments**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Accrued interest from investments at amortised cost	<b>6,707,350</b>	7,632,207
Rent receivable from tenants	<b>8,179,688</b>	6,362,750
Prepayments	<b>3,825,122</b>	1,955,764
Receivable from employees	<b>338,738</b>	338,019
Refundable deposits	<b>157,819</b>	166,255
Others	<b>14,489,321</b>	9,182,304
Less: Provision for expected credit losses	<b>(1,441,251)</b>	(1,479,412)
	<b>32,256,787</b>	24,157,887

**11. Statutory deposit**

As at 31 March 2022, deposit of AED 10,463,189 (31 December 2021: AED 10,228,125) has been placed with one of the Company's bankers, in accordance with Article 42 of UAE Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organization of its Operations. This deposit has been pledged to the bank as security against a guarantee issued by the Bank in favor of the Central Bank of the United Arab Emirates ("CBUAE") for the same amount. This deposit cannot be withdrawn without prior approval of the Central Bank of the United Arab Emirates and bears an interest rate ranging from 0.5% to 1.5% per annum (2021: 3% to 3.5% per annum).

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**12. Deposits**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Short term deposits with banks in the UAE	<b>414,447,691</b>	351,847,691
Accrued interest on short term deposits	<b>2,793,615</b>	1,488,617
<b>Subtotal A (current portion)</b>	<b>417,241,306</b>	353,336,308
Long term deposits with banks in the UAE	<b>61,600,000</b>	61,600,000
Accrued interest on long term deposits	<b>2,815,483</b>	2,036,983
<b>Subtotal B (non-current portion)</b>	<b>64,415,483</b>	63,636,983
Less: Provision for expected credit losses (C)	<b>(320,238)</b>	(320,238)
<b>Grand total (A+B+C)</b>	<b>481,336,551</b>	416,653,053

Deposits comprise fixed deposits with original maturity term of 12 months and above with banks in UAE bearing annual interest at rates ranging from 0.45% to 5.25% (31 December 2021: 0.45% to 5.25%)

**13. Cash and cash equivalents**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Cash on hand	<b>88,649</b>	241,305
Current accounts with banks	<b>30,729,082</b>	82,645,491
Less: Provision for expected credit losses	<b>(73,827)</b>	(73,827)
	<b>30,743,904</b>	82,812,969

Bank balances are maintained with local banks in UAE.

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**14. Share capital**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Issued and fully paid: 1,000,000 ordinary shares of AED 100 each	<b>100,000,000</b>	100,000,000

**15. Statutory reserve**

In accordance with the UAE Federal Decree Law No. 32 of 2021, the Company has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the three month period ended 31 March 2022, as this will be effected at the year-end based on the Company's results for the year ending 31 December 2022.

**16. Accounts payable**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Payables inside UAE	<b>12,742,677</b>	13,198,618
Payables outside UAE	<b>48,227,571</b>	50,260,463
Other payables (note 16.1)	<b>27,891,068</b>	19,378,119
	<b>88,861,316</b>	82,837,200
	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>Within U.A.E.</b>		
Insurance companies	<b>4,480,344</b>	4,509,190
Insurance brokers	<b>8,262,333</b>	8,689,428
Other payables (note 16.1)	<b>27,891,068</b>	19,378,119
	<b>40,633,745</b>	32,576,737

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**16. Accounts payable (continued)**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
<b>Outside U.A.E.</b>		
Insurance companies	<b>316,270</b>	490,310
Reinsurance companies	<b>47,911,301</b>	49,770,153
	<b>48,227,571</b>	50,260,463

**16.1 Other payables**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Provision for staff benefits	<b>2,213,472</b>	3,852,328
Rent received in advance	<b>8,448,083</b>	851,584
Accruals and provision	<b>1,851,425</b>	904,186
Other payables	<b>15,378,088</b>	13,770,021
	<b>27,891,068</b>	19,378,119

**17. Insurance liabilities**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Maturity payable	<b>16,692,165</b>	22,239,978
Bonus and surrenders payable	<b>7,018,579</b>	9,543,287
Claims payable	<b>1,902,639</b>	3,310,124
Other insurance payables	<b>42,672,835</b>	35,578,739
	<b>68,286,218</b>	70,672,128



**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**18. Basic and diluted earnings per share**

	<b>Three months period ended 31 March</b>	
	<b>2022</b> <b>(unaudited)</b>	<b>2021</b> <b>(unaudited)</b>
Profit for the period (in AED)	<b>8,531,076</b>	10,476,802
Number of shares	<b>100,000,000</b>	100,000,000
<b>Basic and diluted earnings per share (in AED)</b>	<b>8.53</b>	10.48

Basic and diluted earnings per share are calculated by dividing the profit for the period by the number of shares outstanding at the end of the reporting period. Diluted earnings per share is equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

**19. Related party transactions**

Related parties, as defined in International Accounting Standard 24: Related Party Disclosures major shareholders, directors and other key management personnel of the Company, and significantly influenced by such parties.

At the end of the reporting period, amounts due from related parties are as follows:

	<b>31 March</b> <b>2022</b> <b>(unaudited)</b> <b>AED</b>	31 December 2021 <b>(audited)</b> <b>AED</b>
Due from related parties (Key Management personnel and entities under common control)	<b>1,466,055</b>	1,264,268

The above balances are included as part of premiums and insurance balances receivables.

**Transactions:**

During the period, the Company entered into the following transactions with related parties:

	<b>Three months period ended 31 March</b>	
	<b>2022</b> <b>(unaudited)</b> <b>AED</b>	<b>2021</b> <b>(unaudited)</b> <b>AED</b>
Premiums from related parties (Key Management personnel and entities under common control)	<b>758,142</b>	1,002,095
Claims to related parties (Key Management personnel and entities under common control)	-	7,000
Directors' and key management personnel remuneration including benefits	<b>494,184</b>	530,886

Transactions are entered with related parties at rates agreed with management.

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)**

**20. Contingent liabilities**

	<b>31 March 2022 (unaudited) AED</b>	31 December 2021 (audited) AED
Letters of guarantee	<b>10,560,942</b>	10,853,330

The Company in common with the significant majority of insures, is subject to litigation in normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

**21. Financial instruments**

The fair values of financial assets are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2021.

Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	31 March 2022 (unaudited) AED	31 December 2021 (audited) AED		
Quoted equity securities – FVOCI	<b>8,672,887</b>	6,888,342	Level 1	Quoted bid prices in an active market.

There were no transfers between each of level during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

**22. Seasonality of results**

No income of seasonal nature was recorded in the condensed statement of profit or loss for the three months period ended 31 March 2022 and 2021.

**Notes to the condensed interim financial information  
for the three months period ended 31 March 2022 (continued)****23 Coronavirus (COVID-19) outbreak and its impact on the Company**

The World Health Organization declared on March 11, 2020 the Novel Coronavirus (Covid-19) as a global pandemic. This event has caused widespread disruptions to businesses and economic activity.

The Company has performed an assessment of COVID-19 implications on the financial results of the Company, in light of the available guidance of IFRS, and incorporated the outcome in these condensed interim financial information.

The Company has considered the potential impacts of the current economic volatility in determination of the reported amounts of the financial and non-financial assets, and these are considered to represent management's best assessment based on observable information. Markets however remain volatile, and the recorded amounts remain sensitive to market fluctuations.

The Company is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

**24. Dividend**

At the Annual General Meeting held on 12 April 2022, the Shareholders approved a cash dividend of AED 30 million at AED 30 per share for 2021 (2020: AED 30 million at AED 30 per share for 2019). The dividend is not accounted as a liability in this condensed interim financial information as the annual general meeting took place after 31 March 2022.

**25. Approval of the condensed interim financial information**

The condensed interim financial information was approved by the Board of Directors and authorised for issue on 12 May 2022.