

ALLIANCE INSURANCE P.S.C.

**Review report and condensed interim financial information
for the nine months period ended 30 September 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 30 September 2022 and the related condensed statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine 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 this 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
8 November 2022
Dubai, United Arab Emirates

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

	Notes	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
ASSETS			
Property and equipment		3,768,389	3,804,097
Investment properties	6	207,538,000	207,538,000
Investments at amortised cost	7.1	332,909,573	333,077,974
Investments at fair value through other comprehensive income (FVOCI)	7.2	8,315,979	6,888,342
Loans guaranteed by life insurance policies		46,117,874	45,543,850
Reinsurance contract assets	8	201,312,410	160,402,854
Deferred acquisition costs		12,321,313	2,403,699
Premium and insurance balances receivable	9	88,701,119	80,691,232
Other receivables and prepayments	10	31,938,100	24,157,887
Statutory deposits	11	10,463,189	10,228,125
Deposits	12	465,576,284	416,653,053
Cash and cash equivalents	13	29,042,539	82,812,969
Total assets		1,438,004,769	1,374,202,082
EQUITY AND LIABILITIES			
Equity			
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		(2,447,587)	(3,875,224)
Retained earnings		30,096,200	40,988,455
Total equity		529,152,479	538,617,097
Liabilities			
Provision for employees' end of service indemnity		4,622,634	4,713,384
Accounts payable	16	105,209,391	82,837,200
		109,832,025	87,550,584
Insurance liabilities			
Insurance liabilities	17	68,376,235	70,672,128
Premium collected in advance		10,319,996	9,525,707
Deferred commission income		11,313,197	4,685,895
		90,009,428	84,883,730

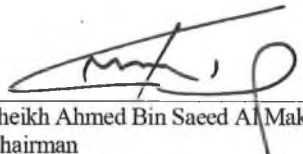
The accompanying notes form an integral part of this condensed interim financial information.

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

	Notes	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Insurance contract liabilities – Technical provisions	8		
Unearned premium reserve		124,385,475	69,655,680
Claims under settlement reserve		103,343,488	88,632,109
Incurred but not reported reserve		15,809,826	25,546,433
Unallocated loss adjustment expense reserve		1,170,704	912,239
Unexpired risk reserve		2,533,201	189,079
Mathematical reserve		461,768,143	478,215,131
Total insurance contract liabilities		709,010,837	663,150,671
Total liabilities		908,852,290	835,584,985
Total equity and liabilities		1,438,004,769	1,374,202,082

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 8 November 2022 and were signed on its behalf by:


Sheikh Ahmed Bin Saeed Al Maktoum
Chairman


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 nine months period ended 30 September 2022**

	Three months period ended 30 September		Nine months period ended 30 September	
	2022 AED	2021 AED	2022 AED	2021 AED
Gross premiums	88,283,395	73,515,581	280,981,142	241,360,008
Reinsurance share of gross premiums	(60,741,217)	(48,924,451)	(172,830,885)	(147,692,647)
Net premium	27,542,178	24,591,130	108,150,257	93,667,361
Net change in unearned premium/unexpired risk reserves	(788,000)	6,297,013	(20,029,114)	11,704,912
Net premium earned	26,754,178	30,888,143	88,121,143	105,372,273
Commissions received	3,516,481	4,033,429	18,360,865	11,979,939
Commissions paid	(4,884,006)	(1,970,696)	(25,134,085)	(9,613,680)
Movement in deferred reinsurance commission reserves – net	(395,225)	(1,770,336)	3,290,312	(3,439,338)
Gross underwriting income	24,991,428	31,180,540	84,638,235	104,299,194
Gross claims paid	(11,245,389)	(18,856,095)	(38,418,913)	(56,324,972)
Reinsurance share of insurance claims and loss adjustment expenses	5,796,582	10,449,845	22,464,375	33,954,672
Net claims paid	(5,448,807)	(8,406,250)	(15,954,538)	(22,370,300)
Movement in outstanding claims, incurred but not reported claims reserve, and unallocated loss adjustment expense reserve	(897,634)	329,434	(1,368,485)	(2,119,066)
Earnings and cancellations of life insurance policies	(17,580,831)	(23,329,564)	(60,097,315)	(71,018,688)
Decrease in mathematical reserves	3,872,427	7,312,960	16,446,988	25,467,310
Net claims incurred	(20,054,845)	(24,093,420)	(60,973,350)	(70,040,744)
Net underwriting income	4,936,583	7,087,120	23,664,885	34,258,450
Income from financial investments	8,241,285	8,326,021	23,547,161	25,757,030
Income from investment properties - net	2,043,568	1,998,110	6,541,540	6,977,652
Foreign currency exchange gain	76,641	77,186	233,311	264,051
Other income	413,295	1,452,257	1,546,518	2,703,077
Total income	15,711,372	18,940,694	55,533,415	69,960,260
General and administrative expenses	(6,451,063)	(6,517,724)	(20,250,090)	(19,996,367)
Provision for expected credit loss	-	(688,014)	-	(688,014)
Bonuses and rebates (net of reinsurance)	(4,159,864)	(7,023,640)	(14,584,929)	(21,111,325)
Other operating expenses	(494,471)	(647,719)	(1,590,651)	(2,139,044)
Profit for the period	4,605,974	4,063,597	19,107,745	26,025,510
Basic and diluted earnings per share (Note 18)	4.61	4.06	19.11	26.03

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

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

	Three months period ended		Nine months period ended	
	30 September		30 September	
	2022	2021	2022	2021
	AED	AED	AED	AED
Profit for the period	4,605,974	4,063,597	19,107,745	26,025,510
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net unrealised gain from FVOCI investments	499,673	142,763	1,427,637	1,035,035
Total comprehensive income for the period	5,105,647	4,206,360	20,535,382	27,060,545

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 30 September 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	-	-	-	-	-	-	26,025,510	26,025,510
Other comprehensive income for the period	-	-	-	-	-	1,035,035	-	1,035,035
Total comprehensive income for the period	-	-	-	-	-	1,035,035	26,025,510	27,060,545
Dividends paid (Note 23)	-	-	-	-	-	-	(30,000,000)	(30,000,000)
Balance at 30 September 2021 (Unaudited)	100,000,000	89,549,184	79,959,984	222,000,000	869,651	(4,553,351)	36,133,683	523,959,151
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	-	-	-	-	-	-	19,107,745	19,107,745
Other comprehensive income for the period	-	-	-	-	-	1,427,637	-	1,427,637
Total comprehensive income for the period	-	-	-	-	-	1,427,637	19,107,745	20,535,382
Dividends paid (Note 23)	-	-	-	-	-	-	(30,000,000)	(30,000,000)
Balance at 30 September 2022 (Unaudited)	100,000,000	93,661,305	84,072,105	222,000,000	1,770,456	(2,447,587)	30,096,200	529,152,479

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

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

	Nine months period ended 30 September	
	2022	2021
	AED	AED
Cash flows from operating activities		
Profit for the period	19,107,745	26,025,510
Adjustments for:		
Depreciation of property and equipment	346,436	548,194
Property and equipment written off during the period	250,000	90,020
Interest income from investments at amortised cost	(14,217,627)	(14,190,572)
Amortisation of fees, premiums and discounts on investments	1,272,401	1,260,139
Interest income from deposits	(6,978,699)	(8,983,764)
Interest income from loans guaranteed by life insurance policies	(1,922,546)	(2,297,169)
Dividend income	(428,289)	(285,525)
Income from investment properties	(6,541,540)	(6,977,652)
Provision for employees' end of service indemnity	440,930	388,850
(Reversal of)/provision for expected credit loss	(40,271)	688,014
Operating cash flows before changes in operating assets and liabilities	(8,711,460)	(3,733,955)
Increase in insurance, other receivables, and prepayments	(15,847,086)	(24,668,346)
(Increase)/decrease in reinsurance share of technical provisions	(40,909,556)	27,894,920
Increase/(decrease) in technical reserves	45,860,166	(62,948,076)
(Increase)/decrease in deferred acquisition cost reserves	(9,917,614)	2,137,677
Increase in deferred commission income	6,627,302	1,301,661
Increase in accounts payable, insurance liabilities and premium collected in advance	16,026,516	5,610,134
Cash used in operations	(6,871,732)	(54,405,985)
Employees end of service indemnity paid	(531,680)	(768,016)
Net cash used in operating activities	(7,403,412)	(55,174,001)
Cash flows from investing activities		
Purchase of property and equipment	(560,729)	(34,835)
Net movement in loans guaranteed by life insurance policies	1,348,522	4,089,389
Purchases of financial investments at amortised cost	(1,104,000)	-
Income received on deposits	6,440,057	8,541,861
Income received from investments at amortised cost	16,753,443	15,319,363
Deposits (placed)/encashed during the period	(48,619,653)	22,050,341
Dividend income received	428,289	285,525
Rental income received from investment properties	8,947,053	8,524,287
Net cash (used in)/generated from investing activities	(16,367,018)	58,775,931
Cash flow from financing activities		
Dividend paid	(30,000,000)	(30,000,000)
Net cash used in financing activities	(30,000,000)	(30,000,000)
Net decrease in cash and cash equivalents	(53,770,430)	(26,398,070)
Cash and cash equivalents at the beginning of the period	82,812,969	48,691,929
Cash and cash equivalents at the end of the period	29,042,539	22,293,859

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

**Notes to the condensed interim financial information
for the nine months period ended 30 September 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

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
ASSETS		
Property and equipment	2,019,232	2,141,398
Investment properties	129,812,500	129,812,500
Investments at amortised cost	243,905,155	243,822,466
Loans guaranteed by life insurance policies	46,117,874	45,543,850
Reinsurance contract assets	5,333,390	3,177,607
Deferred acquisition costs	228,336	159,269
Premium and insurance balances receivable	1,526,930	900,533
Other receivables and prepayments	13,778,130	11,668,759
Statutory deposits	2,463,189	2,228,125
Deposits	209,585,858	187,460,175
Cash and cash equivalents	4,275,321	67,126,616
Inter-division balance	124,836,966	109,549,634
Total assets	783,882,881	803,590,932
EQUITY AND LIABILITIES		
Equity		
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	19,547,578	21,412,790
Total equity	262,661,925	264,527,137
Liabilities		
Provision for employees' end of service indemnity	2,136,883	2,182,683
Accounts payable	13,724,715	10,603,976
	15,861,598	12,786,659
Insurance liabilities		
Insurance liabilities	24,866,501	33,085,243
Premium collected in advance	10,319,996	9,525,707
Deferred commission income	3,144	1,669
	35,189,641	42,612,619

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

1. Segment information (continued)

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

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Insurance contract liabilities – Technical provisions		
Unearned premium reserve	3,058,867	1,946,169
Claims under settlement reserve	4,077,217	2,532,654
Incurred but not reported reserve	1,075,710	792,327
Unallocated loss adjustment expense reserve	94,711	58,521
Unexpired risk reserve	95,069	119,715
Mathematical reserve	461,768,143	478,215,131
Total insurance contract liabilities	470,169,717	483,664,517
Total liabilities	521,220,956	539,063,795
Total equity and liabilities	783,882,881	803,590,932

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

1. Segment information (continued)

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

	Three months period ended		Nine months period ended	
	2022	2021	2022	2021
	AED	AED	AED	AED
Gross premiums	21,528,968	22,510,081	69,903,871	73,101,287
Reinsurance share of gross premiums	(1,984,279)	(1,586,315)	(5,182,659)	(3,325,027)
Net premium	19,544,689	20,923,766	64,721,212	69,776,260
Net change in unearned premium/ unexpired risk reserves	34,529	96,156	(259,242)	(229,677)
Net premium earned	19,579,218	21,019,922	64,461,970	69,546,583
Commissions received	12,934	852,956	23,214	822,397
Commissions paid	(1,158,968)	(1,306,672)	(3,815,027)	(4,686,013)
Movement in deferred reinsurance commission reserves — net	(15,544)	(22,518)	67,592	(24,436)
Gross underwriting income	18,417,640	20,543,688	60,737,749	65,658,531
Gross claims paid	(361,714)	(484,509)	(2,137,864)	(4,177,991)
Reinsurance share of insurance claims and loss adjustment expenses	249,979	120,765	1,412,369	1,797,114
Net claims paid	(111,735)	(363,744)	(725,495)	(2,380,877)
Movement in outstanding claims, incurred but not reported claims reserve, and unallocated loss adjustment expense reserve	(174,220)	379,211	(537,163)	487,634
Earnings and cancellations of life insurance policies	(17,580,831)	(23,329,564)	(60,097,315)	(71,018,688)
Decrease in mathematical reserves	3,872,427	7,312,960	16,446,988	25,467,310
Net claims incurred	(13,994,359)	(16,001,137)	(44,912,985)	(47,444,621)
Net underwriting income	4,423,281	4,542,551	15,824,764	18,213,910
Income from financial investments	5,390,809	5,778,653	15,411,651	17,346,261
Income from investments property - net	1,482,940	1,494,869	4,692,262	4,901,045
Foreign currency exchange gain	54,893	78,403	207,408	259,928
Other income	21,814	72,433	111,511	114,187
Total income	11,373,737	11,966,909	36,247,596	40,835,331
General and administrative expenses	(2,613,605)	(2,449,161)	(7,942,927)	(7,590,677)
Provision for expected credit loss	-	(483,411)	-	(483,411)
Bonuses and rebates (net of reinsurance)	(4,159,864)	(7,023,640)	(14,584,929)	(21,111,325)
Other operating expenses	(83,641)	(64,929)	(227,952)	(236,526)
Profit for the period	4,516,627	1,945,768	13,491,788	11,413,392

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

1. Segment information (continued)

1.3 Segment financial position for property and liability insurance

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
ASSETS		
Property and equipment	1,749,157	1,662,699
Investment properties	77,725,500	77,725,500
Investments at amortised cost	89,004,418	89,255,508
Investments at fair value through other comprehensive income (FVOCI)	8,315,979	6,888,342
Reinsurance contract assets	195,979,020	157,225,247
Deferred acquisition costs	12,092,977	2,244,430
Premium and insurance balances receivable	87,174,189	79,790,699
Other receivables and prepayments	18,159,970	12,489,128
Statutory deposits	8,000,000	8,000,000
Deposits	255,990,426	229,192,878
Cash and cash equivalents	24,767,218	15,686,353
Total assets	778,958,854	680,160,784
EQUITY AND LIABILITIES		
Equity		
Share capital	50,000,000	50,000,000
Statutory reserve	48,505,990	48,505,990
Regular reserve	43,711,390	43,711,390
General reserve	114,447,539	114,447,539
Reinsurance reserve	1,724,600	1,724,600
Cumulative change in fair value of FVOCI investments	(2,447,587)	(3,875,224)
Retained earnings	10,548,622	19,575,665
Total equity	266,490,554	274,089,960
Liabilities		
Provision for employees' end of service indemnity	2,485,751	2,530,701
Accounts payable	91,484,676	72,233,224
Inter-division balance	124,836,966	109,549,634
	218,807,393	184,313,559
Insurance liabilities		
Insurance liabilities	43,509,734	37,586,885
Deferred commission income	11,310,053	4,684,226
	54,819,787	42,271,111

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

1. Segment information (continued)

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

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Insurance contract liabilities – Technical provisions		
Unearned premium reserve	121,326,608	67,709,511
Claims under settlement reserve	99,266,271	86,099,455
Incurred but not reported reserve	14,734,116	24,754,106
Unallocated loss adjustment expense reserve	1,075,993	853,718
Unexpired risk reserve	2,438,132	69,364
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Total insurance contract liabilities	238,841,120	179,486,154
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Total liabilities	512,468,300	406,070,824
	<hr/>	<hr/>
Total equity and liabilities	778,958,854	680,160,784
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**Notes to the condensed interim financial information
for the nine months period ended 30 September 2022 (continued)**

1. Segment information (continued)

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

	Three months period ended		Nine months period ended	
	2022	2021	2022	2021
	AED	AED	AED	AED
Gross premiums	66,754,427	51,005,500	211,077,271	168,258,721
Reinsurance share of gross premiums	(58,756,938)	(47,338,136)	(167,648,226)	(144,367,620)
Net premium	7,997,489	3,667,364	43,429,045	23,891,101
Net change in unearned premium/ unexpired risk reserves	(822,529)	6,200,857	(19,769,872)	11,934,589
Net premium earned	7,174,960	9,868,221	23,659,173	35,825,690
Commissions received	3,503,547	3,180,473	18,337,651	11,157,542
Commissions paid	(3,725,038)	(664,024)	(21,319,058)	(4,927,667)
Movement in deferred reinsurance commission reserves — net	(379,681)	(1,747,818)	3,222,720	(3,414,902)
Gross underwriting income	6,573,788	10,636,852	23,900,486	38,640,663
Gross claims paid	(10,883,675)	(18,371,586)	(36,281,049)	(52,146,981)
Reinsurance share of insurance claims and loss adjustment expenses	5,546,603	10,329,080	21,052,006	32,157,558
Net claims paid	(5,337,072)	(8,042,506)	(15,229,043)	(19,989,423)
Movement in outstanding claims, incurred but not reported claims reserve, unallocated loss adjustment expense reserve	(723,414)	(49,777)	(831,322)	(2,606,700)
Net claims incurred	(6,060,486)	(8,092,283)	(16,060,365)	(22,596,123)
Net underwriting income	513,302	2,544,569	7,840,121	16,044,540
Income from financial investments	2,850,476	2,547,368	8,135,510	8,410,769
Income from investments property - net	560,628	503,241	1,849,278	2,076,607
Foreign currency exchange gain	21,748	(1,217)	25,903	4,123
Other income	391,481	1,379,824	1,435,007	2,588,890
Total income	4,337,635	6,973,785	19,285,819	29,124,929
General and administrative expenses	(3,837,458)	(4,068,563)	(12,307,163)	(12,405,690)
Provision for expected credit loss	-	(204,603)	-	(204,603)
Other operating expenses	(410,830)	(582,790)	(1,362,699)	(1,902,518)
Profit for the period	89,347	2,117,829	5,615,957	14,612,118

**Notes to the condensed interim financial information
for the nine months period ended 30 September 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.

Federal Law No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 and will come into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the "2015 Law"). 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.

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.

Description	Effective from
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.

Description	Effective from
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 nine months period ended 30 September 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 does 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, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of UAE Federal Law No. (2) of 2015 (amended). In addition, results for the nine months period ended 30 September 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 nine months period ended 30 September 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 30 September 2022 (31 December 2021: Level 3).

7. Financial investments

7.1 Investments at amortised cost

Investment in securities comprises of the following:

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Quoted bonds	334,541,405	334,709,806
Provision for expected credit losses (Note 7.1.1)	(1,631,832)	(1,631,832)
	332,909,573	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.

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Inside UAE	199,360,350	199,927,331
Outside UAE	133,549,223	133,150,643
	332,909,573	333,077,974

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

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

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

7. Financial investments (continued)

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

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Quoted equity securities in UAE	8,315,979	6,888,342

7.3 Movements in financial investments

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

	FVOCI AED	At amortised cost AED	Total AED
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 loss	-	(859,832)	(859,832)
At 31 December 2021 (audited)	6,888,342	333,077,974	339,966,316
Amortised	-	(1,272,401)	(1,272,401)
Changes in fair value	1,427,637	-	1,427,637
Purchases	-	1,104,000	1,104,000
At 30 September 2022 (unaudited)	8,315,979	332,909,573	341,225,552

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

8. Insurance contract liabilities - Technical provisions

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Insurance contract liabilities - Technical provisions:		
Unearned premium reserve	124,385,475	69,655,680
Claims under settlement reserve	103,343,488	88,632,109
Incurred but not reported reserve ("IBNR")	15,809,826	25,546,433
Unallocated loss adjustment expense reserve ("ULAE")	1,170,704	912,239
Unexpired risk reserve	2,533,201	189,079
Mathematical reserve	461,768,143	478,215,131
Total technical provisions – gross	709,010,837	663,150,671
Reinsurance contract assets:		
Unearned premium reserve	95,400,814	58,362,790
Claims under settlement reserve	93,050,230	81,745,675
Incurred but not reported reserve ("IBNR")	12,788,467	20,228,267
Unexpired risk reserve	72,899	66,122
Total reinsurers' share of technical provisions	201,312,410	160,402,854
Unearned premium reserve	28,984,661	11,292,890
Claims under settlement reserve	10,293,258	6,886,434
Incurred but not reported reserve ("IBNR")	3,021,359	5,318,166
Unallocated loss adjustment expense reserve ("ULAE")	1,170,704	912,239
Unexpired risk reserve	2,460,302	122,957
Mathematical reserve	461,768,143	478,215,131
Total technical provisions – net	507,698,427	502,747,817

9. Premium and insurance balances receivable

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Due from policyholders	72,288,797	52,590,134
Due from insurance or reinsurance companies	5,254,617	4,730,505
Due from brokers or agents	14,642,162	26,857,160
Less: Provision for impairment	(3,484,457)	(3,486,567)
	88,701,119	80,691,232

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

9. Premium and insurance balances receivable (continued)

Within U.A.E.

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Due from policyholders	72,288,797	52,590,134
Due from insurance or reinsurance companies	1,388,838	2,214,276
Due from brokers or agents	14,642,162	26,857,160
Less: Provision for impairment	(3,484,457)	(3,486,567)
	<u>84,835,340</u>	<u>78,175,003</u>

Outside U.A.E.

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Due from insurance or reinsurance companies	3,865,779	2,516,229
Total	<u>88,701,119</u>	<u>80,691,232</u>

10. Other receivables and prepayments

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Accrued interest from investments at amortised cost	6,527,317	7,632,207
Rent receivable from tenants	8,801,308	6,362,750
Prepayments	2,984,430	1,955,764
Receivable from employees	331,883	338,019
Refundable deposits	163,787	166,255
Others	14,570,626	9,182,304
Less: Provision for expected credit losses	(1,441,251)	(1,479,412)
	<u>31,938,100</u>	<u>24,157,887</u>

11. Statutory deposits

As at 30 September 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 nine months period ended 30 September 2022 (continued)**

12. Deposits

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Short term deposits with banks in the UAE	400,232,280	351,847,691
Accrued interest on short term deposits	2,793,583	1,488,617
Subtotal A (current portion)	403,025,863	353,336,308
Long term deposits with banks in the UAE	61,600,000	61,600,000
Accrued interest on long term deposits	1,270,659	2,036,983
Subtotal B (non-current portion)	62,870,659	63,636,983
Less: Provision for expected credit losses (C)	(320,238)	(320,238)
Grand total (A+B+C)	465,576,284	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 0.5% to 5.25% (31 December 2021: 0.45% to 5.25%)

13. Cash and cash equivalents

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Cash on hand	86,326	241,305
Current accounts with banks	29,030,040	82,645,491
Less: Provision for expected credit losses	(73,827)	(73,827)
	29,042,539	82,812,969

Bank balances are maintained with local banks in UAE.

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

14. Share capital

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Issued and fully paid: 1,000,000 ordinary shares of AED 100 each	100,000,000	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 5% 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 nine month period ended 30 September 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

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Payables inside UAE	15,342,143	13,198,618
Payables outside UAE	65,270,208	50,260,463
Other payables (note 16.1)	24,597,040	19,378,119
	105,209,391	82,837,200
	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Within U.A.E.		
Insurance companies	6,123,121	4,509,190
Insurance brokers	9,219,022	8,689,428
Other payables (note 16.1)	24,597,040	19,378,119
	39,939,183	32,576,737

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

16. Accounts payable (continued)

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Outside U.A.E.		
Insurance companies	1,876,552	490,310
Reinsurance companies	63,393,656	49,770,153
	<u>65,270,208</u>	<u>50,260,463</u>

16.1 Other payables

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Provision for staff benefits	1,894,457	3,852,328
Rent received in advance	5,695,655	851,584
Accruals and provision	1,140,216	904,186
Other payables	15,866,712	13,770,021
	<u>24,597,040</u>	<u>19,378,119</u>

17. Insurance liabilities

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Maturity payable	15,952,196	22,239,978
Bonus and surrenders payable	7,182,343	9,543,287
Claims payable	1,091,653	3,310,124
Other insurance payables	44,150,043	35,578,739
	<u>68,376,235</u>	<u>70,672,128</u>

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

18. Basic and diluted earnings per share

	Three months period ended 30 September		Nine months period ended 30 September	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Profit for the period (AED)	4,605,974	4,063,597	19,107,745	26,025,510
Number of shares	1,000,000	1,000,000	1,000,000	1,000,000
Basic and diluted earnings per share (AED)	4.61	4.06	19.11	26.03

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 represent, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Company's management.

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

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Due from related parties (Key Management personnel and entities under common control)	915,999	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:

	Three months period ended 30 September		Nine months period ended 30 September	
	2022 (unaudited) AED	2021 (unaudited) AED	2022 (unaudited) AED	2021 (unaudited) AED
Premiums	1,292,423	610,861	2,982,474	2,967,615
Claims paid	233,513	24,872	243,888	87,276
Directors' and key management personnel remuneration including benefits	298,240	457,271	1,414,123	1,472,618

The directors' remuneration for the year 2021 amounting to AED 1,115,883 was paid in 2022 (2020: AED 1,148,490 was paid in 2021).

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

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

20. Contingent liabilities

	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED
Letters of guarantee	10,560,330	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
	30 September 2022 (unaudited) AED	31 December 2021 (audited) AED		
Quoted equity securities – FVOCI	8,315,978	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 nine months period ended 30 September 2022 and 2021.

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

23. 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 (2021: AED 30 million at AED 30 per share for 2020).

24. Approval of the condensed interim financial information

The condensed interim financial information was approved by the Board of Directors and authorised for issue on 8 November 2022.