Orient UNB Takaful P.J.S.C.

Condensed interim financial information

for the nine-month period ended 30 September 2020

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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 2020 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 2020;
- the condensed interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2020;
- the condensed interim statement of changes in equity for the nine-month period ended 30 September 2020;
- the condensed interim statement of cash flows for the nine-month period ended 30 September 2020; 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.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2020 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: 11 November 2020

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Orient UNB Takaful P.J.S.C.

Condensed interim statement of financial position

as at

	Note	**(Unaudited) 30 September 2020 AED**	(Audited) 31 December 2019 AED
TAKAFUL OPERATIONS' ASSETS			
Cash and bank balances	*7*	**39,442,341**	8,668,300
Retakaful contract assets	*8*	**241,366,891**	186,164,686
Takaful, retakaful and other receivable	*9*	**88,567,783**	56,310,218
Due from related parties	*19*	**39,084,180**	22,758,745
Other receivables	*10*	**6,083,546**	6,466,058
Receivable from shareholders	*11*	**42,249,938**	53,419,455
Total takaful operations' assets		**456,794,679**	333,787,462
SHAREHOLDERS' ASSETS			
Cash and bank balances	*7*	**4,626,731**	1,423,441
Other receivables and prepayments	*12*	**7,516,596**	1,204,274
Wakala deposit	*13*	**219,997,257**	235,997,257
Statutory deposit	*14*	**6,000,000**	6,000,000
Due from related parties	*19*	**2,099,355**	1,787,675
Property and equipment		**4,886,808**	3,836,606
Intangible assets		**496,140**	586,058
Total shareholders' assets		**245,622,887**	250,835,311
Total assets		**702,417,566**	584,622,773
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT			
TAKAFUL OPERATIONS' LIABILITIES			
Takaful contract liabilities	*8*	**304,328,782**	237,074,728
Payable to takaful, insurance, reinsurance and retakaful companies	*15*	**123,895,083**	60,493,082
Other takaful payables	*16*	**27,692,021**	34,351,036
Due to related parties	*19*	**878,793**	1,868,616
Total takaful operations' liabilities		**456,794,679**	333,787,462
TAKAFUL OPERATIONS' DEFICIT			
Deficit in policyholders' fund	*17*	**(120,409,072)**	(78,182,926)
Provision against Qard Hassan	*17*	**120,409,072**	78,182,926
Total takaful operations' deficit		**-**	-
Total takaful operations' liabilities and deficit		**456,794,679**	333,787,462

Orient UNB Takaful P.J.S.C.

Condensed interim statement of financial position (continued)

as at

	Note	(Unaudited) 30 September 2020 AED	(Audited) 31 December 2019 AED
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Due to related parties	*19*	**2,015,706**	4,103,970
Accruals, provisions and other payables		**5,731,359**	2,849,609
Employees' end of service benefits		**1,056,753**	780,643
Payable to policyholders' - takaful operations	*11*	**42,249,938**	53,419,455
Lease liabilities		**3,631,170**	2,600,421
Total shareholders' liabilities		**54,684,926**	63,754,098
SHAREHOLDERS' EQUITY			
Share capital	*18*	**200,000,000**	200,000,000
Share premium	*18*	**1,198,390**	1,198,390
Statutory reserve		**111,141**	111,141
Accumulated losses		**(10,371,570)**	(14,228,318)
Total shareholders' equity		**190,937,961**	187,081,213
Total shareholders' liabilities and equity		**245,622,887**	250,835,311
Total takaful operations' liabilities, deficit, shareholders' liabilities and equity		**702,417,566**	584,622,773

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 11 November 2020 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)

		For the three-month period ended		For the nine-month period ended	
		30 September 2020	30 September 2019	**30 September 2020**	30 September 2019
	Note	**AED**	AED	**AED**	AED
Attributable to policyholders'					
Gross written contribution	*21*	**80,353,067**	54,665,946	**266,062,945**	216,445,305
Changes in unearned contribution reserve		**(5,225,732)**	3,396,669	**(59,061,675)**	(43,460,564)
Takaful contributions earned		**75,127,335**	58,062,615	**207,001,270**	172,984,741
Retakaful contributions		**61,871,236**	40,024,805	**204,380,944**	160,385,124
Changes in retakaful share of unearned contribution		**(4,123,889)**	2,060,267	**(48,957,299)**	(35,536,126)
Retakaful share of earned contributions		**57,747,347**	42,085,072	**155,423,645**	124,848,998
Net earned contributions		**17,379,988**	15,977,543	**51,577,625**	48,135,743
Commission earned		**8,995,946**	8,036,577	**26,050,105**	22,899,454
Gross takaful income		**26,375,934**	24,014,120	**77,627,730**	71,035,197
Gross claims paid		**(31,273,976)**	(35,499,105)	**(123,252,841)**	(89,026,754)
Retakaful share of claims paid		**23,807,090**	24,771,771	**98,468,468**	65,167,760
Net claims paid		**(7,466,886)**	(10,727,334)	**(24,784,373)**	(23,858,994)
(Increase) / decrease in reserve for outstanding claims and unallocated loss adjustment expense		**(5,168,096)**	(11,507,735)	**7,464,708**	(37,784,395)
Increase / (decrease) in reserve for retakaful share of outstanding claims		**4,639,314**	11,490,711	**(7,766,989)**	32,897,019
Increase in reserve for incurred but not reported claims		**(10,216,324)**	(3,275,483)	**(15,657,087)**	(14,839,507)
Increase in reserve for retakaful share of incurred but not reported claims		**10,045,919**	4,904,864	**14,011,895**	10,491,677
Net claims incurred		**(8,166,073)**	(9,114,977)	**(26,731,846)**	(33,094,200)
Takaful results before wakala fees		**18,209,861**	14,899,143	**50,895,884**	37,940,997
Wakala fees	*11.1*	**(28,123,572)**	(19,133,082)	**(93,122,030)**	(75,755,846)
Net deficit from takaful operations		**(9,913,711)**	(4,233,939)	**(42,226,146)**	(37,814,849)
Attributable to shareholders'					
Wakala fees income from policyholders		**28,123,572**	19,133,082	**93,122,030**	75,755,846
Income from deposits		**1,788,645**	2,219,932	**5,364,552**	6,397,264
Other income		**-**	-	**-**	14
General and administrative expenses		**(4,613,242)**	(4,796,537)	**(15,226,326)**	(14,318,741)
Commission expenses		**(11,118,430)**	(9,042,844)	**(31,600,364)**	(28,446,296)
Other takaful expenses		**(1,709,169)**	(1,041,274)	**(5,576,998)**	(3,845,041)
Profit for the period before Qard Hassan		**12,471,376**	6,472,359	**46,082,894**	35,543,046
Provision against Qard Hassan to policyholders'	*17*	**(9,913,711)**	(4,233,939)	**(42,226,146)**	(37,814,849)
Profit / (loss) for the period attributable to shareholders'		**2,557,665**	2,238,420	**3,856,748**	(2,271,803)
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income / (loss) for the period		**2,557,665**	2,238,420	**3,856,748**	(2,271,803)
Earnings / (loss) per share	*22*	**1.28**	1.12	**1.93**	(1.14)

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	Accumulated losses AED	Total AED
As at 1 January 2019 (Audited)	200,000,000	1,198,390	-	(15,228,585)	185,969,805
Total comprehensive loss for the period	-	-	-	(2,271,803)	(2,271,803)
As at 30 September 2019	**200,000,000**	**1,198,390**	**-**	**(17,500,388)**	**183,698,002**
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**

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 2020 AED	30 September 2019 AED
Cash flows from operating activities		
Profit / (loss) for the period	**3,856,748**	(2,271,803)
Adjustment for:		
Depreciation of property and equipment	**1,213,466**	948,225
Amortisation of intangible assets	**97,262**	93,065
Provision for employees' end of service benefits	**289,695**	265,204
Finance costs on lease liabilities	**145,616**	98,611
Operating cash flows before movements in working capital	**5,602,787**	(866,698)
Change in:		
Retakaful contract assets	**(55,202,205)**	(78,924,822)
Takaful, retakaful and other receivable	**(32,257,565)**	(43,532,361)
Due from related parties (relating to takaful operations)	**(16,325,435)**	29,735,634
Other receivables (relating to takaful operations)	**382,512**	(686,560)
Other receivables and prepayments (relating to shareholders')	**(6,312,322)**	(6,531,221)
Due from related parties (relating to shareholders')	**(311,680)**	(386,771)
Takaful contract liabilities	**67,254,054**	96,084,466
Payable to takaful, insurance, reinsurance and retakaful companies	**63,402,001**	16,529,819
Other takaful payables	**(6,659,015)**	25,768,587
Due to related parties (relating to takaful operations)	**(989,823)**	1,800,022
Due to related parties (relating to shareholders')	**(2,088,264)**	(1,400,364)
Accruals, provisions and other payables	**2,881,750**	251,354
Net cash generated from operating activities	**19,376,795**	37,841,085
Employees' end of service benefits paid	**(13,585)**	(11,287)
Net cash generated from operations	**19,363,210**	37,829,798
Cash flows from investing activities		
Purchase of property and equipment	**(74,531)**	(227,965)
Purchase of intangible asset	**(7,344)**	-
Deposit with an Islamic bank	**(29,930,875)**	(50,175,694)
Maturity of deposits with Islamic bank	**45,930,875**	25,000,000
Net cash generated from / (used in) investing activities	**15,918,125**	(25,403,659)
Cash flows from financing activity		
Payment of lease liabilities	**(1,304,004)**	(645,335)
Net cash used in financing activity	**(1,304,004)**	(645,335)
Net increase in cash and cash equivalents	**33,977,331**	11,780,804
Cash and cash equivalents at 1 January	**10,091,741**	14,216,976
Cash and cash equivalents at 30 September (note 7)	**44,069,072**	25,997,780

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.

Notes

(forming part of the condensed interim financial information)

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 types of insurance and health insurance. The Company also invests its funds in wakala deposits.

2 Basis of preparation

a) 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 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

b) Basis of measurement

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

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 2019 except the estimates and judgements which are applicable from 1 January 2020.

2 Basis of preparation (continued)

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 2020 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 2020, 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 the 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 2019.

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 2020 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 2020 (Un-audited)

Financial assets	**Amortised cost**	**Total**
	AED	**AED**
Cash and bank balances	**44,069,072**	**44,069,072**
Takaful, retakaful and other receivable	**88,567,783**	**88,567,783**
Due from related parties (relating to takaful operations)	**39,084,180**	**39,084,180**
Other receivables (relating to takaful operations)	**6,083,546**	**6,083,546**
Receivable from shareholders	**42,249,938**	**42,249,938**
Other receivables (relating to shareholders')	**5,690,687**	**5,690,687**
Wakala deposit	**219,997,257**	**219,997,257**
Statutory deposit	**6,000,000**	**6,000,000**
Due from related parties (relating to shareholders')	**2,099,355**	**2,099,355**
	453,841,818	**453,841,818**

Financial liabilities	**Amortised cost**	**Total**
	AED	**AED**
Payable to takaful, insurance, reinsurance and retakaful companies	**123,895,083**	**123,895,083**
Other takaful payables	**27,692,021**	**27,692,021**
Due to related parties (relating to takaful operations)	**878,793**	**878,793**
Due to related parties (relating to shareholders')	**2,015,706**	**2,015,706**
Accruals, provisions and other payables	**5,731,359**	**5,731,359**
Payable to policyholders - takaful operations	**42,249,938**	**42,249,938**
Lease liabilities	**3,631,170**	**3,631,170**
	206,094,070	**206,094,070**

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

At 31 December 2019 (Audited)

Financial assets	Amortised cost	Total
	AED	AED
Cash and bank balances	10,091,741	10,091,741
Takaful and retakaful receivable	56,310,218	56,310,218
Due from related parties (relating to takaful operations)	22,758,745	22,758,745
Other receivables (relating to takaful operations)	6,466,058	6,466,058
Receivable from shareholders	53,419,455	53,419,455
Other receivables (relating to shareholders')	311,818	311,818
Wakala deposit	235,997,257	235,997,257
Statutory deposit	6,000,000	6,000,000
Due from related parties (relating to shareholders')	1,787,675	1,787,675
	393,142,967	393,142,967

Financial liabilities	Amortised cost	Total
	AED	AED
Payable to takaful, insurance, reinsurance and retakaful companies	60,493,082	60,493,082
Other takaful payables	34,351,036	34,351,036
Due to related parties (relating to takaful operations)	1,868,616	1,868,616
Due to related parties (relating to shareholders')	4,103,970	4,103,970
Accruals, provisions and other payables	2,849,609	2,849,609
Payable to policyholders - takaful operations	53,419,455	53,419,455
Lease liabilities	2,600,421	2,600,421
	159,686,189	159,686,189

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 2020 and 31 December 2019, 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 2020 (Un-audited)		
	Takaful Operations AED	**Shareholders' Operations AED**	**Total AED**
Cash in hand	**-**	**3,459**	**3,459**
Current accounts with banks and Islamic financial institutions	**39,442,341**	**4,623,272**	**44,065,613**
	39,442,341	**4,626,731**	**44,069,072**

	31 December 2019 (Audited)		
	Takaful Operations AED	Shareholders' Operations AED	Total AED
Cash in hand	-	4,960	4,960
Current accounts with banks and Islamic financial institutions	8,668,300	1,418,481	10,086,781
	8,668,300	1,423,441	10,091,741

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

	(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 AED
Gross takaful contract liabilities		
Reserve for outstanding claims	**79,061,202**	86,613,534
Reserve for unallocated loss adjustment expense	**784,294**	696,670
Reserve for incurred but not reported claims (IBNR)	**43,360,249**	27,703,162
Reserve for outstanding claims (including IBNR)	**123,205,745**	115,013,366
Unearned contribution reserve	**181,123,037**	122,061,362
Total takaful contract liabilities (gross)	**304,328,782**	237,074,728
Less: Retakaful contract assets		
Reserve for retakaful share of outstanding claims	**(66,070,622)**	(73,837,611)
Reserve for retakaful share of incurred but not reported claims (IBNR)	**(34,169,658)**	(20,157,763)
Reserve for retakaful share of outstanding claims (including IBNR)	**(100,240,280)**	(93,995,374)
Retakaful share of unearned contribution	**(141,126,611)**	(92,169,312)
Total retakaful contract assets	**(241,366,891)**	(186,164,686)
Net takaful contract liabilities	**62,961,891**	50,910,042

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

	(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 AED
Inside U.A.E.:		
Due from policyholders	**1,290,245**	694,726
Due from takaful and retakaful companies	**9,812,170**	12,019,296
Due from brokers and agents	**67,559,237**	39,854,321
	78,661,652	52,568,343
Outside U.A.E.:		
Due from takaful and retakaful companies	**11,206,131**	5,041,875
	11,206,131	5,041,875
Total takaful and retakaful receivable	**89,867,783**	57,610,218
Less: Allowance for doubtful debts	**(1,300,000)**	(1,300,000)
	88,567,783	56,310,218

10 Other receivables (relating to takaful operations)

	(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 AED
Deposit	**10,000**	10,000
Receivable from third party administrators	**1,025,000**	975,000
VAT input receivable - net	**4,881,095**	5,162,904
Other receivable	**167,451**	318,154
	6,083,546	6,466,058

11 Receivable from shareholders and payable to policyholders - takaful operations

		(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 AED
As at 1 January		**53,419,455**	16,363,330
Wakala fees for the period / year	*11.1*	**(93,122,030)**	(89,332,160)
Other movement in account during the period / year		**81,952,513**	126,388,285
		42,249,938	53,419,455

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 2020 AED	(Audited) 31 December 2019 AED
Accrued profit on Wakala deposits	**5,434,550**	131,075
Prepayments	**1,825,909**	892,456
Other receivables	**256,137**	180,743
	7,516,596	1,204,274

13 Wakala deposit

This consists of term wakala deposits with an Islamic bank and Islamic division of a commercial bank in UAE, at profit rates from 2.90% to 3.25% per annum *(31 December 2019: 2.90% to 3.25% per annum)* amounting to AED 220 million *(31 December 2019: AED 236 million)* , which matures in December 2020.

14 Statutory deposit

This consists of a fixed deposit under lien with an Islamic bank in UAE, at a profit rate of 3.25% per annum *(31 December 2019: 1.95% per annum),* which matures in December 2020 for the purpose of license renewal from the Insurance Authority.

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

	(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 AED
Payables – Inside UAE	**21,662,598**	8,201,718
Payables – Outside UAE	**102,232,485**	52,291,364
	123,895,083	60,493,082
Inside UAE:		
Payable to insurance and takaful companies	**17,300,558**	7,348,083
Payable to reinsurers and retakaful companies	**4,362,040**	853,635
	21,662,598	8,201,718
Outside UAE:		
Payable to insurance and takaful companies	**54,916,799**	20,356,610
Payable to reinsurers and retakaful companies	**47,315,686**	31,934,754
	102,232,485	52,291,364

16 Other takaful payables (relating to takaful operations)

	(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 AED
Payable to policyholders	**1,566,023**	9,320,349
Payable to third party administrators	**13,527,193**	10,604,309
Payable to brokers and agents	**2,691,239**	10,950,521
Other payables	**9,907,566**	3,475,857
	27,692,021	34,351,036

17 Qard Hassan

	(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 AED
Deficit in policyholders' fund		
As at 1 January	**(78,182,926)**	(41,060,854)
Deficit during the period / year	**(42,226,146)**	(37,122,072)
	(120,409,072)	(78,182,926)
Provision against Qard Hassan		
As at 1 January	**78,182,926**	41,060,854
Provision during the period / year	**42,226,146**	37,122,072
	120,409,072	78,182,926

18 Share capital and share premium

	(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 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

19 Related party transactions

Related parties comprise of shareholders, associate companies, and 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 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**

	Nine-month period ended 30 September 2019 (Un-Audited)		
	Shareholders AED	Associated companies of the shareholders AED	Total AED
Gross written contribution	37,119,786	25,316,021	62,435,807
Retakaful contribution	6,079,070	4,950,549	11,029,619
General and administrative expenses	-	588,623	588,623
Claims reported	28,354,049	15,248,418	43,602,467
Profit on Wakala deposits	1,017,600	-	1,017,600

19 Related party transactions (continued)

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

	(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 AED
Due from related parties (relating to takaful operations)		
Orient Insurance P.J.S.C.	**22,336,595**	411,697
Al Futtaim Motors	**8,496,379**	9,975,864
Al Futtaim Willis Co. LLC	**1,065,357**	2,419,779
Other related parties	**7,185,849**	9,951,405
	39,084,180	22,758,745
Due to related parties (relating to takaful operations)		
Al Wifaq Finance Company	**-**	1,786,549
Al Wifaq Properties LLC	**-**	82,067
Abu Dhabi Commercial Bank PJSC	**878,793**	-
	878,793	1,868,616
Due from related parties (relating to shareholder operation)		
Al Futtaim Motors	**1,324,610**	1,314,302
Auto Mall	**432,971**	350,165
Trading Enterprises	**341,774**	123,208
	2,099,355	1,787,675

Cash and cash equivalents

Cash and cash equivalents includes current accounts with Abu Dhabi Commerical Bank PJSC and Al Wifaq Finance Company totalling AED 1.2 million (31 December 2019: AED 1.7 million) who are shareholders of the Company.

Due to related parties (relating to shareholders)

	(Un-audited) 30 September 2020 AED	(Audited) 31 December 2019 AED
Orient Insurance P.J.S.C.	**6,675**	6,675
Al Futtaim Motor Auto Centre	**1,670,736**	3,605,524
Al Futtaim Trading Enterprises	**105,393**	159,696
Other related parties	**232,902**	332,075
	2,015,706	4,103,970

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 2020 (Un-audited)				
	Motor	**Fire**	**Medical**	**Miscellaneous**	**Total**
	AED	**AED**	**AED**	**AED**	**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)**

	Nine-month period ended 30 September 2019 (Un-audited)				
	Motor	Fire	Medical	Miscellaneous	Total
	AED	AED	AED	AED	AED
Gross written contribution	31,713,854	44,197,587	87,968,612	52,565,252	216,445,305
Gross takaful income					71,035,197
Net underwriting expenses					(33,094,200)
Takaful results before wakala fees					37,940,997
Wakala fees					(75,755,846)
Net deficit from takaful operations					(37,814,849)

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 2020	30 September 2019	**30 September 2020**	30 September 2019
Motor	**9,939,457**	10,334,729	**26,199,812**	31,713,854
Medical	**15,865,666**	9,982,664	**100,653,586**	87,968,612
Fire	**31,575,981**	22,249,021	**67,722,778**	44,197,587
Engineering	**1,276,992**	495,318	**11,296,415**	8,023,692
Marine	**3,590,370**	2,202,021	**13,179,562**	10,209,029
Others	**18,104,601**	9,402,193	**47,010,792**	34,332,531
	80,353,067	54,665,946	**266,062,945**	216,445,305

22 Earnings / (loss) per share

Basic earnings / (loss) per share is calculated by dividing the profit / (loss) 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 2020	30 September 2019	**30 September 2020**	30 September 2019
Profit / (loss) for the period attributable to shareholders' (AED)	**2,557,665**	2,238,420	**3,856,748**	(2,271,803)
Weighted average number of shares outstanding during the period	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Earnings / (loss) per share (AED)	**1.28**	1.12	**1.93**	(1.14)

There is no dilution impact on basic earnings per share.