Orient UNB Takaful P.J.S.C.

Condensed interim financial information

for the three-month period ended 31 March 2022

Orient UNB Takaful P.J.S.C.

Condensed interim financial information
for the three-month period ended 31 March 2022

Contents ***Page***

Independent auditors' report on review of condensed interim financial information	1
Condensed interim statement of financial position	3
Condensed interim statement of profit or loss and other comprehensive income	5
Condensed interim statement of changes in equity	6
Condensed interim statement of cash flows	7
Notes	8

KPMG Lower Gulf Limited
The Offices 5 at One Central
Level 4, Office No: 04.01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.ae-kpmg.com

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 31 March 2022 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 31 March 2022;
- the condensed interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2022;
- the condensed interim statement of changes in equity for the three-month period ended 31 March 2022;
- the condensed interim statement of cash flows for the three-month period ended 31 March 2022; 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

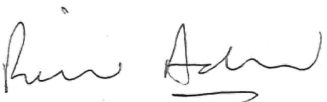
We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible 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.

KPMG Lower Gulf Limited, licensed in the United Arab Emirates, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.
KPMG Lower Gulf Limited (Dubai Branch) is registered and licensed under the laws of the United Arab Emirates.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2022 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'*.

KPMG Lower Gulf Limited



Richard Ackland
Registration No.: 1015
Dubai, United Arab Emirates
Date: 10 MAY 2022

KPMG Lower Gulf Limited, licensed in the United Arab Emirates, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.
KPMG Lower Gulf Limited (Dubai Branch) is registered and licensed under the laws of the United Arab Emirates.

Orient UNB Takaful P.J.S.C.

Condensed interim statement of financial position

as at

	Note	**(Unaudited) 31 March 2022 AED**	(Audited) 31 December 2021 AED
TAKAFUL OPERATIONS' ASSETS			
Cash and cash equivalent	*7*	**59,975,335**	44,628,910
Retakaful contract assets	*8*	**326,430,575**	317,954,501
Takaful, retakaful and other receivable	*9*	**86,196,678**	53,874,940
Due from related parties	*19*	**27,260,750**	18,719,903
Other receivables	*10*	**9,113,256**	9,034,428
Receivable from shareholders	*11*	**78,504,514**	80,291,882
Total takaful operations' assets		**587,481,108**	524,504,564
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	*7*	**3,293,539**	6,959,723
Other receivables and prepayments	*12*	**3,888,747**	1,688,497
Wakala deposit	*13*	**283,339,695**	283,339,695
Statutory deposit	*14*	**6,000,000**	6,000,000
Due from related parties	*19*	**9,879,133**	1,630,739
Property and equipment		**3,321,249**	3,456,598
Intangible assets		**300,484**	332,691
Total shareholders' assets		**310,022,847**	303,407,943
Total assets		**897,503,955**	827,912,507
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT			
TAKAFUL OPERATIONS' LIABILITIES			
Takaful contract liabilities	*8*	**408,155,364**	389,926,943
Payable to takaful, insurance, reinsurance and retakaful companies	*15*	**118,216,254**	88,220,151
Other takaful payables	*16*	**31,614,390**	28,679,660
Due to related parties	*19*	**29,495,100**	17,677,810
Total takaful operations' liabilities		**587,481,108**	524,504,564
TAKAFUL OPERATIONS' DEFICIT			
Deficit in policyholders' fund	*17*	**(194,781,708)**	(174,760,427)
Provision against Qard Hassan	*17*	**194,781,708**	174,760,427
Total takaful operations' deficit		**-**	-
Total takaful operations' liabilities and deficit		**587,481,108**	524,504,564

Orient UNB Takaful P.J.S.C.

Condensed interim statement of financial position (continued)

as at

	Note	(Unaudited) 31 March 2022 AED	(Audited) 31 December 2021 AED
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Due to related parties	*19*	**5,222,834**	2,831,743
Accruals, provisions and other payables		**8,473,385**	7,715,645
Employees' end of service benefits		**1,561,942**	1,467,758
Payable to policyholders' - takaful operations	*11*	**78,504,514**	80,291,882
Lease liabilities		**2,429,861**	2,437,416
Total shareholders' liabilities		**96,192,536**	94,744,444
SHAREHOLDERS' EQUITY			
Share capital	*18*	**200,000,000**	200,000,000
Share premium	*18*	**1,198,390**	1,198,390
Statutory reserve		**2,786,051**	2,269,370
Retakaful risk reserve	*18*	**3,617,925**	3,119,436
Retained earnings		**6,227,945**	2,076,303
Total shareholders' equity		**213,830,311**	208,663,499
Total shareholders' liabilities and equity		**310,022,847**	303,407,943
Total takaful operations' liabilities, deficit, shareholders' liabilities and equity		**897,503,955**	827,912,507

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed interim financial information is 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 10 May 2022 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 three-month period ended 31 March (Un-audited)

	Note	For the three-month period ended	
		31 March 2022	31 March 2021
		AED	AED
Attributable to policyholders'			
Gross written contribution	*21*	**131,802,176**	104,099,110
Changes in unearned contribution reserve		**(28,166,883)**	(22,837,683)
Takaful contributions earned		**103,635,293**	81,261,427
Retakaful contributions		**99,697,774**	73,882,821
Changes in retakaful share of unearned contribution		**(18,682,939)**	(11,773,252)
Retakaful share of earned contributions		**81,014,835**	62,109,569
Net earned contributions		**22,620,458**	19,151,858
Commission earned		**14,994,874**	11,068,761
Gross takaful income		**37,615,332**	30,220,619
Gross claims paid		**(61,547,988)**	(32,614,206)
Retakaful share of claims paid		**50,310,540**	24,216,074
Net claims paid		**(11,237,448)**	(8,398,132)
Decrease / (increase) in reserve for outstanding claims and unallocated loss adjustment expense		**6,773,113**	(2,589,833)
(Decrease) / increase in reserve for retakaful share of outstanding claims		**(7,091,077)**	1,536,537
Decrease / (increase) in reserve for incurred but not reported claims		**3,165,349**	(3,605,093)
(Decrease) / increase in reserve for retakaful share of incurred but not reported claims		**(3,115,788)**	3,548,476
Net claims incurred		**(11,505,851)**	(9,508,045)
Takaful results before wakala fees		**26,109,481**	20,712,574
Wakala fees	*11*	**(46,130,762)**	(36,434,689)
Net deficit from takaful operations		**(20,021,281)**	(15,722,115)
Attributable to shareholders'			
Wakala fees income from policyholders		**46,130,762**	36,434,689
Income from deposits		**2,183,520**	1,801,711
General and administrative expenses		**(5,774,792)**	(4,745,337)
Commission expenses		**(15,471,518)**	(13,060,042)
Other takaful expenses		**(1,879,879)**	(424,162)
Profit for the period before Qard Hassan		**25,188,093**	20,006,859
Provision against Qard Hassan to policyholders'	*17*	**(20,021,281)**	(15,722,115)
Profit for the period attributable to shareholders'		**5,166,812**	4,284,744
Other comprehensive income		**-**	-
Total comprehensive income for the period		**5,166,812**	4,284,744
Earnings per share	*22*	**2.58**	2.14

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 three-month period ended 31 March (Un-audited)

	Share capital	Share Premium	Statutory reserve	Retakaful risk reserve	(Accumulated loss) / retained earning	Total
	AED	AED	AED	AED	AED	AED
As at 1 January 2021 (Audited)	200,000,000	1,198,390	727,323	-	(8,682,683)	193,243,030
Total comprehensive income for the period	-	-	-	-	4,284,744	4,284,744
Transfer to reserve	-	-	-	1,967,965	(1,967,965)	-
As at 30 March 2021	**200,000,000**	**1,198,390**	**727,323**	**1,967,965**	**(6,365,904)**	**197,527,774**
As at 1 January 2022 (Audited)	200,000,000	1,198,390	2,269,370	3,119,436	2,076,303	208,663,499
Total comprehensive income for the year	-	-	-	-	5,166,812	5,166,812
Transfer to reserve	-	-	516,681	498,489	(1,015,170)	-
As at 31 March 2022	**200,000,000**	**1,198,390**	**2,786,051**	**3,617,925**	**6,227,945**	**213,830,311**

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 three-month period ended 31 March (Un-audited)

	31 March 2022 AED	31 March 2021 AED
Cash flows from operating activities		
Profit for the period	**5,166,812**	4,284,744
Adjustment for:		
Depreciation of property and equipment	**337,187**	331,353
Amortisation of intangible assets	**32,207**	32,208
Provision for employees' end of service benefits	**115,074**	89,664
Finance costs on lease liabilities	**27,195**	41,802
Operating cash flows before movements in working capital	**5,678,475**	4,779,771
Change in:		
Retakaful contract assets	**(8,476,074)**	(16,858,265)
Takaful, retakaful and other receivable	**(32,321,738)**	(22,840,824)
Due from related parties (relating to takaful operations)	**(8,540,847)**	(8,125,410)
Other receivables (relating to takaful operations)	**(78,828)**	421,964
Other receivables and prepayments (relating to shareholders')	**(2,200,250)**	(746,745)
Due from related parties (relating to shareholders')	**(8,248,394)**	2,770,543
Takaful contract liabilities	**18,228,421**	29,032,609
Payable to takaful, insurance, reinsurance and retakaful companies	**29,996,103**	16,527,731
Other takaful payables	**2,934,730**	2,522,017
Due to related parties (relating to takaful operations)	**11,817,290**	(683,986)
Due to related parties (relating to shareholders')	**2,391,091**	3,422,469
Accruals, provisions and other payables	**757,740**	(763,852)
Net cash generated from operating activities	**11,937,719**	9,458,022
Employees' end of service benefits paid	**(20,890)**	(1,852)
Net cash generated from operations	**11,916,829**	9,456,170
Cash flows from investing activities		
Purchase of property and equipment	**(201,838)**	(142,225)
Deposit with an Islamic bank	**-**	(125,000,000)
Net cash used in investing activities	**(201,838)**	(125,142,225)
Cash flows from financing activity		
Payment of lease liabilities	**(34,750)**	(255,150)
Net cash used in financing activity	**(34,750)**	(255,150)
Net increase / (decrease) in cash and cash equivalents	**11,680,241**	(115,941,205)
Cash and cash equivalents at 1 January	**51,588,633**	161,933,918
Cash and cash equivalents at 31 March (note 7)	**63,268,874**	45,992,713

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 (amended) 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 (currently Central Bank of UAE) on 16 July 2017.

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

During 2021, Orient Insurance P.J.S.C., a public joint stock company incorporated in Dubai, United Arab Emirates acquired shares of the Company from Abu Dhabi Commercial Bank PJSC and Al Wifaq Finance Company to become the parent company and have taken control over the Company. The ultimate parent company is Al Futtaim Private Co. which is based in Dubai, United Arab Emirates.

As at reporting date the shareholding patterns are as follows:

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Orient Insurance P.J.S.C.	**83.91%**	83.91%
Others	**16.09%**	16.09%
	100.00%	100.00%

2 Basis of preparation

Statement of compliance

These condensed interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting", and comply with applicable requirements of the Federal Law No. (6) of 2007 (amended) concerning the Establishment of the Insurance Authority & Organization of the Insurance Operations, the UAE Federal Law No. (2) of 2015 (amended) 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 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Furthermore, the Company is required, for the year ended 31 December 2021, to be in compliance with the provisions of the UAE Federal Law No. (2) of 2015, as amended. On 20 September 2021, the UAE Federal Decree Law No. (32) of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. (2) of 2015 (as amended). The Company has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No (32) of 2021.

b) Basis of measurement

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

2 Basis of preparation (continued)

c) Functional and presentation currency

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

d) Use of estimates and judgements

In preparing the condensed interim financial information, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2021 except the estimates and judgements which are applicable from 1 January 2022.

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 three-month period ended 31 March 2022 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 31 March 2022, no retakaful companies have expressly disassociated with the Company nor has any retakaful companies communicated its non-willingness to accept COVID-19 related claims.

Liquidity risk management

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

3 Significant accounting policies

The accounting policies applied in the condensed interim financial information are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2021.

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 2022 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 31 March 2022 (Un-audited)

Financial assets	**Amortised cost**	**Total**
	AED	**AED**
Cash and bank balances	**63,268,874**	**63,268,874**
Takaful, retakaful and other receivable	**86,196,678**	**86,196,678**
Due from related parties (relating to takaful operations)	**27,260,750**	**27,260,750**
Other receivables (relating to takaful operations)	**9,113,256**	**9,113,256**
Receivable from shareholders	**78,504,514**	**78,504,514**
Other receivables (relating to shareholders')	**3,161,255**	**3,161,255**
Wakala deposit	**283,339,695**	**283,339,695**
Statutory deposit	**6,000,000**	**6,000,000**
Due from related parties (relating to shareholders')	**9,879,133**	**9,879,133**
	566,724,155	**566,724,155**

Financial liabilities	**Amortised cost**	**Total**
	AED	**AED**
Payable to takaful, insurance, reinsurance and retakaful companies	**118,216,254**	**118,216,254**
Other takaful payables	**31,614,390**	**31,614,390**
Due to related parties (relating to takaful operations)	**29,495,100**	**29,495,100**
Due to related parties (relating to shareholders')	**5,222,834**	**5,222,834**
Accruals, provisions and other payables	**8,473,385**	**8,473,385**
Payable to policyholders - takaful operations	**78,504,514**	**78,504,514**
Lease liabilities	**2,429,861**	**2,429,861**
	273,956,338	**273,956,338**

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

At 31 December 2021 (Audited)

Financial assets	Amortised cost	Total
	AED	AED
Cash and bank balances	51,588,633	51,588,633
Takaful and retakaful receivable	53,874,940	53,874,940
Due from related parties (relating to takaful operations)	18,719,903	18,719,903
Other receivables (relating to takaful operations)	9,034,428	9,034,428
Receivable from shareholders	80,291,882	80,291,882
Other receivables (relating to shareholders')	732,200	732,200
Wakala deposit	283,339,695	283,339,695
Statutory deposit	6,000,000	6,000,000
Due from related parties (relating to shareholders')	1,630,739	1,630,739
	505,212,420	505,212,420

Financial liabilities	Amortised cost	Total
	AED	AED
Payable to takaful, insurance, reinsurance and retakaful companies	88,220,151	88,220,151
Other takaful payables	28,679,660	28,679,660
Due to related parties (relating to takaful operations)	17,677,810	17,677,810
Due to related parties (relating to shareholders')	2,831,743	2,831,743
Accruals, provisions and other payables	7,715,645	7,715,645
Payable to policyholders - takaful operations	80,291,882	80,291,882
Lease liabilities	2,437,416	2,437,416
	227,854,307	227,854,307

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 31 March 2022 and 31 December 2021, 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 equivalents

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

	31 March 2022 (Un-audited)		
	Takaful Operations AED	**Shareholders' Operations AED**	**Total AED**
Cash in hand	**-**	**7,424**	**7,424**
Current accounts with banks and Islamic financial institutions	**59,975,335**	**3,286,115**	**63,261,450**
	59,975,335	**3,293,539**	**63,268,874**

	31 December 2021 (Audited)		
	Takaful Operations AED	Shareholders' Operations AED	Total AED
Cash in hand	-	7,798	7,798
Current accounts with banks and Islamic financial institutions	44,628,910	6,951,925	51,580,835
	44,628,910	6,959,723	51,588,633

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

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Gross takaful contract liabilities		
Reserve for outstanding claims	**143,444,143**	150,504,345
Reserve for unallocated loss adjustment expense	**1,239,279**	952,190
Reserve for incurred but not reported claims (IBNR)	**45,476,295**	48,641,644
Reserve for outstanding claims (including IBNR)	**190,159,717**	200,098,179
Unearned contribution reserve	**217,995,647**	189,828,764
Total takaful contract liabilities (gross)	**408,155,364**	389,926,943
Less: Retakaful contract assets		
Reserve for retakaful share of outstanding claims	**(125,901,226)**	(132,992,303)
Reserve for retakaful share of incurred but not reported claims (IBNR)	**(35,238,069)**	(38,353,857)
Reserve for retakaful share of outstanding claims (including IBNR)	**(161,139,295)**	(171,346,160)
Retakaful share of unearned contribution	**(165,291,280)**	(146,608,341)
Total retakaful contract assets	**(326,430,575)**	(317,954,501)
Net takaful contract liabilities	**81,724,789**	71,972,442

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

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Inside U.A.E.:		
Due from policyholders	**5,590,931**	2,063,156
Due from takaful and retakaful companies	**14,719,552**	10,452,433
Due from brokers and agents	**56,297,588**	39,159,625
	76,608,071	51,675,214
Outside U.A.E.:		
Due from takaful and retakaful companies	**10,888,607**	3,499,726
	10,888,607	3,499,726
Total takaful and retakaful receivable	**87,496,678**	55,174,940
Less: Allowance for doubtful debts	**(1,300,000)**	(1,300,000)
	86,196,678	53,874,940

10 Other receivables (relating to takaful operations)

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Deposit	**10,000**	10,000
Receivable from third party administrators	**1,175,000**	1,075,000
VAT input receivable - net	**7,924,548**	7,939,360
Other receivable	**3,708**	10,068
	9,113,256	9,034,428

11 Receivable from shareholders and payable to policyholders - takaful operations

		(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
As at 1 January		**80,291,882**	34,813,645
Wakala fees for the period / year	*11.1*	**(46,130,762)**	(140,485,488)
Other movement in account during the period / year		**44,343,394**	185,963,725
		78,504,514	80,291,882

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) 31 March 2022 AED	(Audited) 31 December 2021 AED
Accrued profit on Wakala deposits	**2,418,665**	235,145
Prepayments	**727,492**	956,297
Other receivables	**742,590**	497,055
	3,888,747	1,688,497

13 Wakala deposit

This consists of term wakala deposits with financial institution, commerical bank in United Arab Emirates and an Islamic division of a commercial bank in a Sultanate of Oman, at profit rates from 1.7% to 3.9% per annum (31 December 2021: from 1.7% to 3.9% per annum) amounting to AED 283.3 million (31 December 2021: AED 283.3 million), which matures in December 2022.

14 Statutory deposit

This consists of a fixed deposit under lien with a commercial bank in UAE, at a profit rate of 2.0% per annum (31 December 2021: 2.0% per annum), which matures on December 2022 for the purpose of license renewal from the Insurance Authority (currently central bank).

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

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Payables – Inside UAE	**63,867,864**	51,004,702
Payables – Outside UAE	**54,348,390**	37,215,449
	118,216,254	88,220,151
Inside UAE:		
Payable to insurance and takaful companies	**26,834,730**	17,186,581
Payable to reinsurers and retakaful companies	**37,033,134**	33,818,121
	63,867,864	51,004,702
Outside UAE:		
Payable to insurance and takaful companies	**-**	24,732,643
Payable to reinsurers and retakaful companies	**54,348,390**	12,482,806
	54,348,390	37,215,449

16 Other takaful payables (relating to takaful operations)

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Payable to policyholders	**1,242,883**	1,504,982
Payable to third party administrators	**14,500,793**	12,635,642
Payable to brokers and agents	**3,683,650**	3,042,601
Other payables	**12,187,064**	11,496,435
	31,614,390	28,679,660

17 Qard Hassan

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Deficit in policyholders' fund		
As at 1 January	**(174,760,427)**	(119,498,234)
Deficit during the period / year	**(20,021,281)**	(55,262,193)
	(194,781,708)	(174,760,427)
Provision against Qard Hassan		
As at 1 January	**174,760,427**	119,498,234
Provision during the period / year	**20,021,281**	55,262,193
	194,781,708	174,760,427

18 Share capital and share premium

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Issued and paid up capital		
Issued and fully paid 2,000,000 shares of AED 100 each	**200,000,000**	200,000,000
Share premium reserve	**1,198,390**	1,198,390
	201,198,390	201,198,390

Statutory reserve

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

Retakaful risk reserve

In accordance with Article 34 of the Insurance Authority's Board of Directors Decision No. (23) of 2019, the Company has created a Retakaful Risk Reserve amounting to AED 3.6 million, being 0.5% of the total retakaful contribution ceded by the Company in all classes of business. The Company shall accumulate such provision year on year and not dispose of the provision without the written approval of the Director General of the UAE Insurance Authority (currently Central Bank).

19 Related party transactions

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

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

	Three-month period ended 31 March 2022 (Un-Audited)		
	Shareholders AED	**Associated companies of the shareholders AED**	**Total AED**
Gross written contribution	**3,124,121**	**34,345,353**	**37,469,474**
Retakaful contribution	**18,039,384**	**-**	**18,039,384**
General and administrative expenses	**-**	**1,191,206**	**1,191,206**
Claims reported	**10,154,511**	**4,325,047**	**14,479,558**

19 Related party transactions (continued)

	Three-month period ended 31 March 2021 (Un-Audited)		
	Shareholders AED	Associated companies of the shareholders AED	Total AED
Gross written contribution	10,468,046	14,149,027	24,617,073
Retakaful contribution	9,026,280	-	9,026,280
General and administrative expenses	-	4,559,654	4,559,654
Claims reported	3,506,734	4,126,594	7,633,328

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

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Due from related parties (relating to takaful operations)		
Al Futtaim Motors	**8,588,264**	7,457,088
Al Futtaim Willis Co. LLC	**16,511,840**	6,351,894
Other related parties	**2,160,646**	4,910,921
	27,260,750	18,719,903
Due to related parties (relating to takaful operations)		
Orient Insurance PJSC	**29,495,100**	17,677,810
	29,495,100	17,677,810
Due from related parties (relating to shareholder operation)		
Al Futtaim Motors	**1,229,962**	1,145,135
Al Futtaim Auto Mall	**687,954**	-
Dubai Festival City	**7,961,217**	-
Other related parties	**-**	485,604
	9,879,133	1,630,739

Due to related parties (relating to shareholders)

	(Un-audited) 31 March 2022 AED	(Audited) 31 December 2021 AED
Orient Insurance P.J.S.C.	**57,568**	6,675
Al Futtaim Motor Auto Centre	**3,764,998**	2,305,920
Al Futtaim Trading Enterprises	**84,013**	392,604
Other related parties	**1,316,255**	126,544
	5,222,834	2,831,743

20 Segment information

Operating segment information

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

	Three-month period ended 31 March 2022 (Un-audited)				
	Motor	**Property**	**Medical**	**Miscellaneous**	**Total**
	AED	**AED**	**AED**	**AED**	**AED**
Gross written contribution	**8,745,349**	**46,005,354**	**34,253,319**	**42,798,154**	**131,802,176**
Gross takaful income	**5,391,511**	**9,093,026**	**10,644,124**	**12,486,671**	**37,615,332**
Net underwriting expenses	**(5,531,336)**	**147,328**	**(5,783,610)**	**(338,233)**	**(11,505,851)**
Takaful results before wakala fees	**(139,825)**	**9,240,354**	**4,860,514**	**12,148,438**	**26,109,481**
Wakala fees	**(3,060,872)**	**(16,101,874)**	**(11,988,662)**	**(14,979,354)**	**(46,130,762)**
Net deficit from takaful operations	**(3,200,697)**	**(6,861,520)**	**(7,128,148)**	**(2,830,916)**	**(20,021,281)**

	Three-month period ended 31 March 2021 (Un-audited)				
	Motor	Property	Medical	Miscellaneous	Total
	AED	AED	AED	AED	AED
Gross written contribution	8,234,864	33,397,250	33,123,146	29,343,850	104,099,110
Gross takaful income	4,519,310	7,743,762	8,916,947	9,040,600	30,220,619
Net underwriting expenses	(2,699,876)	(237,466)	(5,560,653)	(1,010,050)	(9,508,045)
Takaful results before wakala fees	1,819,434	7,506,296	3,356,294	8,030,550	20,712,574
Wakala fees	(2,882,202)	(11,689,038)	(11,593,101)	(10,270,348)	(36,434,689)
Net deficit from takaful operations	(1,062,768)	(4,182,742)	(8,236,807)	(2,239,798)	(15,722,115)

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	
	31 March	31 March
	2022	2021
	AED	AED
Motor	**8,745,349**	8,234,864
Medical	**34,253,319**	33,123,146
Property	**46,005,354**	33,397,250
Engineering	**3,577,613**	2,192,583
Marine	**7,547,480**	7,438,026
Others	**31,673,061**	19,713,241
	131,802,176	104,099,110

22 Earnings per share

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

	(Un-audited) For the three-month period ended	
	31 March 2022	31 March 2021
Profit for the period attributable to shareholders' (AED)	**5,166,812**	4,284,744
Weighted average number of shares outstanding during the period	**2,000,000**	2,000,000
Earnings per share (AED)	**2.58**	2.14

There is no dilution impact on basic earnings per share.