Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C)

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022

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AMAN

Board of Directors' report

The Board of Directors have the pleasure in submitting their report and the audited consolidated financial statements for the period ended 30 September 2022.

Incorporation and registered offices

Dubai Islamic Insurance & Reinsurance Company (Aman) (P.J.S.C) (the "Company") is registered as a public shareholding company in Dubai, United Arab Emirates. The Company carries out general Takaful (insurance) business in accordance with the principles of Islamic Sharia'a as interpreted by its Fatwa and Sharia Board. The Company is also licensed to engage in Retakaful and life Takaful business. The registered address of the Company is P.O. Box 157, Dubai, United Arab Emirates. The Company and its subsidiaries are referred to as the "Group".

Principal activities

The Company mainly issues Takaful contracts in connection with motor, marine, fire and engineering, general accident risks, group life, credit life, individual life and medical risks. The Company also invests in investment securities and properties.

Financial position and results

The financial position and results of the Group for the period ended 30 September 2022 are set out in the accompanying consolidated financial statements.

Directors

The following were the Directors of the Group for the period ended 30 September 2022:

–	Dr. Saleh Hashem Sayed Al Hashimi	Chairman
–	Mr. Mohammed Ahmed Abdulla Mohammed Al Malik	Vice Chairman
–	Mr. Nasser Al-Falah Al Qahtani	Member
–	Ms. Maha Khadem Khalfan Khadem Al Mheiri	Member
–	Mr. Omran Mohammed Saleh Mahmood Husain Al Khoori	Member

Auditors

The consolidated financial statements for the period ended 30 September 2022 have been audited by Ernst & young Middle East, Dubai Branch

By order of the Board of Directors

Dr. Saleh Hashem Sayed Al Hashimi
Chairman

Building a better working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF DUBAI ISLAMIC INSURANCE & REINSURANCE CO. (AMAN) PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Dubai Islamic Insurance & Reinsurance Co. (AMAN) PJSC (the "Company") and its subsidiaries (the "Group"), which comprise the interim consolidated statement of financial position as at 30 September 2022 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the Nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 24 to the interim condensed consolidated financial statements which states that the Group did not meet the Minimum Capital Requirements of AED 100 million as of 30 September 2022 and that the Group's ability to comply with the solvency requirements depends on the effective implementation of the business plan submitted to the Central Bank of UAE. Secondly, as at 30 September 2022 the accumulated losses of the Group have reached to 60% of the total share capital. These factors indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Other Matters

The interim consolidated condensed financial statements of the Group as of 30 September 2021 were reviewed by another auditor whose report dated 14 November 2021 expressed an unqualified conclusion on those interim condensed consolidated financial statements. Also, the consolidated financial statements as of 31 December 2021 were audited by another auditor whose report dated 31 March 2022 expressed an unqualified opinion on those consolidated financial statements.

For Ernst & Young

Signed by:
Wardah Ebrahim
Partner
Registration No: 1258

14 November 2022

Dubai, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022 (unaudited)

	Notes	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
ASSETS			
Cash and cash equivalents	5	**106,362,854**	88,039,122
Wakala deposits with banks with original maturities of more than three months	5	**-**	10,000,000
Statutory deposit	6	**10,000,000**	10,000,000
Retakaful contract assets			
Unearned contribution and unexpired risk reserves	7	**31,918,682**	27,536,803
Claims reported unsettled	7	**79,347,756**	63,804,981
Mathematical reserve	7	**872,146**	784,307
Claims incurred but not reported	7	**32,933,151**	31,996,117
Takaful receivables	8	**63,145,264**	50,103,381
Financial assets measured at fair value through other comprehensive income (FVOCI)	9	**34,313,278**	70,241,104
Financial assets measured at fair value through profit or loss (FVTPL)	9	**791,198,640**	909,913,305
Prepayments and other receivables	10	**49,395,998**	9,101,920
Deferred policy acquisition costs		**9,304,979**	10,532,066
Investment property		**56,896,500**	56,896,500
Property and equipment	11	**175,208**	237,424
Assets under discontinued operations	23	**1,583,321**	1,583,321
TOTAL ASSETS		**1,267,447,777**	1,340,770,351
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Murabaha payable		**-**	15,228,543
Other payables & accruals	12	**43,900,420**	57,375,515
Takaful payables		**71,649,694**	59,067,328
Takaful contract liabilities			
Unearned contribution and unexpired risk reserves	7	**100,347,359**	89,999,681
Claims reported unsettled	7	**99,355,492**	84,155,390
Mathematical reserve	7	**2,603,320**	2,470,951
Claims incurred but not reported	7	**53,650,729**	49,954,086
Unallocated loss adjustment expenses	7	**3,653,574**	3,673,555
Unit linked liabilities	7	**780,434,437**	863,256,172
Deferred discount		**5,915,707**	5,744,747
Amounts held under retakaful treaties		**7,329,329**	6,753,321
Liabilities directly associated with assets under discontinued operations	23	**12,947,356**	12,947,356
Total liabilities before takaful operations' surplus		**1,181,787,417**	1,250,626,645
Surplus in takaful operations' fund	27	**-**	4,931,803
Total liabilities		**1,181,787,417**	1,255,558,448

The attached notes 1 to 35 form an integral part of these interim condensed consolidated financial statements.

	Notes	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (continued)			
SHAREHOLDERS' EQUITY			
Share capital	14	**225,750,000**	225,750,000
Legal reserve		**6,309,669**	6,309,669
General reserve		**6,309,669**	6,309,669
Accumulated losses		**(134,487,600)**	(78,961,422)
Investment revaluation reserve – FVOCI		**(19,517,881)**	(74,975,644)
Retakaful placement provision	15	**2,622,476**	2,106,721
Equity attributable to shareholders of the parent		**86,986,333**	86,538,993
Non-controlling interest		**(1,325,973)**	(1,327,090)
Total equity		**85,660,360**	85,211,903
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY*		**1,267,447,777**	1,340,770,351

*The breakdown of the assets and liabilities between the takaful operations and the shareholders is shown in Note 29.

These interim condensed consolidated financial statements were authorised for issue on 14 November 2022 by the Board of Directors and signed on its behalf by:

Rached Diab
Acting Chief Executive Officer

Dr. Saleh Hashem Sayed Al Hashimi
Chairman of the Board of Directors

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine month period ended 30 September 2022 (unaudited)

	Notes	Three-month period ended 30 September 2022 AED (Unaudited)	2021 AED (Unaudited)	Nine-month period ended 30 September 2022 AED (Unaudited)	2021 AED (Unaudited)
Takaful income					
Gross takaful contributions	16	**67,230,043**	60,252,608	**198,585,151**	197,826,532
Retakaful share of gross takaful contributions	16	**(32,287,335)**	(30,602,496)	**(103,150,424)**	(110,308,909)
Net takaful contributions written		**34,942,708**	29,650,112	**95,434,727**	87,517,623
Change in unearned contributions and unexpired risk reserves – net		**(4,025,249)**	(4,831,059)	**(5,965,799)**	(13,642,238)
Change in mathematical reserve - net		**8,181**	623,458	**(44,530)**	(49,491)
Net takaful contributions earned		**30,925,640**	25,442,511	**89,424,398**	73,825,894
Policy fees		**185,998**	1,298,698	**578,312**	6,301,412
Discount received on ceded retakaful		**4,773,936**	4,623,618	**12,618,667**	12,902,329
Total takaful income		**35,885,574**	31,364,827	**102,621,377**	93,029,635
Takaful expenses					
Gross claims paid	17	**(40,269,884)**	(25,813,198)	**(104,034,999)**	(77,970,596)
Retakaful share of gross claims paid	17	**14,614,494**	8,882,782	**31,099,138**	29,752,501
Net takaful claims paid		**(25,655,390)**	(16,930,416)	**(72,935,861)**	(48,218,095)
Change in provision for claims reported unsettled – net		**873,749**	(2,772,471)	**342,673**	(3,781,411)
Change in incurred but not reported claims – net		**(496,635)**	4,151,670	**(2,759,609)**	4,794,671
Change in unallocated loss adjustment expenses reserve		**280,548**	111,414	**19,981**	95,979
Net claims incurred		**(24,997,728)**	(15,439,803)	**(75,332,816)**	(47,108,856)
Policy acquisition cost		**(6,823,550)**	(6,756,400)	**(21,941,195)**	(17,689,693)
Total takaful expenses		**(31,821,278)**	(22,196,203)	**(97,274,011)**	(64,798,549)
Net takaful income		**4,064,296**	9,168,624	**5,347,366**	28,231,086
Investment (loss)/income	19	**1,603,958**	1,743,519	**4,215,994**	3,513,488
General and administrative expenses		**(6,735,740)**	(4,985,974)	**(20,312,548)**	(20,206,555)
Other operating income/(loss)		**12**	(690)	**-**	(7,855)
(Loss)/profit for the period from continuing operations		**(1,067,474)**	5,925,479	**(10,749,188)**	11,530,164
Profit/(loss) for the period from discontinued operations		**-**	-	**11,169**	(2,677)
(Loss)/profit for the period before attribution		**(1,067,474)**	5,925,479	**(10,738,019)**	11,527,487
Deficit from takaful operations for the period	33	**7,780,718**	2,451,581	**26,177,082**	12,734,204
Contribution from Qard Hassan to takaful operations	27	**(7,942,155)**	(2,604,595)	**(21,761,034)**	(6,481,580)
(Loss)/profit for the period		**(1,228,911)**	5,772,465	**(6,321,971)**	17,780,111
Attributable to:					
Shareholders of the parent		**(1,228,911)**	5,772,465	**(6,323,088)**	17,780,379
Non-controlling interest		**-**	-	**1,117**	(268)
		(1,228,911)	5,772,465	**(6,321,971)**	17,780,111
(Loss)/Earnings per share	20	**(0.0197)**	0.0256	**(0.0423)**	0.0788

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine month period ended 30 September 2022 (unaudited)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	**2022**	2021
	AED	AED	**AED**	AED
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
(Loss)/profit for the period	**(1,228,911)**	5,772,465	**(6,321,971)**	17,780,111
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Changes in fair value of financial assets carried at fair value through other comprehensive income	**-**	263,632	**6,254,673**	2,935,973
Total comprehensive (loss) / income for the period	**(1,228,911)**	6,036,097	**(67,298)**	20,716,084
Attributable to:				
Shareholders of the parent	**(1,228,911)**	6,036,097	**(68,415)**	20,716,352
Non-controlling interest	**-**	-	**1,117**	(268)
	(1,228,911)	6,036,097	**(67,298)**	20,716,084

The separate statements of income and comprehensive income for the takaful operations and the shareholders is shown in note 30 and 31.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2022 (unaudited)

	Share capital AED	Legal reserve AED	General reserve AED	Accumulated losses AED	Investments revaluation reserve – FVOCI AED	Retakaful placement provision AED	Equity attributable to shareholders of the parent AED	Non-controlling interest AED	Total equity AED
Balance at 1 January 2021 (audited)	225,750,000	5,080,128	5,080,128	(88,293,501)	(83,479,100)	1,311,762	65,449,417	(1,326,522)	64,122,895
Profit/(loss) for the period	-	-	-	17,780,379	-	-	17,780,379	(268)	17,780,111
Other comprehensive income for the period	-	-	-	-	2,935,973	-	2,935,973	-	2,935,973
Total comprehensive income/(loss) for the period	-	-	-	17,780,379	2,935,973	-	20,716,352	(268)	20,716,084
Adjustment of retakaful placement provision	-	-	-	-	-	120,933	120,933	-	120,933
Transfer during the period (note 15)	-	-	-	-	-	551,546	551,546	-	551,546
Balance at 30 September 2021 (unaudited)	225,750,000	5,080,128	5,080,128	(70,513,122)	(80,543,127)	1,984,241	86,838,248	(1,326,790)	85,511,458
Balance at 1 January 2022	**225,750,000**	**6,309,669**	**6,309,669**	**(78,961,422)**	**(74,975,644)**	**2,106,721**	**86,538,993**	**(1,327,090)**	**85,211,903**
Profit/(loss) for the period	**-**	**-**	**-**	**(6,323,088)**	**-**	**-**	**(6,323,088)**	**1,117**	**(6,321,971)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**6,254,673**	**-**	**6,254,673**	**-**	**6,254,673**
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**(6,323,088)**	**6,254,673**	**-**	**(68,415)**	**1,117**	**(67,298)**
Transfer during the period from takaful operations' surplus (note 15)	**-**	**-**	**-**	**-**	**-**	**515,755**	**515,755**	**-**	**515,755**
Transfer of realised loss from fair value reserve to accumulated losses on disposal of investments carried at FVTOCI (note 9)	**-**	**-**	**-**	**(49,203,090)**	**49,203,090**	**-**	**-**	**-**	**-**
Balance at 30 September 2022	**225,750,000**	**6,309,669**	**6,309,669**	**(134,487,600)**	**(19,517,881)**	**2,622,476**	**86,986,333**	**(1,325,973)**	**85,660,360**

The attached notes 1 to 35 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2022 (unaudited)

	Nine-month period ended 30 September	
	2022	2021
	AED	AED
Cash flows from operating activities		
(Loss)/profit for the period	**(6,321,971)**	17,780,111
Adjustments for:		
Depreciation of property and equipment	**95,561**	103,896
(Gain)/loss on investments in financial assets measured at FVTPL	**2,666,958**	(10,357,154)
Provision for employees' end of service benefits	**728,836**	69,676
Profit income	**(45,027)**	(268,713)
Dividend income	**(1,977,736)**	(10,987,984)
Impairment of financial assets	**1,376,222**	(1,833,905)
	(3,477,157)	(5,494,073)
Changes in operating assets and liabilities:		
Retakaful contract assets	**(20,949,527)**	(9,748,648)
Takaful receivables	**(14,412,052)**	(2,739,812)
Prepayments and other receivables	**784,922**	(834,703)
Takaful contract liabilities	**29,356,812**	37,126,233
Amounts held under retakaful treaties	**576,008**	463,579
Takaful payables	**12,582,366**	9,647,817
Other payables and accruals	**(13,115,063)**	(37,079,660)
Deferred discount	**(18,112)**	515,664
Deferred policy acquisition costs	**1,056,127**	(2,814,827)
Surplus in takaful operations' fund	**(4,931,802)**	(6,198,322)
Due from related parties	**-**	5,142,234
Due to related parties	**-**	(272,814)
Cash used in operations	**(12,547,478)**	(12,287,332)
Employees' end of service benefits paid	**(325,395)**	(7,533)
Net cash used in operating activities	**(12,872,873)**	(12,294,865)
Cash flows from investing activities		
Purchase of property and equipment	**(33,345)**	(27,056)
Dividend income received	**1,977,736**	10,987,984
Investment on fair value through profit & loss Purchase - net	**(7,445,715)**	-
Decrease in wakala deposits	**10,000,000**	50,000,000
Disposal/(purchase) of FVTOCI investments	**42,182,498**	(3,493,149)
Net decrease in unit linked investments	**-**	(14,795,093)
Profit income received	**45,027**	268,713
Net cash generated from investing activities	**46,726,201**	42,941,399
Cash flows from financing activities		
Murabaha payable	**(15,228,543)**	(20,906)
Zakat Payable	**(295,000)**	-
Due to bank	**-**	(19,981,327)
Net cash used in financing activities	**(15,523,543)**	(20,002,233)
Net increase in cash and cash equivalents	**18,329,785**	10,644,301
Cash and cash equivalents at the beginning of the period	**89,065,720**	55,567,060
Cash and cash equivalents at the end of the period (Note 5)	**107,395,505**	66,211,361

1 GENERAL INFORMATION

Dubai Islamic Insurance & Reinsurance Company (Aman) (P.J.S.C.) (the "Company") is registered as a public shareholding company in Dubai, United Arab Emirates. The Company carries out general takaful, retakaful and life takaful business in accordance with the teachings of Islamic Sharia'a. The Company is also licensed to engage in retakaful and life Takaful business. The registered address of the Company is P.O. Box 157, Dubai, United Arab Emirates (UAE) and operates through its branches in Dubai, Abu Dhabi and Sharjah. The Company's ordinary shares are listed on the Dubai Financial Market, United Arab Emirates.

The Company obtained its commercial license on 12 March 2003 and commenced operations on 8 April 2003. The Company issues short term takaful contracts in connection with motor, marine, fire and engineering, general accident and medical risks and life takaful risks. The Company also invests in investment securities and properties.

The Company's business activities are subject to the supervision of its Fatwa and Sharia'a Board (the "Board") consisting of three members appointed by the shareholders. The Board performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Sharia'a rules and principles.

The Company with its subsidiaries are together referred to as the "Group" in these consolidated financial statements. At 30 September 2022 and 2021, the Company had the following subsidiaries:

Name of subsidiary	***Place of incorporation (or registration) and operation***	***Proportion of ownership profit*** *%*	***Proportion of voting power held*** *%*	***Principal activity***	***Status***
Nawat Investments L.L.C.	United Arab Emirates	100.00	100.00	Investment in commercial, industrial and agricultural enterprises and management	Active
Technik Auto Service Centre Co. L.L.C	United Arab Emirates	100.00	100.00	Vehicles' repair services	Under liquidation
Amity Health L.L.C.	United Arab Emirates	90.00	90.00	Medical billing services	Under liquidation

The ex-Vice Chairman of the Group holds 1% of Nawat Investments L.L.C. and 1% of Technik Auto Service Centre Co. L.L.C on behalf and for the benefit of the Group.

The Group did not make social contributions during the year ended 31 December 2021.

The Company is registered under the UAE Federal Law No. (2) of 2015 (as amended) relating to commercial companies. The Company is subject to the regulations of the U.A.E. Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of its Operations and is registered in the Insurance Companies Register of the Central Bank of the United Arab Emirates ("CBUAE") (formerly, the UAE Insurance Authority ("IA")) under registration number 070.

The Group has incurred net loss of AED 6,321,971 for the nine months ended 30 September 2022 and, as of that date, its accumulated losses amounted to AED 134,487,600 (2021: AED 78,961,422) has exceeded 50% of its share capital. Also, as of the date of approval of these interim condensed consolidated financial statements, the Group is not in compliance with the solvency requirements as stipulated in Article 8 of Section 2 of the Financial Regulations. However, the Group continues to prepare these financial statements on a going concern basis. Refer note 24 for details.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial information

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2.2 New and revised IFRS standards and interpretations but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts (effective for reporting periods beginning on or after 1 January 2023). Management of the Branch is assessing the impact of the above standard on the Branch's financial statements and does not intend to adopt the above standard before its effective date.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after 1 January 2023)

- Definition of Accounting Estimates - Amendments to IAS 8 (effective for annual reporting periods beginning on or after 1 January 2023)

- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (applicable for annual periods beginning on or after 1 January 2023)

There are no other relevant applicable new standards and amendments to published standards that have been issued but are not effective for the first time for the Group's financial period beginning on 1 January 2022 that would be expected to have a material impact on the financial statements of the Group.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's financial statements as and when they are applicable and the adoption of these new standards, interpretations and amendments, except for IFRS 17, mentioned above, is not expected to have a material impact on the financial statements of the Group in the period of initial application.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements of the Group is prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standard Board and also complies with the applicable requirements of the laws in the UAE. The interim condensed consolidated financial statements has been prepared on the going concern basis applying the historical cost convention, except for financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and investment property, which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The interim condensed consolidated financial statements are presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Group's transactions are denominated.

The Group's interim consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current:

Cash and cash equivalents, financial assets measured at FVTPL, prepayments and other receivables, due from related parties, takaful receivables, wakala deposits with banks with original maturities of more than three months, assets under discontinued operations, due to bank, murabaha payable, due to related parties, Trade and other Payables & Accruals, takaful payables, amounts held under retakaful treaties and liabilities directly associated with assets under discontinued operations.

The following balances would generally be classified as non-current:

statutory deposit, investment property, and property and equipment. The following balances are of mixed nature (including both current and non-current portions): financial assets measured at FVTOCI, retakaful contract assets, deferred policy acquisition costs, takaful contract liabilities and deferred discount.

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

These interim condensed consolidated financial statements do not include all the information required for full audited annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2021. In addition, results for the nine month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

4 CHANGES IN JUDGEMENTS AND ESTIMATION UNCERTAINTY

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

5 CASH AND BANK BALANCES

5.1 Cash and cash equivalents

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Cash in hand	**32,612**	10,252
Bank balances in current accounts	**106,353,917**	88,046,492
	106,386,529	88,056,744
Less: Provision for impairment	**(23,675)**	(17,622)
Total	**106,362,854**	88,039,122

5 CASH AND BANK BALANCES (continued)

5.1 Cash and cash equivalents (continued)

Details of provision for impairment as per IFRS 9 are as follows:

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Balance as at 1 January	**17,622**	25,177
Charge/(release) for the period / year	**6,053**	(7,555)
Balance at the end of period / year	**23,675**	17,622

For the purpose of the interim consolidated statement of cash flows, the cash and cash equivalents are analysed as follows:

	2022 AED	2021 AED
Cash and cash equivalents – (note 5.1)	**106,386,529**	88,056,744
Cash and cash equivalents included in assets under discontinued operations – (note 23)	**1,008,976**	1,008,976
	107,395,505	89,065,720

5.2 Wakala deposits with banks with original maturities of more than three months

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Maturing within 1 year (current)	**-**	10,000,000

6 STATUTORY DEPOSIT

A deposit of AED 10 million (2021: AED 10 million) has been placed with a bank, in accordance with Article (42) of the UAE Federal Law No. (6) of 2007. This deposit has been pledged to the bank as security against a guarantee issued by the bank in favour of the CBUAE for the same amount. This deposit cannot be withdrawn without prior approval of the CBUAE and bears a profit rate of 0.6% per annum (2021: 0.6% per annum).

7 RETAKAFUL CONTRACT ASSETS AND TAKAFUL CONTRACT LIABILITIES

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Takaful contract liabilities – gross – (A)		
Unearned contribution and unexpired risk reserves	**100,347,359**	89,999,681
Claims reported unsettled	**99,355,492**	84,155,390
Mathematical reserve	**2,603,320**	2,470,951
Claims incurred but not reported	**53,650,729**	49,954,086
Unallocated loss adjustment expenses	**3,653,574**	3,673,555
Unit linked liabilities	**780,434,437**	863,256,172
	1,040,044,911	1,093,509,835
Retakaful contract assets – (B)		
Unearned contribution and unexpired risk reserves	**31,918,682**	27,536,803
Claims reported unsettled	**79,347,756**	63,804,981
Mathematical reserve	**872,146**	784,307
Claims incurred but not reported	**32,933,151**	31,996,117
	145,071,735	124,122,208
Takaful contract liabilities – net – (A-B)		
Unearned contribution and unexpired risk reserves	**68,428,677**	62,462,878
Claims reported unsettled	**20,007,736**	20,350,409
Mathematical reserve	**1,731,174**	1,686,644
Claims incurred but not reported	**20,717,578**	17,957,969
Unallocated loss adjustment expenses	**3,653,574**	3,673,555
Unit linked liabilities	**780,434,437**	863,256,172
	894,973,176	969,387,627

As at 30 September 2022, the gross and net insurance contract liabilities as certified by the Company's appointed actuary, SHMA Consulting DMCC amounted to AED 1,040 million and AED 895 million respectively (31 December 2021: AED 1,094 million and AED 969 million respectively).

7 RETAKAFUL CONTRACT ASSETS AND TAKAFUL CONTRACT LIABILITIES (continued)

Takaful contract liabilities-gross, comprises of the following:

	Unearned contribution and unexpired risk reserves AED	Claims reported unsettled AED	Mathematical reserve AED	Claims incurred but not reported AED	Unallocated loss adjustment expenses AED	Unit linked liabilities AED	Total AED
At 30 September 2022 (Unaudited)							
Motor	**23,881,520**	**35,191,927**	**-**	**6,706,246**	**2,131,375**	**-**	**67,911,068**
Engineering	**2,184,261**	**7,393,247**	**-**	**1,922,167**	**48,010**	**-**	**11,547,685**
Marine & aviation	**478,987**	**4,782,962**	**-**	**476,894**	**36,823**	**-**	**5,775,666**
Fire	**13,015,967**	**11,401,230**	**-**	**6,502,973**	**124,608**	**-**	**31,044,778**
General insurance & liabilities	**12,219,686**	**32,619,579**	**-**	**25,096,910**	**694,848**	**-**	**70,631,023**
Medical	**40,784,443**	**3,532,753**	**-**	**7,756,687**	**539,921**	**-**	**52,613,804**
Life	**7,782,495**	**4,433,794**	**2,603,320**	**5,188,852**	**77,989**	**780,434,437**	**800,520,887**
	100,347,359	**99,355,492**	**2,603,320**	**53,650,729**	**3,653,574**	**780,434,437**	**1,040,044,911**
At 31 December 2021 (Audited)							
Motor	39,150,981	38,445,994	-	5,313,583	2,317,547	-	85,228,105
Engineering	2,539,805	6,383,580	-	1,392,297	31,450	-	10,347,132
Marine & aviation	543,609	5,700,460	-	1,331,395	41,163	-	7,616,627
Fire	10,478,501	3,868,142	-	10,439,600	81,911	-	24,868,154
General insurance & liabilities	8,992,556	24,982,432	-	23,002,284	827,527	-	57,804,799
Medical	23,429,322	2,150,509	-	4,496,774	317,487	-	30,394,092
Life	4,864,907	2,624,273	2,470,951	3,978,153	56,470	863,256,172	877,250,926
	89,999,681	84,155,390	2,470,951	49,954,086	3,673,555	863,256,172	1,093,509,835

7 RETAKAFUL CONTRACT ASSETS AND TAKAFUL CONTRACT LIABILITIES (continued)

Takaful contract liabilities-net, comprises of the following:

	Unearned contribution and unexpired risk reserves AED	Claims reported unsettled AED	Mathematical reserve AED	Claims incurred but not reported AED	Unallocated loss adjustment expenses AED	Unit linked liabilities AED	Total AED
At 30 September 2022 (Unaudited)							
Motor	**23,077,791**	**10,915,356**	**-**	**6,135,644**	**2,131,375**	**-**	**42,260,166**
Engineering	**266,555**	**442,540**	**-**	**157,585**	**48,010**	**-**	**914,690**
Marine & aviation	**115,330**	**355,474**	**-**	**104,813**	**36,823**	**-**	**612,440**
Fire	**1,124,698**	**1,034,851**	**-**	**522,747**	**124,608**	**-**	**2,806,904**
General insurance & liabilities	**2,481,855**	**3,422,000**	**-**	**5,263,599**	**694,848**	**-**	**11,862,302**
Medical	**39,544,251**	**3,041,739**	**-**	**7,756,687**	**539,921**	**-**	**50,882,598**
Life	**1,818,197**	**795,776**	**1,731,174**	**776,503**	**77,989**	**780,434,437**	**785,634,076**
	68,428,677	**20,007,736**	**1,731,174**	**20,717,578**	**3,653,574**	**780,434,437**	**894,973,176**
At 31 December 2021 (Audited)							
Motor	35,951,676	13,316,714	-	5,223,654	2,317,547	-	56,809,591
Engineering	499,895	245,357	-	147,774	31,450	-	924,476
Marine & aviation	118,249	321,593	-	192,948	41,163	-	673,953
Fire	895,850	247,458	-	776,428	81,911	-	2,001,647
General insurance & liabilities	2,504,727	3,895,889	-	6,448,200	827,527	-	13,676,343
Medical	21,355,910	1,852,961	-	4,496,774	317,487	-	28,023,132
Life	1,136,571	470,437	1,686,644	672,191	56,470	863,256,172	867,278,485
	62,462,878	20,350,409	1,686,644	17,957,969	3,673,555	863,256,172	969,387,627

8 TAKAFUL RECEIVABLES

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Due from policyholders	**30,582,369**	24,173,025
Less: Allowance for impairment	**(4,046,880)**	(4,330,886)
	26,535,489	19,842,139
Due from takaful / retakaful companies	**23,852,843**	21,962,614
Due from brokers / agents	**20,391,867**	14,279,388
Less: Allowance for impairment	**(7,634,935)**	(5,980,760)
	63,145,264	50,103,381

Movement in allowance for impairment is as follows:

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Balance at 1 January	**10,311,646**	10,960,666
Impairment charge / (reversal) for period / year	**1,370,169**	(1,834,183)
Transferred from due from related parties	**-**	2,163,139
Written off during the period / year	**-**	(977,976)
Balance at the end of the period / year	**11,681,815**	10,311,646

9 FINANCIAL ASSETS

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Financial assets measured at fair value through other comprehensive income (FVOCI) (A)		
- Listed	**-**	35,927,826
- Unlisted	**34,313,278**	34,313,278
	34,313,278	70,241,104
Financial assets measured at fair value through profit and loss (FVTPL) (B)		
- Listed	**10,764,203**	5,427,599
- Unlisted*	**-**	41,229,534
- Unit linked investments	**780,434,437**	863,256,172
	791,198,640	909,913,305
Total investment in financial assets measured at fair value (A+B)	**825,511,918**	980,154,409

*During the period the Group has sold this investment to a shareholder and as of 30 Sep 2022, amount of AED 41 million is receivable from the shareholder in this regard (note 10).

9 FINANCIAL ASSETS (continued)

Investments by geographical concentration are as follows:

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
- Within U.A.E.	**10,764,203**	81,165,205
- Outside U.A.E.	**814,747,715**	898,989,204
	825,511,918	980,154,409

During the period, the Group sold its investments designated as FVOCI. The fair value on date of sale was AED 42,182 thousand. The realised loss pertaining to these investments in OCI reserve was AED 49,203 thousand which was then transferred to accumulated losses. Shareholders has not allocated any of these losses to the policy holders and full amount of loss was recorded under shareholders' equity.

10 PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Prepayments	**3,461,619**	2,515,182
Receivables from employees	**969,357**	561,359
Advance to suppliers	**1,115,000**	1,015,000
Refundable deposits	**173,156**	258,169
Other receivables	**43,676,866**	4,752,210
	49,395,998	9,101,920

Other receivables include AED 41 million receivable from a shareholder against sale of a FVTPL investment during the period.

11 PROPERTY AND EQUIPMENT

	Motor vehicles AED	**Furniture and fixtures AED**	**Office equipment AED**	**Total AED**
Cost				
At 31 December 2021	227,290	5,404,991	5,877,134	11,509,415
Additions	980	575	31,790	33,345
At 30 September 2022	**228,270**	**5,405,566**	**5,908,924**	**11,542,760**
Accumulated depreciation				
At 31 December 2021	218,668	5,380,034	5,673,289	11,271,991
Charge for the period	8,639	16,335	70,587	95,561
At 30 September 2022	**227,307**	**5,396,369**	**5,743,876**	**11,367,552**
Net carrying amount				
At 30 September 2022	**963**	**9,197**	**165,048**	**175,208**
At 31 December 2021	8,622	24,957	203,845	237,424

12 OTHER PAYABLES & ACCRUALS

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Other payables and accruals	**36,963,739**	50,547,275
Employees' end of service benefits (i)	**6,602,874**	6,199,433
Zakat payable	**333,807**	628,807
	43,900,420	57,375,515

(i) Movements in the provision for employees' end of service benefits during the period were as follows:

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Balance as at 1 Jan	**6,199,433**	5,897,839
Amounts charged during the period / year	**728,836**	721,555
Amounts paid during the period / year	**(325,395)**	(419,961)
Balance at end of the period / year	**6,602,874**	6,199,433

13 CONTINGENCIES

At the reporting date, the Group has contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business amounting to AED 10.4 million (2021: AED 10.4 million). Statutory deposit amounting to AED 10 million (2021: AED 10 million) is held as lien by the bank against the above guarantees.

The Group is involved as a defendant in a number of legal cases with other insurance and reinsurance companies and customers. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Group in terms of an outflow of economic resources and a reliable estimate of the amount of outflow can be made. The expected outcome of the cases is dependent on future legal proceedings.

14 SHARE CAPITAL

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Issued and fully paid: 225,750,000 ordinary shares of AED 1 each (2021: 225,750,000 ordinary shares of AED 1 each)	**225,750,000**	225,750,000

15 RETAKAFUL PLACEMENT PROVISION

In accordance with Article 34 of the Insurance Authority's Board of Directors Decision No. (23) of 2019 effective eighteen months from 15 May 2019, the Group created a retakaful placement provision amounting to AED 2,622,476 as at 30 September 2022 (2021: AED 2,106,721), being 0.5% of the total retakaful contributions ceded by the Group in the United Arab Emirates in all classes of business. The Group shall accumulate such provision year on year and not dispose of the provision without the written approval of the Director General of the CBUAE (formerly, the UAE Insurance Authority).

16 TAKAFUL CONTRIBUTIONS

	Three-month period ended 30 September 2022 (Unaudited)			Nine-month period ended 30 September 2022(Unaudited)		
	Gross AED	**Retakaful AED**	**Net AED**	**Gross AED**	**Retakaful AED**	**Net AED**
Motor	**5,370,781**	**501,232**	**4,869,549**	**26,779,462**	**2,284,815**	**24,494,647**
Engineering	**789,143**	**746,502**	**42,641**	**4,640,903**	**4,391,046**	**249,857**
Marine & aviation	**342,284**	**276,538**	**65,746**	**1,234,079**	**1,032,065**	**202,014**
Fire	**9,001,465**	**8,554,685**	**446,780**	**20,680,919**	**19,396,851**	**1,284,068**
General insurance & liabilities	**12,651,388**	**11,670,591**	**980,797**	**51,654,381**	**47,252,652**	**4,401,729**
Medical	**27,322,125**	**583,201**	**26,738,924**	**59,252,691**	**251,736**	**59,000,955**
Life	**11,752,857**	**9,954,586**	**1,798,271**	**34,342,716**	**28,541,259**	**5,801,457**
Total	**67,230,043**	**32,287,335**	**34,942,708**	**198,585,151**	**103,150,424**	**95,434,727**

	Three-month period ended 30 September 2021 (Unaudited)			Nine-month period ended 30 September 2021(Unaudited)		
	Gross AED	Retakaful AED	Net AED	Gross AED	Retakaful AED	Net AED
Motor	19,089,639	(2,146,530)	16,943,109	56,668,052	(6,459,753)	50,208,299
Engineering	724,788	(658,669)	66,119	2,096,929	(1,909,551)	187,378
Marine & aviation	358,423	(308,569)	49,854	1,465,210	(1,235,198)	230,012
Fire	9,353,978	(9,009,230)	344,748	19,437,250	(18,295,454)	1,141,796
General insurance & liabilities	9,483,189	(7,880,314)	1,602,875	46,702,509	(41,643,314)	5,059,195
Medical	9,437,472	(655,944)	8,781,528	25,083,121	(1,719,720)	23,363,401
Life	11,805,119	(9,943,240)	1,861,879	46,373,461	(39,045,919)	7,327,542
Total	60,252,608	(30,602,496)	29,650,112	197,826,532	(110,308,909)	87,517,623

17 TAKAFUL CLAIMS

	Three-month period ended 30 September 2022 (Unaudited)			Nine-month period ended 30 September 2022 (Unaudited)		
	Gross AED	**Retakaful AED**	**Net AED**	**Gross AED**	**Retakaful AED**	**Net AED**
Motor	**14,434,343**	**2,002,651**	**12,431,692**	**47,925,446**	**7,092,998**	**40,832,448**
Engineering	**1,024,120**	**990,033**	**34,087**	**1,366,484**	**1,315,559**	**50,925**
Marine & aviation	**30,051**	**27,051**	**3,000**	**1,246,724**	**1,207,157**	**39,567**
Fire	**588,083**	**535,052**	**53,031**	**2,109,499**	**1,950,436**	**159,063**
General insurance & liabilities	**1,119,439**	**593,335**	**526,104**	**4,882,678**	**3,207,197**	**1,675,481**
Medical	**13,497,136**	**1,878,821**	**11,618,315**	**31,712,460**	**3,491,925**	**28,220,535**
Life	**9,576,712**	**8,587,551**	**989,161**	**14,791,708**	**12,833,866**	**1,957,842**
Total	**40,269,884**	**14,614,494**	**25,655,390**	**104,034,999**	**31,099,138**	**72,935,861**

17 TAKAFUL CLAIMS (continued)

	Three-month period ended 30 September 2021 (Unaudited)			Nine-month period ended 30 September 2021 (Unaudited)		
	Gross AED	Retakaful AED	Net AED	Gross AED	Retakaful AED	Net AED
Motor	12,898,385	(1,989,441)	10,908,944	32,794,323	(5,000,873)	27,793,450
Engineering	606,976	(496,124)	110,852	1,689,908	(1,499,698)	190,210
Marine & aviation	42,813	(36,804)	6,009	1,635,997	(1,589,604)	46,393
Fire	505,783	(501,159)	4,624	2,664,330	(2,574,004)	90,326
General insurance & liabilities	1,385,205	(1,041,576)	343,629	8,251,353	(6,609,870)	1,641,483
Medical	4,881,892	(183,375)	4,698,517	17,460,923	(1,315,694)	16,145,229
Life	5,492,144	(4,634,303)	857,841	13,473,762	(11,162,758)	2,311,004
Total	25,813,198	(8,882,782)	16,930,416	77,970,596	(29,752,501)	48,218,095

18 WAKALA FEES AND MUDARIB'S SHARE

The Group manages the Takaful operations for the Policyholders and charges 33% (30 September 2021: 33%) of the gross takaful contributions net of fronting contribution as Wakala fees. In addition, the Group charges 2% (30 September 2021: 2%) on fronting contribution as Wakala fees and 100% (30 September 2021: 100%) on certain unit linked takaful contracts. These Wakala fees rates were approved by the Group's Fatwa and Sharia'a Supervisory Board.

The Group also manages the policyholders' investment funds and is entitled to 25% (30 September 2021: 25%) of net investment income earned by the takaful operations' investment funds as the Mudarib's share. The Mudarib's share for nine month period ended 30 September 2022 was AED 94,554 (30 September 2021: AED 120,297).

19 INVESTMENT INCOME, NET

	Nine-month period ended 30 September	
	2022 AED (Unaudited)	**2021 AED (Unaudited)**
Unrealized loss on investments measured at FVTPL	**(2,666,958)**	(8,024,501)
Realized gain on investments in financial assets measured at FVTPL	**4,929,860**	-
Income from wakala deposits with banks	**45,027**	268,713
Dividend income	**1,977,736**	10,987,984
Income from investment property	**353,022**	291,292
Investment expenses	**(422,693)**	(10,000)
	4,215,994	3,513,488
Allocated to:		
Takaful operations	**378,216**	481,189
Shareholders	**3,837,778**	3,032,299
	4,215,994	3,513,488

Investment income and losses are allocated amongst the shareholders and the policyholders on a pro rata basis. This allocation to policyholders is approved by the Group's Fatwa and Sharia'a Supervisory Board on an annual basis.

20 BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share are calculated by dividing profit attributable to the shareholders for the period, by weighted average number of shares outstanding during the period.

	Nine-month period ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)
(Loss)/profit for the period attributable to shareholders of the parent (AED)	**(6,323,088)**	**17,780,379**
Weighted average number of shares outstanding during the period	**225,750,000**	**225,750,000**
(Loss)/Earnings per share (AED per share)	**(0.028)**	**0.079**

No figure for diluted earnings per share has been presented since the Group has not issued any instruments which would have an impact on earnings per share when exercised. Accordingly, diluted earnings per share is equivalent to basic earnings per share.

21 FATWA AND SHARIA'A SUPERVISORY BOARD

The Group's business activities are subject to the supervision of its Fatwa and Sharia'a Supervisory Board consisting of three members appointed by the shareholders. The Fatwa and Sharia'a Supervisory Board perform a supervisory role in order to determine whether the operations of the Group are conducted in accordance with Sharia'a rules and principles.

22 SEGMENTAL INFORMATION

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's management in order to allocate resources to the segment and to assess its performance. Information reported to the Group's Board of Directors for the purpose of resource allocation and assessment of performance is based on following strategic business activities:

- **Takaful activities** include the general, life and medical insurance business undertaken by the Group.

- **Investment activities** represent investment and cash management for the Group's own account.

- **Others** represent income and expense activities conducted by the subsidiaries and included in these consolidated financial statements.

22 SEGMENTAL INFORMATION (continued)

The following table presents segment information for the period ended 30 September 2022 and 2021.

	Nine-month period ended 30 September 2022 (Unaudited)				Nine-month period ended 30 September 2021 (Unaudited)			
	Takaful AED	**Investments AED**	**Other AED**	Total AED	Takaful AED	Investments AED	Other AED	Total AED
Takaful								
Takaful income	**102,621,377**	**-**	**-**	**102,621,377**	93,029,635	-	-	93,029,635
Takaful expenses	**(75,332,816)**	**-**	**-**	**(75,332,816)**	(47,108,856)	-	-	(47,108,856)
Net takaful income	**27,288,561**	**-**	**-**	**27,288,561**	45,920,779	-	-	45,920,779
Wakala fees	**(53,749,305)**	**53,749,305**	**-**	**-**	(59,015,875)	59,015,875	-	-
Mudarib fees	**(94,554)**	**94,554**	**-**	**-**	(120,297)	120,297	-	-
Policy acquisition cost	**-**	**(21,941,195)**	**-**	**(21,941,195)**	-	(17,689,693)	-	(17,689,693)
	(53,843,859)	**11,590,116**	**-**	**(42,253,743)**	(59,136,172)	41,446,479	-	(17,689,693)
Investment income	**378,216**	**3,837,778**	**-**	**4,215,994**	481,189	3,032,299	-	3,513,488
Other operating (expense) / income	**-**	**-**	**-**	**-**	-	(7,855)	-	(7,855)
General and administrative expenses	**-**	**(20,312,548)**	**-**	**(20,312,548)**	-	(20,206,555)	-	(20,206,555)
Contribution from Qard Hassan to policyholders' fund	**21,761,034**	**(21,761,034)**		**-**	6,481,580	(6,481,580)	-	-
Net operating loss of subsidiaries	**-**	**-**	**10,052**	**10,052**	-	-	(2,409)	(2,409)
Net (loss)/profit for the period	**(4,416,048)**	**(6,333,140)**	**10,052**	**(10,739,136)**	(6,252,624)	17,782,788	(2,409)	11,527,755

	Takaful		**Investment**		**Total**	
	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)	**30 September 2022 AED (Unaudited)**	31 December 2021 AED (Audited)	**30 September 2022 AED (Unaudited)**	31 December 2021 AED (Audited)
Segment assets	**1,246,850,509**	1,194,033,697	**111,973,981**	193,794,737	**1,358,824,490**	1,387,828,434
Segment liabilities	**1,273,164,130**	1,297,684,728	**-**	-	**1,273,164,130**	1,297,684,728

23 ASSETS AND LIABILITIES UNDER DISCONTINUED OPERATIONS

During the year ended 31 December 2018, The Board of Directors approved the liquidation of two of the Group's subsidiaries. The Group is currently in the process of the liquidation, the carrying amount of the assets and liabilities have been written done to the fair value less cost to sell. Assets and liabilities of the subsidiaries at the end of the reporting period are as follows:

	30 September 2022 AED	31 December 2021 AED
Assets under discontinued operations	**1,583,321**	1,583,321
Liabilities directly associated with assets under discontinued operations	**12,947,356**	12,947,356

The major class of assets and liabilities are as follows:

	30 September 2022 AED	31 December 2021 AED
Cash and cash equivalents	**1,008,976**	1,008,976
Other receivables	**574,345**	574,345
Assets under discontinued operations	**1,583,321**	1,583,321
Trade and other payable	**12,947,356**	12,947,356
Liabilities associated with assets under discontinued operations	**12,947,356**	12,947,356
Net liabilities associated with assets under discontinued operations	**(11,364,035)**	(11,364,035)

24 CAPITAL MANAGEMENT

(i) Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Group's risk management function is carried out by the Board of Directors, with its associated committees. This is supplemented with a clear organisational structure with delegated authorities and responsibilities from the Board of Directors to the Chief Executive Officer and other senior managers.

The Board of Directors meets regularly to approve any commercial, regulatory and organisational decisions. The Board of Directors defines the Group's risk and its interpretation, limits structure to ensure the appropriate quality and diversification of assets, aligns underwriting and Retakaful strategy to the corporate goals, and specifies reporting requirements.

24 CAPITAL MANAGEMENT (continued)

(ii) Capital management framework

The primary objective of the Group's capital management is to comply with the regulatory requirements in the UAE and to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

(iii) Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters. The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

As per Article (8) of Section 2 of the Financial Regulations, the Group is required, at all times, to comply with the requirements of Solvency Margin. As at 30 September 2022, the Company had a solvency deficit as compared to the Minimum Capital Requirements of AED 100 million. The table below summarises the Minimum Capital Requirement ("MCR"), Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held at the Group level to meet the required Solvency Margins in line with the requirements of the CBUAE. The Group has disclosed the solvency position for the immediately preceding period since the solvency position for current period is not yet finalised.

	As at 30 June 2022 (AED in 000's) (Unaudited)	As at 31 December 2021 (AED in 000's) (Audited)
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**48,719**	49,838
Minimum Guarantee Fund (MGF)	**34,969**	34,588
Basic Own Funds	**(71,686)**	(65,882)
MCR Solvency Deficit	**(171,686)**	(165,882)
SCR Solvency Deficit	**(120,406)**	(115,720)
MGF Solvency Deficit	**(106,655)**	(100,470)

As of 30 June 2022, the Group has a solvency deficit of AED 171,686 million which is mainly due to inadmissibility of certain assets as well as the gap between the Group's takaful contract liabilities for its non-life business and the total invested assets allocated to its non-life business.

To address the solvency deficit, the Group's management initially submitted a recovery plan to CBUAE which involved a substantial capital injection by means of a rights issue; however, the plan was subsequently changed, because it was envisaged that shareholders are unlikely to support a capital injection in the prevailing economic and financial circumstances. The new plan, which is subject to shareholders and regulatory approval, envisages selling the book of insurance business to other takaful companies and, aided partly by the proceeds resulting the sale of life business and partly by other assets, generating enough capital to transform the company into a viable investment firm to safeguard and preserve shareholders' value. The Group has informed the CBUAE of its revised plans and received (in-principle/ no-objection letter) to proceed with the above sale negotiations.

Until binding terms for selling its insurance business are agreed and all regulatory and other approvals are received, the Group will continue to operate in one form or another for at least 12 months from the date of approval of these interim condensed consolidated financial statements and accordingly these financial statements have been prepared on a going concern basis.

25 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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).
- 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 provides an analysis of 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.

	Fair value as at					
Financial assets	**30 September 2022 AED'000 (Unaudited)**	**31 December 2021 AED'000 (Unaudited)**	**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
Financial assets at FVOCI						
Quoted equity securities	**-**	35,928	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity securities	**34,313**	34,313	Level 3	Net assets valuation method and comparable multiples approach	Net assets value	Higher the net assets value of the investees, higher the fair value
Financial assets at FVTPL						
Quoted equity securities	**10,764**	5,427	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity securities	**-**	41,230	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value
Unit linked investments	**780,434**	863,256	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value

There were no transfers between each of the levels and there were no changes in the valuation techniques and key inputs during the period ended 30 September 2022.

25 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of level 3 fair value measurement of financial assets measured at FVOCI:

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At 1 January	**34,313**	30,656
Additions	**-**	3,493
Changes in fair value	**-**	164
At the end of the period / year	**34,313**	34,313

Reconciliation of Level 3 fair value measurement of financial assets measured at FVTPL:

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Unit linked investments		
At 1 January	**863,256**	839,411
Net change during the period/year (change in fair value and net investment/withdrawal)	**(82,822)**	23,845
At the end of the period / year	**780,434**	863,256
Unquoted equity securities		
At 1 January	**41,230**	30,801
Selling during the year	**(41,230)**	-
Purchases during the year	**-**	18,382
Change in fair value during the year	**-**	(7,953)
At the end of the period / year	**-**	41,230

The investments classified under Level 3 category have been fair-valued based on information available for each investment. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 (other than unit linked investments), changing one or more of the assumptions by 5% would have an impact of AED 1,715,664 (2021: AED 3,777,150).

26 SIGNIFICANT EVENTS

The former CEO of the Group resigned on 10 July 2013. The Group entered into an agreement with the former CEO on 9 July 2013 for the payment and / or transfer of certain investments that were held by him for the beneficial interest of the Group. As of reporting date, investments with a total carrying value of AED 9.1 million (2021: AED 9.2 million) which are still in his name, have not yet been transferred to the legal ownership of the Group. The Group is currently in the process of selling the shares held by the former CEO for the beneficial interest of the Group with an undertaking from the former CEO that the proceeds from the sale of these shares will be transferred to the Group on completion of this transaction.

26 SIGNIFICANT EVENTS (continued)

The Group also had other assets held by an entity controlled by the former CEO on behalf of the Group which have since been disposed of without the Group's approval. The total value of these assets on the date of purchase was approximately AED 11.3 million (2021: AED 11.3 million). The Group has initiated legal proceedings in regard to the recovery of the said amount. Moreover, the group has taken all the executive legal procedures concerning the recovery of the claim.

These assets have been fully provided for in the consolidated statement of financial position as of 30 September 2022 and 31 December 2021 and recognition of the contingent asset will only be made once the success of the legal action is certain.

27 SURPLUS IN TAKAFUL OPERATIONS' FUND

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
(Deficit) / surplus in takaful operations' fund		
Balance at 1 January	**(10,172,557)**	6,870,801
Deficit for the period attributable to takaful operations (note 33)	**(26,177,082)**	(16,302,700)
Adjustment on retakaful placement provision	**-**	(66,631)
Transfer to retakaful placement provision during the period (note 15)	**(515,755)**	(674,027)
Deficit in takaful operations' fund as at period / year end	**(36,865,394)**	(10,172,557)
Qard Hassan against deficit in takaful operations' fund		
Balance at 1 January	**15,104,360**	-
Qard Hassan against deficit in takaful operations' fund	**21,761,034**	15,104,360
Qard Hassan against deficit in takaful operations' fund (Ending)	**36,865,394**	15,104,360
Surplus in takaful operations' fund (Net)	**-**	4,931,803

28 COVID-19 IMPACT ON THE GROUP

The existence of novel coronavirus ("COVID-19") was confirmed in early 2020 and has spread across mainland China and beyond, causing disruptions to businesses and economic activity. There has been macro-economic uncertainty across all sectors of the economy due to the price and demand for oil, reduced economic activity, disruption to global supply chains and the potential postponement of large-scale events. The scale and duration of these developments remain uncertain but could impact the earnings, cash flow and financial condition of the Group and those of our counter parties. The Group is monitoring these metrics on a regular basis and will respond to any threats identified.

COVID-19 impact on investment property

The Group has an investment property which has been valued at AED 57 million (2021: AED 57 million). The Group has carried a valuation of the investment property by independent internationally qualified valuation firms. The fair value has been determined based on market comparable approach that reflects recent transaction prices for similar properties.

COVID-19 impact on measurement of takaful contract liabilities

At the statement of financial position date, the Group had 119 reported claims in relation to COVID-19 which have been fully reflected in the condensed interim consolidated financial statements. As at the date of these condensed interim consolidated statement of financial position, the Group have not been notified of any business interruption claims.

28 COVID-19 IMPACT ON THE GROUP (continued)

COVID-19 impact on measurement of ECL

IFRS 9 framework requires the estimation of Expected Credit Losses ("ECL") based on current and forecast economic conditions. In order to assess ECL forecast under forecast economic conditions, the Group utilises a range of economic scenarios of varying severity, and with appropriate weightings, to ensure that ECL estimates are representative of a range of possible economic outcomes. The Group had reviewed the potential impact of COVID-19 outbreak on the inputs and assumptions for IFRS 9 ECL measurement in light of available information. Overall, the COVID-19 situation remains fluid and is rapidly evolving at this point, which makes it challenging to reliably reflect impacts on the ECL estimates. Notwithstanding this, recognising that the outbreak is expected to have an impact on the macro-economic environment beyond reasonable doubt.

Liquidity management / Business continuity planning

The management had taken prudent measures and controls to ensure adequate liquidity of the Group to meet its obligations. The Group has established remote working plans to ensure continuous services to its customers The Group ensures that the outbreak of epidemic has not caused any significant distractions in policy issuance and claims processing. The Group will monitor the effects closely and will take all the adequate measures as required.

29 CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SHAREHOLDERS AND TAKAFUL OPERATIONS' ASSETS AND LIABILITIES

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
ASSETS		
Takaful operations assets		
Cash and cash equivalents	**55,111,175**	63,475,541
Wakala deposits with banks with original maturities of more than three months	**-**	3,000,000
Retakaful contract assets:		
Unearned contribution and unexpired risk reserves	**31,918,682**	27,536,803
Claims reported unsettled	**79,347,756**	63,804,981
Mathematical reserve	**872,146**	784,307
Claims incurred but not reported	**32,933,151**	31,996,117
Takaful receivables	**63,145,264**	50,103,381
Financial assets measured at fair value through other comprehensive income (FVOCI)	**5,017,584**	13,705,475
Financial assets measured at fair value through profit and loss (FVTPL)	**780,453,459**	864,124,067
Investment property	**10,642,270**	10,642,270
Due from shareholders	**91,376,713**	47,058,083
Total takaful operations' assets	**1,150,818,200**	1,176,231,025
Shareholders' assets		
Cash and cash equivalents	**51,251,679**	24,563,581
Wakala deposits with banks with original maturities of more than three months	**-**	7,000,000
Statutory deposit	**10,000,000**	10,000,000
Financial assets measured at fair value through other comprehensive income (FVOCI)	**29,295,694**	56,535,629
Financial assets measured at fair value through profit and loss (FVTPL)	**10,745,181**	45,789,238
Prepayments and other receivables	**49,395,998**	9,101,920
Deferred policy acquisition costs	**9,304,979**	10,532,066
Investment property	**46,254,230**	46,254,230
Property and equipment	**175,208**	237,424
Assets under discontinued operations	**1,583,321**	1,583,321
Total shareholders assets	**208,006,290**	211,597,409
Total assets	**1,358,824,490**	1,387,828,434

29 CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SHAREHOLDERS AND TAKAFUL OPERATIONS' ASSETS AND LIABILITIES (continued)

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Audited)
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT		
Takaful operations liabilities		
Trade and other payables	**26,866,489**	22,999,333
Takaful payables	**71,649,694**	59,067,328
Takaful contract liabilities:		
Unearned contribution and unexpired risk reserves	**100,347,359**	89,999,681
Claims reported unsettled	**99,355,492**	84,155,390
Mathematical reserve	**2,603,320**	2,470,951
Claims incurred but not reported	**53,650,729**	49,954,086
Unallocated loss adjustment expenses	**3,653,574**	3,673,555
Unit linked liabilities	**780,434,437**	863,256,172
Deferred discount	**5,915,707**	5,744,747
Amounts held under retakaful treaties	**7,329,329**	6,753,321
Total takaful operations' liabilities	**1,151,806,130**	1,188,074,564
Takaful operations' deficit		
(Deficit) / surplus in takaful operations' fund	**(36,865,394)**	(10,172,557)
Qard Hassan from shareholders	**36,865,394**	15,104,360
Retakaful placement provision	**2,622,476**	2,106,721
Takaful operations' investments revaluation reserve	**(3,610,406)**	(18,882,063)
Total deficit from takaful operations	**(987,930)**	(11,843,539)
Total takaful operations' liabilities and surplus	**1,150,818,200**	1,176,231,025
SHAREHOLDERS' LIABILITIES AND EQUITY		
Shareholders liabilities		
Trade and other payables	**17,033,931**	34,376,182
Murabaha payable	**-**	15,228,543
Due to takaful operations	**91,376,713**	47,058,083
Liabilities directly associated with assets under discontinued operations	**12,947,356**	12,947,356
Total shareholders' liabilities	**121,358,000**	109,610,164
Shareholders' equity		
Share capital	**225,750,000**	225,750,000
Legal reserve	**6,309,669**	6,309,669
General reserve	**6,309,669**	6,309,669
Investments revaluation reserve - FVOCI	**(15,907,475)**	(56,093,581)
Accumulated losses	**(134,487,600)**	(78,961,422)
Equity attributable to shareholders of the Parent	**87,974,263**	103,314,335
Non-controlling interest	**(1,325,973)**	(1,327,090)
Total equity	**86,648,290**	101,987,245
Total shareholders' liabilities and equity	**208,006,290**	211,597,409
Total takaful operations liabilities and deficit, shareholders' liabilities and equity	**1,358,824,490**	1,387,828,434

30 CONSOLIDATED STATEMENT OF INCOME – ATTRIBUTABLE TO SHAREHOLDERS AND TAKAFUL OPERATIONS

	Notes	Three-month period ended 30 September 2022 AED	Three-month period ended 30 September 2021 AED	Nine-month period ended 30 September 2022 AED	Nine-month period ended 30 September 2021 AED
Attributable to takaful operations					
Takaful income					
Gross takaful contribution	16	**67,230,043**	60,252,608	**198,585,151**	197,826,532
Retakaful share of gross takaful contribution	16	**(32,287,335)**	(30,602,496)	**(103,150,424)**	(110,308,909)
Net takaful contributions		**34,942,708**	29,650,112	**95,434,727**	87,517,623
Net transfer to unearned contribution reserve		**(4,025,249)**	(4,831,059)	**(5,965,799)**	(13,642,238)
Net change in mathematical reserve		**8,181**	623,458	**(44,530)**	(49,491)
Net takaful contributions earned		**30,925,640**	25,442,511	**89,424,398**	73,825,894
Discount received on ceded retakaful		**4,773,936**	4,623,618	**12,618,667**	12,902,329
Policy fees		**185,998**	1,298,698	**578,312**	6,301,412
		35,885,574	31,364,827	**102,621,377**	93,029,635
Takaful expenses					
Gross claims settled	17	**(40,269,884)**	(25,813,198)	**(104,034,999)**	(77,970,596)
Retakaful share of gross claims settled	17	**14,614,494**	8,882,782	**31,099,138**	29,752,501
Net takaful claims		**(25,655,390)**	(16,930,416)	**(72,935,861)**	(48,218,095)
Release of provision for claims reported unsettled		**(13,182,382)**	(3,535,408)	**(15,200,102)**	(11,024,694)
Retakaful share of claims reported unsettled		**14,056,131**	762,937	**15,542,775**	7,243,283
Net change in claims incurred but not reported		**(496,635)**	4,151,670	**(2,759,609)**	4,794,671
Net change in unallocated loss adjustment expenses		**280,548**	111,414	**19,981**	95,979
Net claims incurred		**(24,997,728)**	(15,439,803)	**(75,332,816)**	(47,108,856)
Net takaful income		**10,887,846**	15,925,024	**27,288,561**	45,920,779
Wakala fees	18	**(18,566,745)**	(18,432,315)	**(53,749,305)**	(59,015,875)
Investment income, net	19	**(135,759)**	74,280	**378,216**	481,189
Mudarib's share	18	**33,940**	(18,570)	**(94,554)**	(120,297)
Net loss from takaful operation for the period		**(7,780,718)**	**(2,451,581)**	**(26,177,082)**	**(12,734,204)**

30 CONSOLIDATED STATEMENT OF INCOME – ATTRIBUTABLE TO SHAREHOLDERS AND TAKAFUL OPERATIONS (continued)

	Notes	Three-month period ended 30 September 2022 AED	Three-month period ended 30 September 2021 AED	Nine-month period ended 30 September 2022 AED	Nine-month period ended 30 September 2021 AED
Attributable to shareholders					
Income					
Wakala fees from takaful operations	18	**18,566,745**	18,432,315	**53,749,305**	59,015,875
Mudarib's share from takaful	18	**(33,940)**	18,570	**94,554**	120,297
Investment income, net	19	**1,739,717**	1,669,239	**3,837,778**	3,032,299
Other operating loss		**12**	(690)	**-**	(7,855)
		20,272,534	20,119,434	**57,681,637**	62,160,616
Expenses					
Policy acquisition cost		**(6,823,550)**	(6,756,400)	**(21,941,195)**	(17,689,693)
General and administrative expenses		**(6,735,740)**	(4,985,974)	**(20,312,548)**	(20,206,555)
Contribution from Qard Hassan to takaful operations		**(7,942,155)**	(2,604,595)	**(21,761,034)**	(6,481,580)
		(21,501,445)	(14,346,969)	**(64,014,777)**	(44,377,828)
(Loss) / profit for the period for continuing operations		**(1,228,911)**	5,772,465	**(6,333,140)**	17,782,788
Discontinued operations					
Profit / (loss) from discontinued operations		**-**	-	**11,169**	(2,677)
(Loss) / profit for the period		**(1,228,911)**	5,772,465	**(6,321,971)**	17,780,111
Attributable to:					
Shareholders of the parent		**(1,228,911)**	5,772,465	**(6,323,088)**	17,780,379
Non-controlling interests		**-**	-	**1,117**	(268)
		(1,228,911)	5,772,465	**(6,321,971)**	17,780,111
(Loss) / Earnings per share	20	**(0.005)**	0.026	**(0.028)**	0.079

31 CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS AND TAKAFUL OPERATIONS

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
	AED	AED	AED	AED
Attributable to takaful operations				
Net loss from takaful operation for the period	**(7,780,718)**	(2,451,581)	**(26,177,082)**	(12,734,204)
Other comprehensive income				
Items that will not be reclassified subsequently t(profit or loss:				
Changes in fair value of financial assets carried at fair value through other comprehensive income	**-**	72,989	**1,203,599**	696,331
Total comprehensive loss for the period attributable to takaful operations	**(7,780,718)**	(2,378,592)	**(24,973,483)**	(12,037,873)
Attributable to shareholders				
(Loss) / profit for the period	**(1,228,911)**	5,772,465	**(6,321,971)**	17,780,111
Other comprehensive income				
Items that will not be reclassified subsequently t(profit or loss:				
Changes in fair value of financial assets carried a fair value through other comprehensive income	**-**	190,643	**5,051,074**	2,239,642
Total comprehensive (loss) / income for the period attributable to shareholders	**(1,228,911)**	5,963,108	**(1,270,897)**	20,019,753
Attributable to:				
Shareholders of the parent	**(1,228,911)**	5,963,108	**(1,272,014)**	20,020,021
Non-controlling interests	**-**	-	**1,117**	(268)
	(1,228,911)	5,963,108	**(1,270,897)**	20,019,753

32 CONSOLIDATED STATEMENT OF FINANCIAL POSITION – TAKAFUL OPERATIONS' ASSETS AND LIABILITIES (LIFE AND NON-LIFE)

	30 September 2022 (Unaudited)			31 December 2021 (Audit)		
	TOTAL	**NON-LIFE**	**LIFE**	TOTAL	NON-LIFE	LIFE
TAKAFUL OPERATIONS' ASSETS						
Cash and cash equivalents	**55,111,175**	**45,996,749**	**9,114,426**	63,475,541	45,788,228	17,687,313
Wakala deposits with banks with original maturities of more than three months	**-**	**-**	**-**	3,000,000	3,000,000	-
Retakaful contract assets						
Unearned contribution reserve	**31,918,682**	**25,954,384**	**5,964,298**	27,536,803	23,808,467	3,728,336
Claims reported unsettled	**79,347,756**	**75,709,738**	**3,638,018**	63,804,981	61,651,145	2,153,836
Mathematical reserve	**872,146**	**-**	**872,146**	784,307	-	784,307
Claims incurred but not reported	**32,933,151**	**28,520,801**	**4,412,350**	31,996,117	28,690,155	3,305,962
Takaful receivables	**63,145,264**	**57,304,781**	**5,840,483**	50,103,381	47,584,214	2,519,167
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	**5,017,584**	**5,017,584**	**-**	13,705,475	13,705,475	-
Other financial assets measured at fair value through profit and loss (FVTPL)	**780,453,459**	**19,022**	**780,434,437**	864,124,067	867,895	863,256,172
Investment property	**10,642,270**	**10,642,270**	**-**	10,642,270	10,642,270	-
Due from shareholders	**91,376,713**	**76,840,287**	**14,536,426**	50,405,107	50,405,107	-
Total takaful operations' assets	**1,150,818,200**	**326,005,616**	**824,812,584**	1,179,578,049	286,142,956	893,435,093
TAKAFUL OPERATIONS' LIABILITIES						
Trade and other payables	**26,866,489**	**26,866,489**	**-**	22,999,333	22,999,333	-
Takaful payables	**71,649,694**	**48,604,844**	**23,044,850**	59,067,328	47,056,612	12,010,716
Takaful contract liabilities:						
Unearned contribution and unexpired risk reserves	**100,347,359**	**92,564,864**	**7,782,495**	89,999,681	85,134,774	4,864,907
Claims reported unsettled	**99,355,492**	**94,921,698**	**4,433,794**	84,155,390	81,531,117	2,624,273
Mathematical reserve	**2,603,320**	**-**	**2,603,320**	2,470,951	-	2,470,951
Claims incurred but not reported	**53,650,729**	**48,461,877**	**5,188,852**	49,954,086	45,975,933	3,978,153
Unallocated loss adjustment expenses	**3,653,574**	**3,575,585**	**77,989**	3,673,555	3,617,085	56,470
Unit linked liabilities	**780,434,437**	**-**	**780,434,437**	863,256,172	-	863,256,172
Deferred discount	**5,915,707**	**5,421,587**	**494,120**	5,744,747	5,528,340	216,407
Amounts held under retakaful treaties	**7,329,329**	**7,329,329**	**-**	6,753,321	6,753,321	-
Due to shareholders	**-**	**-**	**-**	3,347,024	-	3,347,024
Total takaful operations' liabilities	**1,151,806,130**	**327,746,273**	**824,059,857**	1,191,421,588	298,596,515	892,825,073
TAKAFUL OPERATIONS' DEFICIT						
(Deficit) / surplus in takaful operations' fund	**(36,865,394)**	**(14,979,565)**	**(21,885,829)**	(10,172,557)	4,931,803	(15,104,360)
Qard Hassan from shareholders	**36,865,394**	**14,979,565**	**21,885,829**	15,104,360	-	15,104,360
Retakaful placement provision	**2,622,476**	**1,869,749**	**752,727**	2,106,721	1,496,701	610,020
Takaful operations' investments revaluation reserve	**(3,610,406)**	**(3,610,406)**	**-**	(18,882,063)	(18,882,063)	-
TOTAL (DEFICIT) / SURPLUS FROM TAKAFUL OPERATIONS	**(987,930)**	**(1,740,657)**	**752,727**	(11,843,539)	(12,453,559)	610,020
Total takaful operations' liabilities and deficit	**1,150,818,200**	**326,005,616**	**824,812,584**	1,179,578,049	286,142,956	893,435,093

33 CONSOLIDATED STATEMENT OF INCOME - LIFE AND NON-LIFE

	Nine month period ended 30 September 2022 (Unaudited)			Nine month period ended 30 September 2021 (Unaudited)		
	TOTAL	**NON-LIFE**	**LIFE**	TOTAL	NON-LIFE	LIFE
Continuing operations						
Attributable to policyholders						
Takaful income						
Gross takaful contributions	**198,585,151**	**164,242,435**	**34,342,716**	197,826,532	151,453,071	46,373,461
Retakaful share of gross takaful contributions	**(103,150,424)**	**(74,609,165)**	**(28,541,259)**	(110,308,909)	(71,262,990)	(39,045,919)
Net takaful contributions	**95,434,727**	**89,633,270**	**5,801,457**	87,517,623	80,190,081	7,327,542
Net transfer to unearned contributions reserve	**(5,965,799)**	**(5,284,173)**	**(681,626)**	(13,642,238)	(13,089,592)	(552,646)
Net change in mathematical reserve	**(44,530)**	**-**	**(44,530)**	(49,491)	-	(49,491)
Net takaful contributions earned	**89,424,398**	**84,349,097**	**5,075,301**	73,825,894	67,100,489	6,725,405
Discount received on ceded retakaful	**12,618,667**	**10,595,708**	**2,022,959**	12,902,329	11,370,045	1,532,284
Policy fees	**578,312**	**576,599**	**1,713**	6,301,412	527,619	5,773,793
	102,621,377	**95,521,404**	**7,099,973**	93,029,635	78,998,153	14,031,482
Takaful expenses						
Gross claims settled	**(104,034,999)**	**(89,243,291)**	**(14,791,708)**	(77,970,596)	(64,496,834)	(13,473,762)
Retakaful share of gross claims settled	**31,099,138**	**18,265,272**	**12,833,866**	29,752,501	18,589,743	11,162,758
Net takaful claims	**(72,935,861)**	**(70,978,019)**	**(1,957,842)**	(48,218,095)	(45,907,091)	(2,311,004)
Change in provision for outstanding claims	**(15,200,102)**	**(13,390,581)**	**(1,809,521)**	(11,024,694)	(12,533,464)	1,508,770
Retakaful share of outstanding claims	**15,542,775**	**14,058,593**	**1,484,182**	7,243,283	8,340,717	(1,097,434)
Net change in incurred but not reported claims	**(2,759,609)**	**(2,655,298)**	**(104,311)**	4,794,671	4,534,353	260,318
Net change in unallocated loss adjustment expenses reserve	**19,981**	**41,500**	**(21,519)**	95,979	62,351	33,628
Net claims incurred	**(75,332,816)**	**(72,923,805)**	**(2,409,011)**	(47,108,856)	(45,503,134)	(1,605,722)
Net takaful income	**27,288,561**	**22,597,599**	**4,690,962**	45,920,779	33,495,019	12,425,760
Wakala fees	**(53,749,305)**	**(42,419,580)**	**(11,329,725)**	(59,015,875)	(40,868,752)	(18,147,123)
Investment income	**378,216**	**378,216**	**-**	481,189	481,189	-
Mudarib’s share	**(94,554)**	**(94,554)**	**-**	(120,297)	(120,297)	-
Net deficit from takaful operation for the period	**(26,177,082)**	**(19,538,319)**	**(6,638,763)**	(12,734,204)	(7,012,841)	(5,721,363)

33 CONSOLIDATED STATEMENT OF INCOME - LIFE AND NON-LIFE (continued)

	Three month period ended 30 September 2022 (Unaudited)			Three month period ended 30 September 2021 (Unaudited)		
	TOTAL	**NON-LIFE**	**LIFE**	TOTAL	NON-LIFE	LIFE
Continuing operations						
Attributable to policyholders						
Takaful income						
Gross takaful contributions	**67,230,043**	**55,477,186**	**11,752,857**	60,252,608	48,447,489	11,805,119
Retakaful share of gross takaful contributions	**(32,287,335)**	**(22,332,748)**	**(9,954,587)**	(30,602,496)	(20,659,256)	(9,943,240)
Net takaful contributions	**34,942,708**	**33,144,438**	**1,798,270**	29,650,112	27,788,233	1,861,879
Net transfer to unearned contributions reserve	**(4,025,249)**	**(2,904,532)**	**(1,120,717)**	(4,831,059)	(5,396,114)	565,055
Net change in mathematical reserve	**8,181**	**-**	**8,181**	623,458	-	623,458
Net takaful contributions earned	**30,925,640**	**30,239,906**	**685,734**	25,442,511	22,392,119	3,050,392
Discount received on ceded retakaful	**4,773,936**	**4,197,916**	**576,020**	4,623,618	3,793,843	829,775
Policy fees	**185,998**	**185,992**	**6**	1,298,698	156,487	1,142,211
	35,885,574	**34,623,814**	**1,261,760**	31,364,827	26,342,449	5,022,378
Takaful expenses						
Gross claims settled	**(40,269,884)**	**(30,693,171)**	**(9,576,713)**	(25,813,198)	(20,321,054)	(5,492,144)
Retakaful share of gross claims settled	**14,614,494**	**6,026,943**	**8,587,551**	8,882,782	4,248,479	4,634,303
Net takaful claims	**(25,655,390)**	**(24,666,228)**	**(989,162)**	(16,930,416)	(16,072,575)	(857,841)
Change in provision for outstanding claims	**(13,182,382)**	**(12,219,352)**	**(963,030)**	(3,535,408)	(3,774,548)	239,140
Retakaful share of outstanding claims	**14,056,131**	**13,153,480**	**902,651**	762,937	982,271	(219,334)
Net change in incurred but not reported claims	**(496,635)**	**32,522**	**(529,157)**	4,151,670	4,013,270	138,400
Net change in unallocated loss adjustment expenses reserve	**280,548**	**310,121**	**(29,573)**	111,414	103,549	7,865
Net claims incurred	**(24,997,728)**	**(23,389,457)**	**(1,608,271)**	(15,439,803)	(14,748,033)	(691,770)
Net takaful income	**10,887,846**	**11,234,357**	**(346,511)**	15,925,024	11,594,416	4,330,608
Wakala fees	**(18,566,745)**	**(14,685,599)**	**(3,881,146)**	(18,432,315)	(13,446,196)	(4,986,119)
Investment income	**(135,759)**	**(135,759)**	**-**	74,280	74,280	-
Mudarib's share	**33,940**	**33,940**	**-**	(18,570)	(18,570)	-
Net deficit from takaful operation for the period	**(7,780,718)**	**(3,553,061)**	**(4,227,657)**	(2,451,581)	(1,796,070)	(655,511)

34 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 24: Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, their partners and key management personnel.

Transactions with such related parties are made on substantially the same terms, as those prevailing at the same time for comparable transactions with external customers and parties. There are no significant balances outstanding at reporting date, following are the the income and expenses in respect of related parties included in the interim condensed consolidated financial statements;

	Nine month period ended 30 September	
	2022	2021
	AED	AED
	(unaudited)	(unaudited)
Gross contributions		
Gross claims paid	**-**	1,198,150
Dividend Income	**-**	112,973
	-	9,796,561

	Three month period ended 30 September	
	2022	2021
	AED	AED
	(unaudited)	(unaudited)
Gross contributions	-	-
Gross claims paid	-	-
Dividend Income	-	-

Compensation of key management personnel was as follows:

Short term employee benefits	**907,353**	1,470,134
End of service benefits	**147,789**	62,827
Total compensation paid to key management personnel	**1,055,142**	1,532,961

35 SUBSEQUENT EVENTS

Subsequent to the period end, the Group has initiated the disposal of a portion of general, medical, and family takaful portfolios to Islamic Arab Insurance Co. (SALAMA) PJSC an entity incorporated in the United Arabic Emirates. The finalisation of the transaction is still subject to due diligence, further negotiations between the parties, and regulatory approvals.