Al Ain Ahlia Insurance Company P.S.C.

Review report and condensed interim consolidated financial information (Unaudited)

For the nine-month period ended 30 September 2022

Al Ain Ahlia Insurance Company P.S.C.
Condensed Interim Consolidated Financial Information (Unaudited)

For the nine-month period ended 30 September 2022
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BOARD OF DIRECTORS' REPORT

We are pleased to submit our report in respect of the company's business activities during three quarters of the year 2022 together with our Auditor's report in addition to the summary of financials for the period ended 30 September 2022.

The United Arab Emirates is hoping the economy will grow by 5% to 6% this year as UAE and the whole world recovers from the pandemic. However, the IMF expects the UAE economy to grow by 3% this year after it expanded by 2.1% in 2021. Further, the UAE's non-oil economy has benefited from public spending, credit growth and improving business sentiment, and its hosting of the Dubai World EXPO has boosted tourism.

The UAE's insurance industry is also expected to continue its path to grow with the projected growth in the economy.

The main highlights of the company's Financial Results for the period ended 30 September 2022 can be summarized as follows:

Figures in AED '000

Description	30/09/2022	30/09/2021	%
Gross Premium Income	765,786	948,308	(19.25)
Net Underwriting Income	61,212	109,208	(43.95)
Net Investment & Other Income	32,267	20,751	55.50
General & Admin Expenses	60,588	64,263	(5.72)
Net Profit for the period	32,891	65,696	(49.93)
Total Assets	2,849,132	3,000,603	(5.05)
Shareholders' Equity	1,282,700	1,246,725	2.89
Basic & Diluted Earnings per share (EPS)	2.19	4.38	(50)

Chairman

General Manager

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Report on review of the condensed interim consolidated financial information
To the Board of Directors of Al Ain Ahlia Insurance Company P.S.C.

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Al Ain Ahlia Insurance Company P.S.C. (the "Company") and its subsidiary (collectively referred to as "the Group") as at 30 September 2022 and the related condensed interim consolidated statement of comprehensive income for the three-month and nine-month periods then ended, statements of changes in equity, and cash flows for the nine-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 ("IAS 34") *Interim Financial Reporting*. Our responsibility is to express a conclusion on this unaudited condensed interim consolidated 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 interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Grant Thornton

GRANT THORNTON
Farouk Mohamed
Registration No: 86
Abu Dhabi, United Arab Emirates
Date: 10 November 2022

Condensed interim consolidated statement of financial position
As at 30 September 2022

	Notes	**30 September 2022 (Unaudited) AED'000**	31 December 2021 (Audited) AED'000
ASSETS			
Property and equipment	4	**764,459**	773,767
Investment properties	5	**78,242**	78,242
Intangible assets		**216**	362
Statutory deposit	6	**10,000**	10,000
Investments carried at FVTOCI	7	**462,274**	451,758
Insurance receivables	8	**193,059**	218,105
Reinsurance contract assets	9	**1,063,063**	1,078,256
Other receivables and prepayments		**45,471**	65,947
Term deposits	10	**118,053**	158,972
Cash and cash equivalents	11	**114,295**	152,258
TOTAL ASSETS		**2,849,132**	2,987,667
EQUITY AND LIABILITIES			
Share capital		**150,000**	150,000
Statutory reserve		**75,000**	75,000
General reserve		**600,000**	600,000
Technical reserve		**8,083**	8,083
Reinsurance default reserve		**13,333**	10,190
Investment revaluation reserve		**192,504**	198,643
Retained earnings		**243,780**	259,032
TOTAL EQUITY		**1,282,700**	1,300,948
LIABILITIES			
Provision for employees' end-of-service benefits		**12,379**	41,512
Insurance and other payables	13	**267,777**	355,308
Insurance contract liabilities	9	**1,240,865**	1,247,134
Reinsurance deposit retained		**35,395**	28,198
Accruals and deferred income		**10,016**	14,567
TOTAL LIABILITIES		**1,566,432**	1,686,719
TOTAL EQUITY AND LIABILITIES		**2,849,132**	2,987,667

To the best of our knowledge, the condensed interim consolidated financial information presents fairly in all material respects the financial condition, results of operation and cash flows of the Group as of, and for the period ended 30 September 2022.

This condensed interim consolidated financial information was approved by the Board of Directors on 10 November 2022 and signed on their behalf by:

Chairman | General Manager | Chief Financial Officer

The accompanying notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of comprehensive income
For the nine-month period ended 30 September 2022

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2022 (Unaudited) AED'000	2021 (Unaudited) AED'000	**2022 (Unaudited) AED'000**	2021 (Unaudited) AED'000
Gross premiums written		**175,670**	238,610	**765,786**	948,308
Reinsurance premium ceded		**(144,569)**	(204,850)	**(628,633)**	(802,721)
Net premium		**31,101**	33,760	**137,153**	145,587
Net change in unearned premium		**11,521**	16,446	**(12,401)**	1,802
Net premium earned		**42,622**	50,206	**124,752**	147,389
Commission earned		**25,536**	30,655	**108,477**	101,559
Commission expenses		**(23,654)**	(21,802)	**(83,990)**	(73,390)
Gross underwriting income		**44,504**	59,059	**149,239**	175,558
Gross claims paid		**(152,169)**	(235,506)	**(506,748)**	(583,336)
Reinsurance share of claims paid		**124,363**	211,594	**419,888**	501,262
Net claims paid		**(27,806)**	(23,912)	**(86,860)**	(82,074)
Change in insurance contract liabilities		**61,279**	39,118	**(78,713)**	(60,994)
Change in reinsurance contract assets		**(65,356)**	(23,483)	**82,190**	80,665
Net claims incurred		**(31,883)**	(8,277)	**(83,383)**	(62,403)
Other underwriting income		**797**	798	**2,572**	3,755
Other underwriting expenses		**(1,775)**	(2,238)	**(7,216)**	(7,702)
Net underwriting income		**11,643**	49,342	**61,212**	109,208
Income from investments, net	14	**4,177**	3,372	**17,532**	15,388
Income from investment properties, net	5	**125**	189	**1,203**	786
Other income, net		**1,609**	(1,736)	**13,532**	4,577
Total income		**17,554**	51,167	**93,479**	129,959
General and administrative expenses		**(17,038)**	(21,496)	**(60,588)**	(64,263)
PROFIT FOR THE PERIOD		**516**	29,671	**32,891**	65,696
Basic and diluted earnings per share (AED)	16	**0.03**	1.98	**2.19**	4.38

The accompanying notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of comprehensive income (continued)
For the nine-month period ended 30 September 2022

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	**2022**	2021
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Profit for the period	**516**	29,671	**32,891**	65,696
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Change in fair value of equity instruments carried at FVTOCI	**5,789**	15,430	**7,389**	49,376
Items that may be subsequently reclassified to profit or loss:				
Change in fair value of debt instruments carried at FVTOCI	**(3,096)**	(689)	**(13,528)**	(1,337)
Total other comprehensive income/ (loss) for the period	**2,693**	14,741	**(6,139)**	48,039
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,209**	44,412	**26,752**	113,735

The accompanying notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of changes in equity
For the nine-month period ended 30 September 2022

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Technical reserve AED'000	Reinsurance default reserve AED'000	Investment revaluation reserve AED'000	Retained earnings AED'000	Total equity AED'000
Balance as at 1 January 2021 (Audited)	150,000	75,000	600,000	8,083	4,968	113,939	218,500	1,170,490
Net profit for the period	-	-	-	-	-	-	65,696	65,696
Other comprehensive income for the period	-	-	-	-	-	48,039	-	48,039
Dividends paid	-	-	-	-	-	-	(37,500)	(37,500)
Transfer to reinsurance default reserve	-	-	-	-	4,014	-	(4,014)	-
Balance as at 30 September 2021 (Unaudited)	150,000	75,000	600,000	8,083	8,982	161,978	242,682	1,246,725
Balance as at 1 January 2022 (Audited)	**150,000**	**75,000**	**600,000**	**8,083**	**10,190**	**198,643**	**259,032**	**1,300,948**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**32,891**	**32,891**
Other comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**(6,139)**	**-**	**(6,139)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(45,000)**	**(45,000)**
Transfer to reinsurance default reserve	**-**	**-**	**-**	**-**	**3,143**	**-**	**(3,143)**	**-**
Balance as at 30 September 2022 (Unaudited)	**150,000**	**75,000**	**600,000**	**8,083**	**13,333**	**192,504**	**243,780**	**1,282,700**

The accompanying notes from 1 to 20 form an integral part of this condensed interim consolidated financial statements

Condensed interim consolidated statement of cash flows
For the nine-month period ended 30 September 2022

	Notes	**Nine-month period ended 30 September 2022 AED'000**	Nine-month period ended 30 September 2021 AED'000
OPERATING ACTIVITIES			
Profit for the period		**32,891**	65,696
Adjustments for:			
Depreciation on property and equipment		**10,036**	12,454
Amortisation of intangible assets		**247**	270
Change in fair value of investments carried at FVTPL		**-**	60
Gain on sale of investments carried at FVTPL		**-**	(15)
Interest and dividend income	14	**(17,722)**	(15,458)
Provision for employees' end-of-service benefits		**4,556**	1,344
Operating profit before working capital changes:		**30,008**	64,351
Working capital changes:			
Change in reinsurance contract assets		**15,193**	(127,344)
Change in insurance contract liabilities		**(6,269)**	105,871
Change in insurance receivable		**25,046**	(24,912)
Change in other receivables and prepayments		**20,476**	(801)
Change in insurance and other payables		**(87,531)**	58,505
Change in reinsurance deposits retained		**7,197**	936
Change in accruals and deferred income		**(4,551)**	(1,877)
Cash (used in)/generated from operations		**(431)**	74,729
Employees' end of service benefits paid		**(33,689)**	(825)
Net cash (used in)/generated from operating activities		**(34,120)**	73,904
INVESTING ACTIVITIES			
Purchase of property and equipment		**(728)**	(121)
Purchase of intangible assets		**(101)**	-
Purchase of financial assets carried at FVTOCI	7	**(24,077)**	(62,099)
Proceeds from disposal of financial assets carried at FVTOCI	7	**7,422**	-
Proceeds from disposal of financial assets carried at FVTPL		**-**	400
Decrease in term deposits maturing for more three months		**40,919**	32,134
Interest and dividend received	14	**17,722**	15,458
Net cash generated from/ (used in) investing activities		**41,157**	(14,228)
FINANCING ACTIVITIES			
Dividends paid		**(45,000)**	(37,500)
Net cash used in financing activities		**(45,000)**	(37,500)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(37,963)**	22,176
Cash and cash equivalents at the beginning of the period		**152,258**	145,125
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**114,295**	167,301

The accompanying notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.

Notes to the condensed interim consolidated financial information
For the nine-month period ended 30 September 2022

1 General information

Al Ain Ahlia Insurance Company P.S.C. (the "Company") is incorporated in Abu Dhabi with limited liability by Law No. (18) of 1975. Al Ain Ahlia Insurance Company P.S.C. is registered as a public shareholding company in accordance with the Federal Law No. (2) of 2015, as amended. The Company is subject to the regulations of the UAE 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, UAE Insurance Authority ("IA")) under registration number 3.

The Federal Decree-Law No. (26) of 2020 which amend certain provisions of Federal Law No. (2) of 2015, as amended on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021, however, some of the amended articles refer to further executive regulations to be issued. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

The Federal Decree Law No. (24) of 2020 which amends certain provisions of the UAE Federal Law No. (6) of 2007 on Establishment of Insurance Authority and Organization of its Operations was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. Effective 2 January 2021, the Insurance Sector became under the supervision and authority of the CBUAE.

Federal Law by Decree No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 with an effective date of 2 January 2022, and will entirely replace Federal Law No. 2 of 2015, as amended, on Commercial Companies, as amended. The Group has twelve months from the effective date to comply with the provisions of the New Companies Law.

The Company is domiciled and operates in the UAE and its registered address is P.O. Box 3077, Abu Dhabi, United Arab Emirates. The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange.

The Company's principal activity is underwriting of all classes of insurance in accordance with the provisions of the UAE Federal Law No. (6) of 2007 regarding the Establishment of the Insurance Authority and Insurance Operations.

The condensed interim consolidated financial information comprises the Company and its subsidiary, Al Bandar Investment one person company L.L.C 100% owned by Al Ain Ahlia Insurance Company P.S.C., (together referred to as "the Group").

2 Basis of preparation

Statement of compliance

This condensed interim consolidated financial information is prepared in accordance with International Accounting Standard ("IAS") 34 "*Interim Financial Reporting*".

The condensed interim consolidated financial information does not contain all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021. In addition, the 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.

The condensed interim consolidated financial information has been prepared on the historical cost basis except for the investments carried at fair value through other comprehensive income and investment properties.

The condensed interim consolidated financial information is presented in United Arab Emirates Dirhams ("AED"), being the functional and presentational currency of the Company and the Group. All assets have been rounded to the nearest thousand (AED'000) excepts when otherwise indicated.

Use of estimates and judgements

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

In preparing this condensed interim consolidated financial information, the significant judgements made by management in applying the Company's and Group's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2021 with the exception of new standards applicable from 1 January 2022.

However, the Group has reviewed the key sources of estimation uncertainties disclosed in the recent annual audited consolidated financial statements against the backdrop of Covid-19 pandemic. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the recent annual audited consolidated financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

Impact of COVID-19

In response to the spread of the Covid-19 where the Group operates and its resulting disruptions to the social and economic activities in those markets, the Group management has proactively assessed its impacts on its operations and has taken a series of preventive measures, including the creating of a business contingency plan, to ensure the health and safety of its employees, customers and wider community as well as to ensure the continuity of its services throughout the market. The business operations of the Group currently remain largely unaffected. Based on these factors, the Group management believes that the Covid-19 pandemic has had no material effects on the reported condensed interim consolidated financial information as at and for the nine-month period ended 30 September 2022.

3 Significant accounting policies

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

Standards, interpretations and amendments to existing standards that are effective in 2022

In the current period, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2022. The application of these amendments to IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for the Group's future transactions or arrangements.

- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Amendments to IFRS 3 - References to the Conceptual Framework

These amendments do not have a significant impact on the condensed interim consolidated financial information and therefore the disclosures have not been made.

Amendment to standards and interpretations issued but not yet effective

The new standards and revised IFRSs not yet effective and have not been adopted early by the Group include:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Amendments to IFRS 3 - References to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities from a Single Transaction
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective. Management is currently assessing the impact of the above standards.

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2021.

As required by the Securities and Commodities Authority ("SCA") circular No. 411/2018 dated 7 July 2018, the Group does not have any investments or exposures with Abraj Group.

The accounting policies in respect of investment properties, investment in securities and property and equipment are disclosed in this condensed interim consolidated financial information as required by SCA notification dated 12 October 2008.

4 Property and equipment

Property and equipment include land with a carrying value of AED 301 million (31 December 2021: AED 301 million).

5 Investment property

The fair value of the Group's investment properties has been arrived at on the basis of a valuation carried out for the year ended 31 December 2021 by Najmat Al Murjan Real Estate Valuation Service LLC Dubai (the "Valuers") independent valuers, not related to the Group. The Valuers are members of the Royal Institute of Surveyors, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

Management believes that the net impact of any potential changes in the key assumptions underlying this valuation used is not material and accordingly there is no change in the fair value of the investment properties as at 30 September 2022 compared to 31 December 2021. Management believes that fair value has not changed significantly during the period.

In estimating the fair value of the properties, the highest and best use of the property is considered as their current use. The inputs used in the valuations are not based on observable market data and thus the valuation techniques were considered to be a Level 3 valuation.

All investment properties are located in the United Arab Emirates.

The rental income earned by the Group from its investment properties, part of which is leased out under operating leases and the direct operating expenses arising on the investment properties is as follows:

	Nine-month period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	AED'000	AED'000
Rental income	**2,004**	1,505
Direct operating expenses	**(801)**	(719)
	1,203	786

6 Statutory deposit

In accordance with the requirements of UAE Federal Law No. (6) of 2007 covering insurance companies and agencies, the Group maintains a bank deposit of AED 10,000,000 (31 December 2021: AED 10,000,000) which cannot be utilized without the consent of the Central Bank of the United Arab Emirates.

7 Investments carried at fair value through other comprehensive income

	30 September 2022 (Unaudited) AED'000	31 December 2021 (Audited) AED'000
Quoted UAE equity securities	**309,593**	301,245
Quoted UAE debt securities	**150,102**	147,934
Unquoted non-UAE equity securities	**2,579**	2,579
	462,274	451,758

The movement in the investments at fair value through other comprehensive income is as follows:

	30 September 2022 (Unaudited) AED'000	31 December 2021 (Audited) AED'000
Fair value at beginning of the period/year	**451,758**	301,243
Additions	**24,077**	65,811
Disposals	**(7,422)**	-
Change in fair value taken to other comprehensive income:		
Equity instruments	**7,389**	86,765
Debt instruments	**(13,528)**	(2,061)
Fair value at end of the period/year	**462,274**	451,758

8 Insurance receivables

	30 September 2022 (Unaudited) AED'000	31 December 2021 (Audited) AED'000
Due from brokers and agents	**77,351**	103,337
Due from policy holders	**78,139**	63,030
Due from related parties	**4,053**	369
Due from insurance companies and reinsurance companies	**55,516**	73,369
	215,059	240,105
Less: Allowance for expected credit losses	**(22,000)**	(22,000)
	193,059	218,105

9 Insurance contract liabilities and reinsurance contract assets

	30 September 2022 (unaudited)			31 December 2021 (audited)		
	Gross technical reserves AED'000	Reinsurers' share of technical reserves AED'000	Net AED'000	Gross technical reserves AED'000	Reinsurers' share of technical reserves AED'000	Net AED'000
Property and liability insurance						
Outstanding claims	**511,523**	**473,837**	**37,686**	414,769	377,845	36,924
Claims incurred but not reported (IBNR)	**234,845**	**191,460**	**43,385**	253,961	205,197	48,764
Unallocated loss adjustments (ULAE)	**7,467**	**-**	**7,467**	8,067	-	8,067
Unearned premiums	**478,510**	**396,222**	**82,288**	563,711	493,829	69,882
Unexpired risk reserve	**5,814**	**-**	**5,814**	4,197	-	4,197
	1,238,159	**1,061,519**	**176,640**	1,244,705	1,076,871	167,834
Insurance of persons and fund accumulation						
Outstanding claims	**106**	**88**	**18**	170	143	27
Claims incurred but not reported (IBNR)	**853**	**781**	**72**	873	791	82
Unallocated loss adjustments (ULAE)	**10**	**-**	**10**	11	-	11
Unearned premiums	**777**	**675**	**102**	558	451	107
Unexpired risk reserve	**960**	**-**	**960**	817	-	817
	2,706	**1,544**	**1,162**	2,429	1,385	1,044
Consolidated						
Outstanding claims	**511,629**	**473,925**	**37,704**	414,939	377,988	36,951
Claims incurred but not reported (IBNR)	**235,698**	**192,241**	**43,457**	254,834	205,988	48,846
Unallocated loss adjustments (ULAE)	**7,477**	**-**	**7,477**	8,078	-	8,078
Unearned premiums	**479,287**	**396,897**	**82,390**	564,269	494,280	69,989
Unexpired risk reserve	**6,774**	**-**	**6,774**	5,014	-	5,014
	1,240,865	**1,063,063**	**177,802**	1,247,134	1,078,256	168,878

10 Term deposits

Term deposits represent fixed deposits with bank amounting to AED 118 million as at 30 September 2022 (31 December 2021: AED 159 million), carry average interest at the rate of 2.85% (31 December 2021: 1.59%) per annum with a maturity of 1 year.

11 Cash and cash equivalents

	30 September 2022 (Unaudited) AED'000	31 December 2021 (Audited) AED'000
Current accounts	**114,221**	151,979
Cash on hand	**74**	279
Cash and cash equivalents	**114,295**	152,258

12 Related party transactions and balances

Related parties comprise the major shareholders, the directors and key management personnel of the Group and those entities in which they have the ability to control or exercise significant influence in financial and operation decisions. The Group maintains significant balances with these related parties which arise from commercial transactions as follows:

Details of related party balances are as follows:

	Nature of relationship	**30 September 2022 (Unaudited) AED'000**	31 December 2021 (Audited) AED'000
Due from related parties			
Related parties due to common directorship	*Affiliates*	**3,798**	119
Key management personnel	*Key management personnel*	**248**	245
Remuneration of the Directors (note 13)	*Directors*	**3,655**	9,251
Other receivable from key management personnel	*Key management personnel*	**-**	29,085

12 Related party transactions and balances (continued)

Related party transactions

The Group, in the normal course of business, collects premiums from and settles claims of other businesses that fall within the definition of related parties as contained in IFRS.

The following are the details of significant transactions with related parties:

		Three-month period ended 30 September		**Nine-month period ended 30 September**	
	Nature of relationship	**2022 (Unaudited) AED'000**	2021 (Unaudited) AED'000	**2022 (Unaudited) AED'000**	2021 (Unaudited) AED'000
Gross premiums written to Directors' affiliates	*Affiliates*	**538**	1,676	**2,880**	5,354
Net claims paid to Directors' affiliates	*Directors*	**13**	1	**21**	77
Board of directors' remuneration	*Directors*	**58**	3,297	**3,655**	7,300
Remuneration of key management personnel	*Key management personnel*	**1,646**	1,512	**10,446**	6,926

The remuneration of the Board of Directors is subject to approval by the shareholders and as per limits set by the UAE Federal Law No. (2) of 2015, as amended, concerning Commercial Companies.

The remuneration of key management personnel is based on the remuneration agreed in their employment contract as approved by the Board of Directors.

13 Insurance and other payables

	30 September 2022 (Unaudited) AED'000	31 December 2021 (Audited) AED'000
Payable inside UAE	**117,847**	207,787
Payable outside UAE	**149,930**	147,521
	267,777	355,308
Inside UAE		
Due to brokers and agents	**20,232**	21,147
Due to policy holders	**19,496**	114,351
Dividends payable	**15,566**	15,566
Due to insurance and reinsurance companies	**14,414**	22,302
Directors' remuneration (note 12)	**3,655**	9,251
Other payables	**44,484**	25,170
	117,847	207,787

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2022

13 Insurance and other payables (continued)

	30 September 2022 (Unaudited) AED'000	31 December 2021 (Audited) AED'000
Outside UAE		
Due to insurance and reinsurance companies	**94,354**	105,351
Due to brokers and agents	**55,576**	42,170
	149,930	147,521

14 Income from investments, net

	Nine-month period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	AED'000	AED'000
Dividend income	**9,990**	8,767
Interest income	**7,732**	6,691
Loss on revaluation of financial assets carried at FVTPL	**-**	(60)
Gain on disposal of investments at FVTPL	**-**	15
Others	**(190)**	(25)
	17,532	15,388

15 Profit for the period

Profit for the period is arrived after charging the following:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022 (Unaudited) AED'000	2021 (Unaudited) AED'000	**2022 (Unaudited) AED'000**	2021 (Unaudited) AED'000
Staff costs	**10,645**	11,479	**38,212**	35,983
Depreciation and amortisation	**3,437**	4,216	**10,283**	12,725

16 Basic and diluted earnings per share

Basic earnings per share is computed by dividing the profit for the period by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022 (Unaudited) AED'000	2021 (Unaudited) AED'000	**2022 (Unaudited) AED'000**	2021 (Unaudited) AED'000
Profit for the period (AED'000)	**516**	29,671	**32,891**	65,696
Weighted average number of ordinary shares outstanding during the period	**15,000,000**	15,000,000	**15,000,000**	15,000,000
Basic and diluted earnings per share (AED)	**0.03**	1.98	**2.19**	4.38

17 Segment reporting

17.1 Segment revenue and results

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units are managed separately because they require different approach, technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis.

The following summary describes the two main business segments:

- Underwriting of general insurance business - incorporating all classes of general insurance such as fire, marine, motor, medical, general accident and miscellaneous.
- Investments - incorporating investments in marketable equity securities and investment funds, development bonds, term deposits with banks and investment properties and other securities.

17 Segment reporting (continued)

17.1 Segment revenue and results (continued)

Information regarding the Group's reportable segments is presented below:

	Nine-month period ended 30 September (Unaudited)					
	2022			2021		
	Underwriting AED'000	**Investments AED'000**	**Total AED'000**	Underwriting AED'000	Investments AED'000	Total AED'000
Segment Revenue	**876,835**	**33,258**	**910,093**	1,053,622	21,540	1,075,162
Segment result	**61,212**	**32,267**	**93,479**	109,208	20,751	129,959
Unallocated expenses	**-**	**-**	**(60,588)**	-	-	(64,263)
Profit for the period			**32,891**			65,696

17.2 Segment assets and liabilities

	As at 30 September 2022 (Unaudited)			As at 31 December 2021 (Audited)		
	Underwriting AED'000	**Investments AED'000**	**Total AED'000**	Underwriting AED'000	Investments AED'000	Total AED'000
Segment assets	**2,066,268**	**668,569**	**2,734,837**	2,136,437	698,972	2,835,409
Unallocated assets	**-**	**-**	**114,295**	-	-	152,258
Total assets			**2,849,132**			2,987,667
Segment liabilities	**1,544,037**	**10,016**	**1,554,053**	1,630,640	14,567	1,645,207
Unallocated liabilities	**-**	**-**	**12,379**	-	-	41,512
Total liabilities			**1,566,432**			1,686,719

18 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of statutory deposits, investments carried at fair value through other comprehensive income, insurance receivables, deposits, bank balances and cash, and certain other assets. Financial liabilities consist of insurance payables, and certain other liabilities.

The fair values of the financial assets and liabilities are not materially different from their carrying values.

The following table shows the analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 30 September 2022 and 31 December 2021:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
30 September 2022 (Unaudited)				
Investments at fair value through other comprehensive income	**459,695**	**-**	**2,579**	**462,274**
31 December 2021 (Audited)				
Investments at fair value through other comprehensive income	449,179	-	2,579	451,758

Fair values of Level 1 securities have been determined by reference to quoted prices at the reporting date.

Management considers that the fair values of financial assets and financial liabilities that are not measured at fair value approximates to their carrying amounts as stated in the condensed interim consolidated financial information.

During the period, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements.

18 Fair value of financial instruments (continued)

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at 30 September 2022 (Unaudited) AED'000	Fair value as at 31 December 2021 (Audited) AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Quoted equity investments – FVTOCI	**309,593**	301,245	Level 1	Quoted bid prices in an active market.	None	N/A
Quoted debts instruments – FVTOCI	**150,102**	147,934	Level 1	Quoted bid prices in an active market.	None	N/A
Unquoted equity investments – FVTOCI	**2,579**	2,579	Level 3	Adjusted net assets valuation method after adjusting for certain components in financial information of underlying companies.	Net assets value	Higher the net assets value of the investees, higher the fair value

19 Contingencies and commitments

The Group's bankers have issued in the normal course of business letters of guarantee in favor of third parties amounting to AED 14.84 million (31 December 2021: AED 14.80 million).

The Group is subject to litigation in the normal course of its business. Although the ultimate outcome of these claims cannot presently be determined, the management, based on advice from independent loss adjusters and internal legal counsel, has made a provision of AED 40.18 million (31 December 2021: AED 42.9 million) representing amounts expected to result in a probable outflow of economic resources.

20 Approval of condensed interim consolidated financial information

The condensed interim consolidated financial information was approved and authorised for issue by the Board of Directors on 10 November 2022.