

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

**REVIEW REPORT AND INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

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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 June 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 June 2022 are set out in the accompanying consolidated financial statements.

Directors

The following were the Directors of the Group for the period ended 30 June 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 June 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



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 condensed consolidated statement of financial position as at 30 June 2022 and the related interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the six-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 June 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 June 2022 the accumulated losses of the Group have reached to 59% 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.

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

Other Matters

The interim consolidated condensed financial statements of the Group as of 30 June 2021 were reviewed by another auditor whose report dated 11 August 2021 expressed an unqualified conclusion on those interim consolidated condensed 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 August 2022

Dubai, United Arab Emirates

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022 (unaudited)

		30 June 2022 AED (Unaudited) AED	31 December 2021 AED (Audited) AED
	Notes		
ASSETS			
Cash and cash equivalents	5	109,580,192	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	31,184,060	27,536,803
Claims reported unsettled	7	65,291,625	63,804,981
Mathematical reserve	7	896,815	784,307
Claims incurred but not reported	7	29,116,312	31,996,117
Takaful receivables	8	64,725,109	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	841,776,610	909,913,305
Prepayments and other receivables	10	7,093,658	9,101,920
Deferred policy acquisition costs		9,708,371	10,532,066
Investment property		56,896,500	56,896,500
Property and equipment	11	185,463	237,424
Assets under discontinued operations	23	1,583,321	1,583,321
Total assets		<u>1,262,351,314</u>	<u>1,340,770,351</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Murabaha payable		-	15,228,543
Other payables & accruals	12	43,103,626	57,375,515
Takaful payables		79,892,239	59,067,328
Takaful contract liabilities			
Unearned contribution and unexpired risk reserves	7	95,587,488	89,999,681
Claims reported unsettled	7	86,173,110	84,155,390
Mathematical reserve	7	2,636,170	2,470,951
Claims incurred but not reported	7	49,337,255	49,954,086
Unallocated loss adjustment expenses	7	3,934,122	3,673,555
Unit linked liabilities	7	789,545,376	863,256,172
Deferred discount		5,516,528	5,744,747
Amounts held under retakaful treaties		6,950,211	6,753,321
Liabilities directly associated with assets under discontinued operations	23	12,947,356	12,947,356
Total liabilities before takaful operations' surplus		<u>1,175,623,481</u>	<u>1,250,626,645</u>
Surplus in takaful operations' fund	27	-	4,931,803
Total liabilities		<u>1,175,623,481</u>	<u>1,255,558,448</u>

The attached notes 1 to 33 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

As at 30 June 2022 (unaudited)


		30 June 2022 AED (Unaudited) AED	31 December 2021 AED (Audited) AED
	Notes		
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		(133,258,690)	(78,961,422)
Investments revaluation reserve – FVOCI		(19,517,881)	(74,975,644)
Retakaful placement provision	15	2,461,039	2,106,721
Equity attributable to shareholders of the parent		88,053,806	86,538,993
Non-controlling interest		(1,325,973)	(1,327,090)
Total equity		86,727,833	85,211,903
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY*		1,262,351,314	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 12 August 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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six month period ended 30 June 2022 (unaudited)

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2022 AED (Unaudited)	2021 AED (Unaudited)	2022 AED (Unaudited)	2021 AED (Unaudited)
Takaful income					
Gross takaful contributions	16	68,030,243	77,236,146	131,355,108	137,573,924
Retakaful share of gross takaful contributions	16	(37,155,500)	(47,617,435)	(70,863,089)	(79,706,413)
Net takaful contributions written		30,874,743	29,618,711	60,492,019	57,867,511
Change in unearned contributions and unexpired risk reserves – net		(1,410,645)	(4,884,068)	(1,940,550)	(8,811,179)
Change in mathematical reserve - net		6,146	(512,395)	(52,711)	(672,949)
Net takaful contributions earned		29,470,244	24,222,248	58,498,758	48,383,383
Policy fees		201,857	2,235,049	392,314	5,002,714
Commission received on ceded retakaful		3,736,574	4,798,837	7,844,731	8,278,711
Total takaful income		33,408,675	31,256,134	66,735,803	61,664,808
Takaful expenses					
Gross claims paid	17	(30,425,064)	(19,730,655)	(63,765,115)	(52,157,398)
Retakaful share of gross claims paid	17	6,769,608	4,754,962	16,484,644	20,869,719
Net takaful claims paid		(23,655,456)	(14,975,693)	(47,280,471)	(31,287,679)
Change in provision for claims reported unsettled – net		(1,828,334)	(806,262)	(531,076)	(1,008,940)
Change in incurred but not reported claims – net		(61,807)	(1,022,068)	(2,262,974)	643,001
Change in unallocated loss adjustment expenses reserve		(105,951)	(116,347)	(260,567)	(15,435)
Net claims incurred		(25,651,548)	(16,920,370)	(50,335,088)	(31,669,053)
Policy acquisition cost		(7,328,871)	(6,224,016)	(15,117,645)	(10,933,293)
Total takaful expenses		(32,980,419)	(23,144,386)	(65,452,733)	(42,602,346)
Net takaful income		428,256	8,111,748	1,283,070	19,062,462
Investment income	19	1,030,561	1,613,303	2,612,036	1,769,969
General and administrative expenses		(6,463,904)	(7,816,497)	(13,576,808)	(15,220,581)
Other operating income		(12)	(3,845)	(12)	(7,165)
(Loss) / profit for the period from continuing operations		(5,005,099)	1,904,709	(9,681,714)	5,604,685
Profit / (loss) for the period from discontinued operations		11,169	(2,677)	11,169	(2,677)
(Loss) / profit for the period before attribution		(4,993,930)	1,902,032	(9,670,545)	5,602,008
Deficit from takaful operations for the period	31	10,633,489	7,581,327	18,396,364	10,282,623
Contribution from Qard Hassan to takaful operations	27	(10,819,268)	(3,876,985)	(13,818,879)	(3,876,985)
(Loss) / profit for the period		(5,179,709)	5,606,374	(5,093,060)	12,007,646
Attributable to:					
Shareholders of the parent		(5,180,826)	5,606,642	(5,094,177)	12,007,914
Non-controlling interest	21	1,117	(268)	1,117	(268)
		(5,179,709)	5,606,374	(5,093,060)	12,007,646
(Loss) / Earnings per share	20	(0.023)	0.024	(0.023)	0.053

The attached notes 1 to 33 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2022 (unaudited)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 AED (Unaudited)	2021 AED (Unaudited)	2022 AED (Unaudited)	2021 AED (Unaudited)
(Loss) / profit for the period	(5,179,709)	5,606,374	(5,093,060)	12,007,646
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Changes in fair value of financial assets carried at fair value through other comprehensive income	822,744	2,926,841	6,254,673	2,672,341
Total comprehensive (loss) / income for the period	<u>(4,356,965)</u>	<u>8,533,215</u>	<u>1,161,613</u>	<u>14,679,987</u>
Attributable to:				
Shareholders of the parent	(4,358,082)	8,531,427	1,160,496	14,680,255
Non-controlling interest	1,117	1,788	1,117	(268)
	<u>(4,356,965)</u>	<u>8,533,215</u>	<u>1,161,613</u>	<u>14,679,987</u>

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 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	-	-	-	12,007,914	-	-	12,007,914	(268)	12,007,646
Other comprehensive income for the period	-	-	-	-	2,672,341	-	2,672,341	-	2,672,341
Total comprehensive income/(loss) for the period	-	-	-	12,007,914	2,672,341	-	14,680,255	(268)	14,679,987
Adjustment of retakaful placement provision	-	-	-	-	-	120,933	120,933	-	120,933
Transfer during the period (note 15)	-	-	-	-	-	398,532	398,532	-	398,532
Balance at 30 June 2021 (Unaudited)	225,750,000	5,080,128	5,080,128	(76,285,587)	(80,806,759)	1,831,227	80,649,137	(1,326,790)	79,322,347
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	-	-	-	(5,094,177)	-	-	(5,094,177)	1,117	(5,093,060)
Other comprehensive income for the period	-	-	-	-	6,254,673	-	6,254,673	-	6,254,673
Total comprehensive income/(loss) for the period	-	-	-	(5,094,177)	6,254,673	-	1,160,496	1,117	1,161,613
Transfer during the period from takaful operations' surplus (note 15)	-	-	-	-	-	354,318	354,318	-	354,318
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 June 2021	225,750,000	6,309,669	6,309,669	(133,258,690)	(19,517,881)	2,461,039	88,053,806	(1,325,973)	86,727,833

The attached notes 1 to 33 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2022 (unaudited)

	Six-month period ended	
	30 June	
	2022	2021
	AED	AED
Cash flows from operating activities		
(Loss) / profit for the period	(5,093,060)	12,007,646
<i>Adjustments for:</i>		
Depreciation of property and equipment	66,455	70,543
(Gain) / loss on investments measured at FVTPL, net	(900,000)	9,543,356
Provision for employees' end of service benefits	506,636	299,163
Profit income	(253,829)	(240,185)
Dividend income	(1,066,690)	(10,889,639)
Impairment of financial assets	-	135,896
	(6,740,488)	10,926,780
Changes in operating assets and liabilities:		
Retakaful contract assets	(2,366,604)	(21,295,804)
Takaful receivables	(14,621,728)	(20,716,503)
Prepayments and other receivables	2,008,265	(891,682)
Takaful contract liabilities	7,414,482	53,402,538
Amounts held under Retakaful treaties	196,890	330,224
Takaful payables	20,824,911	31,071,858
Trade and other payables	(14,422,552)	(37,111,829)
Due from related parties	-	2,979,095
Due to related parties	-	(272,814)
Deferred discount	(228,219)	(739,814)
Deferred policy acquisition costs	823,695	(6,870,801)
Takaful operations' surplus	(4,931,803)	(2,095,249)
	(12,043,151)	8,715,999
Employees' end of service benefits paid	(181,699)	(7,533)
	(12,224,850)	8,708,466
Net cash from / (used in) operating activities	(12,224,850)	8,708,466
Cash flows from investing activities		
Purchase of property and equipment	(14,495)	(9,509)
Increase in wakala deposits	10,000,000	-
Net decrease in unit linked investments	-	(22,241,231)
Dividend income received	1,066,690	10,889,639
Profit income received	19,099	329,046
Disposal proceeds from / (purchase) of FVOCI investments	42,182,499	(3,493,150)
Increase investments at fair value through P&L - net	(4,257,584)	-
	48,996,209	(14,525,205)
Net cash from / (used in) investing activities	48,996,209	(14,525,205)
Cash flows from financing activities		
Murabaha payable	(15,228,543)	(20,906)
Due to bank	-	(421)
	(15,228,543)	(21,327)
Net cash used in financing activities	(15,228,543)	(21,327)
Net increase / (decrease) in cash and cash equivalents	21,542,816	(5,838,066)
Cash and cash equivalents at the beginning of the period	89,065,720	55,567,060
	110,608,536	49,728,994
Cash and cash equivalents at the end of the period (Note 5)	110,608,536	49,728,994

The attached notes 1 to 33 form an integral part of these interim condensed consolidated financial statements.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

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 June 2022 and 2021, the Company had the following subsidiaries:

<i>Name of subsidiary</i>	<i>Place of incorporation (or registration) and operation</i>	<i>Proportion of ownership profit</i>	<i>Proportion of voting power held</i>	<i>Principal activity</i>	<i>Status</i>
		%	%		
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.

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 (“Companies Law”) was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015. The Company has 12 months from 2 January 2022 to comply with the provisions of the Companies Law.

Federal Decree Law No. (24) of 2020 which amends certain provisions of the U.A.E. 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 Central Bank of the United Arab Emirates (“CBUAE”).

The Group has incurred net loss of AED 5,093,060 for the six months ended 30 June 2022 and, as of that date, its accumulated losses amounted to AED 133,258,690 (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 Group has applied the following amendments to published standards for the first time for the annual reporting period commencing 1 January 2022:

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

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 Branch's financial statements are disclosed below. The Branch 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group's condensed 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 six month period ended 30 June 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 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Cash in hand	67,401	10,252
Bank balances in current accounts	109,532,159	88,046,492
	109,599,560	88,056,744
Less: Provision for impairment	(19,368)	(17,622)
Total	109,580,192	88,039,122

Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C)
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 As at 30 June 2022 (unaudited)

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 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Balance as at 1 January	17,622	25,177
Charge/(release) for the period / year	1,746	(7,555)
Balance at the end of period / year	19,368	17,622

For the purpose of the 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)	109,599,560	88,056,744
Cash and cash equivalents included in assets under discontinued operations – (note 23)	1,008,976	1,008,976
	110,608,536	89,065,720

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

	30 June 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 CBUE and bears a profit rate of 0.6% per annum (2021: 0.6% per annum).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

7 RETAKAFUL CONTRACT ASSETS AND TAKAFUL CONTRACT LIABILITIES

	30 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
	AED	AED
Takaful contract liabilities – gross – (A)		
Unearned contribution and unexpired risk reserves	95,587,488	89,999,681
Claims reported unsettled	86,173,110	84,155,390
Mathematical reserve	2,636,170	2,470,951
Claims incurred but not reported	49,337,255	49,954,086
Unallocated loss adjustment expenses	3,934,122	3,673,555
Unit linked liabilities	789,545,376	863,256,172
	1,027,213,521	1,093,509,835
Retakaful contract assets – (B)		
Unearned contribution and unexpired risk reserves	31,184,060	27,536,803
Claims reported unsettled	65,291,625	63,804,981
Mathematical reserve	896,815	784,307
Claims incurred but not reported	29,116,312	31,996,117
	126,488,812	124,122,208
Takaful contract liabilities – net – (A-B)		
Unearned contribution and unexpired risk reserves	64,403,428	62,462,878
Claims reported unsettled	20,881,485	20,350,409
Mathematical reserve	1,739,355	1,686,644
Claims incurred but not reported	20,220,943	17,957,969
Unallocated loss adjustment expenses	3,934,122	3,673,555
Unit linked liabilities	789,545,376	863,256,172
	900,724,709	969,387,627

As at 30 June 2022, the gross and net insurance contract liabilities as certified by the Company's appointed actuary, SHMA Consulting DMCC amounted to AED 1,027 million and AED 901 million respectively (31 December 2021: AED 1,094 million and AED 969 million respectively).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

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 June 2022 (Unaudited)							
Motor	31,445,451	39,135,352	-	6,980,131	2,607,364	-	80,168,298
Engineering	3,381,889	6,776,679	-	1,765,655	33,144	-	11,957,367
Marine & aviation	583,423	4,756,862	-	556,502	37,308	-	5,934,095
Fire	10,186,566	4,969,094	-	7,141,431	68,408	-	22,365,499
General insurance & liabilities	16,131,927	24,713,247	-	23,222,712	701,949	-	64,769,835
Medical	30,872,786	2,351,112	-	7,007,030	437,533	-	40,668,461
Life	2,985,446	3,470,764	2,636,170	2,663,794	48,416	789,545,376	801,349,966
	<u>95,587,488</u>	<u>86,173,110</u>	<u>2,636,170</u>	<u>49,337,255</u>	<u>3,934,122</u>	<u>789,545,376</u>	<u>1,027,213,521</u>
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
	<u>89,999,681</u>	<u>84,155,390</u>	<u>2,470,951</u>	<u>49,954,086</u>	<u>3,673,555</u>	<u>863,256,172</u>	<u>1,093,509,835</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

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 June 2022 (Unaudited)							
Motor	29,896,353	13,982,433	-	6,876,489	2,607,364		53,362,639
Engineering	307,920	259,220	-	155,080	33,144	-	755,364
Marine & aviation	122,868	342,452	-	123,895	37,308	-	626,523
Fire	1,000,252	289,027	-	566,076	68,408	-	1,923,763
General insurance & liabilities	2,953,408	3,256,215	-	5,518,147	701,949	-	12,429,719
Medical	29,425,148	2,016,741	-	6,733,911	437,533	-	38,613,333
Life	697,479	735,397	1,739,355	247,345	48,416	789,545,376	793,013,368
	<u>64,403,428</u>	<u>20,881,485</u>	<u>1,739,355</u>	<u>20,220,943</u>	<u>3,934,122</u>	<u>789,545,376</u>	<u>900,724,709</u>
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
	<u>62,462,878</u>	<u>20,350,409</u>	<u>1,686,644</u>	<u>17,957,969</u>	<u>3,673,555</u>	<u>863,256,172</u>	<u>969,387,627</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

8 TAKAFUL RECEIVABLES

	30 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Due from policyholders	29,982,877	24,173,025
Less: Allowance for impairment	(4,125,591)	(4,330,886)
	25,857,286	19,842,139
Due from takaful / retakaful companies	25,110,573	21,962,614
Due from brokers / agents	20,820,889	14,279,388
Less: Allowance for impairment	(7,063,639)	(5,980,760)
	64,725,109	50,103,381

Movement in allowance for impairment is as follows:

	30 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Balance at 1 January	10,311,646	10,960,666
Impairment charge / (reversal) for period / year	877,584	(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	11,189,230	10,311,646

9 FINANCIAL ASSETS

	30 June 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	11,001,700	5,427,599
- Unlisted	41,229,534	41,229,534
- Unit linked investments	789,545,376	863,256,172
	841,776,610	909,913,305
Total investment in financial assets measured at fair value (A+B)	876,089,888	980,154,409

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

9 FINANCIAL ASSETS (continued)

Investments by geographical concentration are as follows:

	30 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
- Within U.A.E.	52,231,235	81,165,205
- Outside U.A.E.	823,858,653	898,989,204
	<u>876,089,888</u>	<u>980,154,409</u>

During the period, the Group sold its investments designated as FVOCI. The fair value on date of sale was AED 42,182 thousand. The accumulated loss in OCI of AED 49,203 thousand was 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 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Prepayments	2,361,571	2,515,182
Receivables from employees	920,343	561,359
Advance to suppliers	1,115,000	1,015,000
Refundable deposits	258,169	258,169
Other receivables	2,438,575	4,752,210
	<u>7,093,658</u>	<u>9,101,920</u>

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	12,939	14,494
Disposals	-	-	-	-
At 30 June 2022	<u>228,270</u>	<u>5,405,566</u>	<u>5,890,073</u>	<u>11,523,909</u>
Accumulated depreciation				
At 31 December 2021	218,668	5,380,034	5,673,289	11,271,991
Charge for the period	5,693	12,920	47,842	66,455
Disposals	-	-	-	-
At 30 June 2022	<u>224,361</u>	<u>5,392,954</u>	<u>5,721,131</u>	<u>11,338,446</u>
Net carrying amount				
At 30 June 2022	<u>3,909</u>	<u>12,612</u>	<u>168,942</u>	<u>185,463</u>
At 31 December 2021	8,622	24,957	203,845	237,424

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

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As at 30 June 2022 (unaudited)

12 OTHER PAYABLES & ACCRUALS

	30 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
Trade payables and accruals	36,227,450	50,547,275
Employees' end of service benefits (i)	6,524,369	6,199,433
Zakat payable	351,807	628,807
	<u>43,103,626</u>	<u>57,375,515</u>

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

	30 June 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	506,635	721,555
Amounts paid during the period / year	(181,699)	(419,961)
Balance at end of the period / year	<u>6,524,369</u>	<u>6,199,433</u>

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 0.4 million (2021: AED 0.4 million).

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 June 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)	<u>225,750,000</u>	<u>225,750,000</u>

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 2,461,039 as at 30 June 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 CB UAE (formerly, the UAE Insurance Authority).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

16 NET TAKAFUL CONTRIBUTIONS

	Three-month period ended 30 June 2022 (Unaudited)			Six-month period ended 30 June 2022 (Unaudited)		
	Gross AED	Retakaful AED	Net AED	Gross AED	Retakaful AED	Net AED
Motor	9,839,023	885,244	8,953,779	21,408,682	1,783,584	19,625,098
Engineering	618,259	557,513	60,746	3,851,759	3,644,543	207,216
Marine & aviation	287,316	238,605	48,711	891,795	755,527	136,268
Fire	5,375,884	5,021,310	354,574	11,679,454	10,842,166	837,288
General insurance & liabilities	25,437,904	23,941,878	1,496,026	39,002,993	35,582,061	3,420,932
Medical	17,646,092	(698,281)	18,344,373	31,930,566	(331,465)	32,262,031
Life	8,825,765	7,209,231	1,616,534	22,589,859	18,586,673	4,003,186
Total	68,030,243	37,155,500	30,874,743	131,355,108	70,863,089	60,492,019

	Three-month period ended 30 June 2021 (Unaudited)			Six-month period ended 30 June 2021 (Unaudited)		
	Gross	Retakaful	Net	Gross	Retakaful	Net
Motor	18,735,725	2,682,292	16,053,433	37,578,413	4,313,223	33,265,190
Engineering	507,641	471,132	36,509	1,372,140	1,250,881	121,259
Marine & aviation	591,921	488,657	103,264	1,106,787	926,630	180,157
Fire	4,475,142	4,147,208	327,934	10,083,272	9,286,224	797,048
General insurance & liabilities	25,173,095	23,597,808	1,575,287	37,219,320	33,763,000	3,456,320
Medical	9,022,196	628,805	8,393,391	15,645,650	1,063,776	14,581,874
Life	18,730,426	15,601,533	3,128,893	34,568,342	29,102,679	5,465,663
Total	77,236,146	47,617,435	29,618,711	137,573,924	79,706,413	57,867,511

17 NET TAKAFUL CLAIMS

	Three-month period ended 30 June 2022 (Unaudited)			Six-month period ended 30 June 2022 (Unaudited)		
	Gross AED	Retakaful AED	Net AED	Gross AED	Retakaful AED	Net AED
Motor	15,062,845	1,973,979	13,088,866	33,491,104	5,090,348	28,400,756
Engineering	314,396	299,125	15,271	342,364	325,525	16,839
Marine & aviation	1,157,867	1,134,806	23,061	1,216,673	1,180,106	36,567
Fire	402,258	365,421	36,837	1,521,416	1,415,384	106,032
General insurance & liabilities	1,271,420	1,068,015	203,405	3,763,239	2,613,862	1,149,377
Medical	8,813,628	(874,360)	9,687,988	18,215,324	1,613,104	16,602,220
Life	3,402,650	2,802,622	600,028	5,214,995	4,246,315	968,680
Total	30,425,064	6,769,608	23,655,456	63,765,115	16,484,644	47,280,471

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

17 NET TAKAFUL CLAIMS (continued)

	Three-month period ended 30 June 2021 (Unaudited)			Six-month period ended 30 June 2021 (Unaudited)		
	Gross AED	Retakaful AED	Net AED	Gross AED	Retakaful AED	Net AED
Motor	9,258,382	677,714	8,580,668	19,895,938	3,011,432	16,884,506
Engineering	457,697	436,320	21,377	1,082,932	1,003,574	79,358
Marine & aviation	420,853	415,099	5,754	1,593,184	1,552,801	40,383
Fire	814,364	777,876	36,488	2,158,547	2,072,845	85,702
General insurance & liabilities	1,036,075	273,458	762,617	6,866,148	5,568,294	1,297,854
Medical	5,338,808	198,668	5,140,140	12,579,031	1,132,318	11,446,713
Life	2,404,476	1,975,827	428,649	7,981,618	6,528,455	1,453,163
Total	19,730,655	4,754,962	14,975,693	52,157,398	20,869,719	31,287,679

18 WAKALA FEES AND MUDARIB'S SHARE

The Group manages the Takaful operations for the Policyholders and charges 33% (30 June 2021: 33%) of the gross takaful contributions net of fronting contribution as Wakala fees. In addition, the Group charges 2% (30 June 2021: 2%) on fronting contribution as Wakala fees and 100% (30 June 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 June 2021: 25%) of net investment income earned by the takaful operations' investment funds as the Mudarib's share. The Mudarib's share for six month period ended 30 June 2022 was AED 128,494 (30 June 2021: AED 101,727).

19 INVESTMENT INCOME, NET

	Six-month period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Unrealized gain / (loss) on investments in financial assets measured at FVTPL	900,000	(9,543,355)
Realized gain on investments in financial assets measured at FVTPL	416,517	-
Income from wakala deposits with banks	19,099	240,185
Dividend income	1,066,690	10,889,639
Rental income on investment property	234,730	193,500
Investment expenses	(25,000)	(10,000)
	2,612,036	1,769,969
<i>Allocated to:</i>		
Takaful operations	513,975	406,909
Shareholders	2,098,061	1,363,060
	2,612,036	1,769,969

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.

	Six-month period ended	
	30 June	
	2022	2021
	(Unaudited)	(Unaudited)
(Loss) / profit for the period attributable to shareholders of the parent (AED)	(5,094,177)	12,007,914
Weighted average number of shares outstanding during the period	225,750,000	225,750,000
(Loss) / Earnings per share (AED per share)	(0.023)	0.053

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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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22 SEGMENTAL INFORMATION (continued)

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

	Six-month period ended 30 June 2022 (Unaudited)				Six-month period ended 30 June 2021 (Unaudited)			
	Takaful AED	Investments AED	Other AED	Total AED	Takaful AED	Investments AED	Other AED	Total AED
Takaful								
Takaful income	66,735,803	-	-	66,735,803	61,664,808	-	-	61,664,808
Takaful expenses	(50,335,088)	-	-	(50,335,088)	(31,669,053)	-	-	(31,669,053)
Net takaful income	16,400,715	-	-	16,400,715	29,995,755	-	-	29,995,755
Wakala fees	(35,182,560)	35,182,560	-	-	(40,583,560)	40,583,560	-	-
Mudarib fees	(128,494)	128,494	-	-	(101,727)	101,727	-	-
Policy acquisition cost	-	(15,117,645)	-	(15,117,645)	-	(10,933,293)	-	(10,933,293)
Investment income	513,975	2,098,061	-	2,612,036	406,909	1,363,060	-	1,769,969
Other operating (expense) / income	-	(12)	-	(12)	-	(7,165)	-	(7,165)
General and administrative expenses	-	(13,576,808)	-	(13,576,808)	-	(15,220,581)	-	(15,220,581)
Contribution from Qard Hassan to policyholders' fund	13,818,879	(13,818,879)	-	-	3,876,985	(3,876,985)	-	-
Net operating loss of subsidiaries	-	-	10,052	10,052	-	-	(2,409)	(2,409)
Net profit / (loss) for the period	(4,577,485)	(5,104,229)	10,052	(9,671,662)	(6,405,638)	12,010,323	(2,409)	5,602,276
	Takaful			Investment				Total
	30 June	31 December		30 June	31 December			30 June
	2022	2021		2022	2021			2022
	AED	AED		AED	AED			AED
	(Unaudited)	(Audited)		(Unaudited)	(Audited)			(Unaudited)
Segment assets	1,194,783,450	1,194,033,697		153,441,012	193,794,737			1,348,224,462
Segment liabilities	1,261,496,629	1,297,684,728		-	-			1,261,496,629

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 June 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 June 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.

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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 June 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 31 March 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)	50,638	49,838
Minimum Guarantee Fund (MGF)	34,644	34,588
Basic Own Funds	(70,483)	(65,882)
MCR Solvency Deficit	(170,483)	(165,882)
SCR Solvency Deficit	(121,121)	(115,720)
MGF Solvency Deficit	(105,128)	(100,470)

As of 31 March 2022, the Group has a solvency deficit of AED 170,483 million which is mainly due to inadmissibility of certain assets as well as gap between the Group's takaful contract liabilities for its non- life business and the total invested assets allocated to its non-life business.

The Group's management submitted a recovery plan to CBUAE that address the solvency deficit and the Group's management is confident that the solvency position will be restored by 30 September 2022 and that the Group will continue to operate for at least 12 months from the date of approval of these condensed interim consolidated financial statements and accordingly these financial statements have been prepared on a going concern basis.

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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.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	30 June 2022 AED'000 (Unaudited)	30 June 2021 AED'000 (Unaudited)				
Financial assets at FVOCI						
Quoted equity securities	-	30,260	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity securities	34,313	34,150	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	11,002	4,273	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity securities	41,230	21,057	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value
Unit linked investments	789,545	861,652	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 periods ended 30 June 2022 and 2021.

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25 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

	30 June 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 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
<i>Unit linked investments</i>		
At 1 January	863,256	839,411
Net change during the year (change in fair value and net investment/withdrawal)	(73,711)	23,845
At the end of the period / year	789,545	863,256
<i>Unquoted equity securities</i>		
At 1 January	41,230	30,801
Purchases during the year	-	18,382
Change in fair value during the year	-	(7,953)
At the end of the period / year	41,230	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 2,265,749 (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 30 June 2022, 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.

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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.

These assets have been fully provided for in the consolidated statement of financial position as of 30 June 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 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
<u>(Deficit) / surplus in takaful operations' fund</u>		
Balance at 1 January	(10,172,557)	6,870,801
Deficit for the period attributable to takaful operations (note 33)	(18,396,364)	(16,302,700)
Adjustment on retakaful placement provision	-	(66,631)
Transfer to retakaful placement provision during the period (note 15)	(354,318)	(674,027)
Deficit in takaful operations' fund as at period / year end	(28,923,239)	(10,172,557)
<u>Qard Hassan against deficit in takaful operations' fund</u>		
Balance at 1 January	15,104,360	-
Qard Hassan against deficit in takaful operations' fund	13,818,879	15,104,360
Qard Hassan against deficit in takaful operations' fund (Ending)	28,923,239	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.

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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 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
ASSETS		
Takaful operations assets		
Cash and cash equivalents	61,663,090	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	31,184,060	27,536,803
Claims reported unsettled	65,291,625	63,804,981
Mathematical reserve	896,815	784,307
Claims incurred but not reported	29,116,312	31,996,117
Takaful receivables	64,725,109	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)	789,564,398	864,124,067
Investment property	10,642,270	10,642,270
Due from shareholders	85,873,148	47,058,083
Total takaful operations’ assets	1,143,974,411	1,176,231,025
Shareholders’ assets		
Cash and cash equivalents	47,917,102	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)	52,212,212	45,789,238
Prepayments and other receivables	7,093,658	9,101,920
Deferred policy acquisition costs	9,708,371	10,532,066
Investment property	46,254,230	46,254,230
Property and equipment	185,463	237,424
Assets under discontinued operations	1,583,321	1,583,321
Total shareholders assets	204,250,051	211,597,409
Total assets	1,348,224,462	1,387,828,434

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

	30 June 2022 AED (Unaudited)	31 December 2021 AED (Audited)
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT		
Takaful operations liabilities		
Trade and other payables	25,551,279	22,999,333
Takaful payables	79,892,239	59,067,328
Takaful contract liabilities:		
Unearned contribution and unexpired risk reserves	95,587,488	89,999,681
Claims reported unsettled	86,173,110	84,155,390
Mathematical reserve	2,636,170	2,470,951
Claims incurred but not reported	49,337,255	49,954,086
Unallocated loss adjustment expenses	3,934,122	3,673,555
Unit linked liabilities	789,545,376	863,256,172
Deferred discount	5,516,528	5,744,747
Amounts held under retakaful treaties	6,950,211	6,753,321
Total takaful operations' liabilities	1,145,123,778	1,188,074,564
Takaful operations' deficit		
(Deficit) / surplus in takaful operations' fund	(28,923,239)	(10,172,557)
Qard Hassan from shareholders	28,923,239	15,104,360
Retakaful placement provision	2,461,039	2,106,721
Takaful operations' investments revaluation reserve	(3,610,406)	(18,882,063)
Total deficit from takaful operations	(1,149,367)	(11,843,539)
Total takaful operations' liabilities and surplus	1,143,974,411	1,176,231,025
SHAREHOLDERS' LIABILITIES AND EQUITY		
Shareholders liabilities		
Trade and other payables	17,552,347	34,376,182
Murabaha payable	-	15,228,543
Due to takaful operations	85,873,148	47,058,083
Liabilities directly associated with assets under discontinued operations	12,947,356	12,947,356
Total shareholders' liabilities	116,372,851	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	(133,258,690)	(78,961,422)
Equity attributable to shareholders of the Parent	89,203,173	103,314,335
Non-controlling interest	(1,325,973)	(1,327,090)
Total equity	87,877,200	101,987,245
Total shareholders' liabilities and equity	204,250,051	211,597,409
Total takaful operations liabilities and deficit, shareholders' liabilities and equity	1,348,224,462	1,387,828,434

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

		Three-month period ended 30 June		Six-month period ended 30 June	
	Notes	2022 AED	2021 AED	2022 AED	2021 AED
Attributable to takaful operations					
<i>Takaful income</i>					
Gross takaful contribution	16	68,030,243	77,236,146	131,355,108	137,573,924
Retakaful share of gross takaful contribution	16	(37,155,500)	(47,617,435)	(70,863,089)	(79,706,413)
Net takaful contributions		30,874,743	29,618,711	60,492,019	57,867,511
Net transfer to unearned contribution reserve		(1,410,645)	(4,884,067)	(1,940,550)	(8,811,180)
Net change in mathematical reserve		6,146	(512,396)	(52,711)	(672,949)
Net takaful contributions earned		29,470,244	24,222,248	58,498,758	48,383,382
Commission received on ceded retakaful		3,736,574	4,798,838	7,844,731	8,278,712
Policy fees		201,857	2,235,049	392,314	5,002,714
		33,408,675	31,256,135	66,735,803	61,664,808
<i>Takaful expenses</i>					
Gross claims settled	17	(30,425,064)	(19,730,655)	(63,765,115)	(52,157,398)
Retakaful share of gross claims settled	17	6,769,608	4,754,962	16,484,644	20,869,719
Net takaful claims		(23,655,456)	(14,975,693)	(47,280,471)	(31,287,679)
Release of provision for claims reported unsettled		(1,514,187)	431,865	(2,017,720)	(7,489,286)
Retakaful share of claims reported unsettled		(314,147)	(1,238,127)	1,486,644	6,480,346
Net change in claims incurred but not reported		(61,807)	(1,022,068)	(2,262,974)	643,001
Net change in unallocated loss adjustment expenses		(105,951)	(116,347)	(260,567)	(15,435)
Net claims incurred		(25,651,548)	(16,920,370)	(50,335,088)	(31,669,053)
Net takaful income		7,757,127	14,335,765	16,400,715	29,995,755
Wakala fees	18	(18,562,792)	(22,059,138)	(35,182,560)	(40,583,560)
Mudarib's share	18	(57,392)	(47,349)	(128,494)	(101,727)
Investment income, net	19	229,568	189,396	513,975	406,909
Net (loss) / profit from takaful operation for the period		(10,633,489)	(7,581,326)	(18,396,364)	(10,282,623)

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

	Notes	Three-month period ended		Six-month period ended	
		30 June		30 June	
		2022	2021	2022	2021
		AED	AED	AED	AED
Attributable to shareholders					
Income					
Wakala fees from takaful operations	18	18,562,792	22,059,138	35,182,560	40,583,560
Mudarib's share from takaful operations	18	57,392	47,349	128,494	101,727
Investment income, net	19	800,993	1,423,907	2,098,061	1,363,060
Other operating loss		(12)	(3,845)	(12)	(7,165)
		19,421,165	23,526,549	37,409,103	42,041,182
Expenses					
Policy acquisition cost		(7,328,871)	(6,224,016)	(15,117,645)	(10,933,293)
General and administrative expenses		(6,463,904)	(7,816,497)	(13,576,808)	(15,220,581)
Contribution from Qard Hassan to takaful operations		(10,819,268)	(3,876,985)	(13,818,879)	(3,876,985)
		(24,612,043)	(17,917,498)	(42,513,332)	(30,030,859)
(Loss) / profit for the period for continuing operations		(5,190,878)	5,609,051	(5,104,229)	12,010,323
Discontinued operations					
Profit / (loss) from discontinued		11,169	(2,677)	11,169	(2,677)
(Loss) / profit for the period		(5,179,709)	5,606,374	(5,093,060)	12,007,646
Attributable to:					
Shareholders of the parent		(5,180,826)	5,606,642	(5,094,177)	12,007,914
Non-controlling interests		1,117	(268)	1,117	(268)
		(5,179,709)	5,606,374	(5,093,060)	12,007,646
(Loss) / Earnings per share	20	(0.023)	0.025	(0.023)	0.053

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

	Three-month period ended		Six-month period ended	
	30 June		30 June	
	2022	2021	2022	2021
	AED	AED	AED	AED
Attributable to takaful operations				
Net loss from takaful operation for the period	(10,633,489)	(7,581,326)	(18,396,364)	(10,282,623)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Changes in fair value of financial assets carried at fair value through other comprehensive income	3,404	698,298	1,203,599	623,342
Total comprehensive loss for the period attributable to takaful operations	(10,630,085)	(6,883,028)	(17,192,765)	(9,659,281)
Attributable to shareholders				
(Loss) / profit for the period	(5,179,709)	5,606,374	(5,093,060)	12,007,646
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Changes in fair value of financial assets carried at fair value through other comprehensive income	819,340	2,228,543	5,051,074	2,048,999
Total comprehensive (loss) / income for the period attributable to shareholders	(4,360,369)	7,834,917	(41,986)	14,056,645
Attributable to:				
Shareholders of the parent	(4,361,486)	7,835,185	(43,103)	14,056,913
Non-controlling interests	1,117	(268)	1,117	(268)
	(4,360,369)	7,834,917	(41,986)	14,056,645

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	30 June 2022			31 December 2021		
	Total	Non-life	Life	Total	Non-life	Life
TAKAFUL OPERATIONS’ ASSETS						
Cash and cash equivalents	61,663,090	48,190,443	13,472,647	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	31,184,060	28,896,094	2,287,966	27,536,803	23,808,467	3,728,336
Claims reported unsettled	65,291,625	62,556,258	2,735,367	63,804,981	61,651,145	2,153,836
Mathematical reserve	896,815	-	896,815	784,307	-	784,307
Claims incurred but not reported	29,116,312	26,699,863	2,416,449	31,996,117	28,690,155	3,305,962
Takaful receivables	64,725,109	58,781,697	5,943,412	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)	789,564,398	19,022	789,545,376	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	85,873,148	79,346,963	6,526,185	50,405,107	50,405,107	-
Total takaful operations’ assets	1,143,974,411	320,150,194	823,824,217	1,179,578,049	286,142,956	893,435,093
TAKAFUL OPERATIONS’ LIABILITIES						
Trade and other payables	25,551,279	25,551,279	-	22,999,333	22,999,333	-
Takaful payables	79,892,239	58,364,948	21,527,291	59,067,328	47,056,612	12,010,716
Takaful contract liabilities:						
Unearned contribution and unexpired risk reserves	95,587,488	92,602,042	2,985,446	89,999,681	85,134,774	4,864,907
Claims reported unsettled	86,173,110	82,702,346	3,470,764	84,155,390	81,531,117	2,624,273
Mathematical reserve	2,636,170	-	2,636,170	2,470,951	-	2,470,951
Claims incurred but not reported	49,337,255	46,673,461	2,663,794	49,954,086	45,975,933	3,978,153
Unallocated loss adjustment expenses	3,934,122	3,885,706	48,416	3,673,555	3,617,085	56,470
Unit linked liabilities	789,545,376	-	789,545,376	863,256,172	-	863,256,172
Deferred discount	5,516,528	5,272,521	244,007	5,744,747	5,528,340	216,407
Amounts held under retakaful treaties	6,950,211	6,950,211	-	6,753,321	6,753,321	-
Due to shareholders	-	-	-	3,347,024	-	3,347,024
Total takaful operations’ liabilities	1,145,123,778	322,002,514	823,121,264	1,191,421,588	298,596,515	892,825,073
TAKAFUL OPERATIONS’ DEFICIT						
(Deficit) / surplus in takaful operations’ fund	(28,923,239)	(11,314,841)	(17,608,398)	(10,172,557)	4,931,803	(15,104,360)
Qard Hassan from shareholders	28,923,239	11,314,841	17,608,398	15,104,360	-	15,104,360
Retakaful placement provision	2,461,039	1,758,086	702,953	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	(1,149,367)	(1,852,320)	702,953	(11,843,539)	(12,453,559)	610,020
Total takaful operations liabilities and deficit	1,143,974,411	320,150,194	823,824,217	1,179,578,049	286,142,956	893,435,093

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2022 (unaudited)

33 CONSOLIDATED STATEMENT OF INCOME - LIFE AND NON-LIFE

	Six month period ended 30 June 2022 (Unaudited)			Six month period ended 30 June 2021 (Unaudited)		
	TOTAL	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE
Continuing operations						
Attributable to policyholders						
Takaful income						
Gross takaful contributions	131,355,108	108,765,249	22,589,859	137,573,924	103,005,582	34,568,342
Retakaful share of gross takaful contributions	(70,863,089)	(52,276,417)	(18,586,672)	(79,706,413)	(50,603,734)	(29,102,679)
Net takaful contributions	60,492,019	56,488,832	4,003,187	57,867,511	52,401,848	5,465,663
Net transfer to unearned contributions reserve	(1,940,550)	(2,379,641)	439,091	(8,811,179)	(7,693,478)	(1,117,701)
Net change in mathematical reserve	(52,711)	-	(52,711)	(672,949)	-	(672,949)
Net takaful contributions earned	58,498,758	54,109,191	4,389,567	48,383,383	44,708,370	3,675,013
Commission received on ceded retakaful	7,844,731	6,397,792	1,446,939	8,278,711	7,576,202	702,509
Policy fees	392,314	390,607	1,707	5,002,714	371,132	4,631,582
	66,735,803	60,897,590	5,838,213	61,664,808	52,655,704	9,009,104
Takaful expenses						
Gross claims settled	(63,765,115)	(58,550,120)	(5,214,995)	(52,157,398)	(44,175,780)	(7,981,618)
Retakaful share of gross claims settled	16,484,644	12,238,329	4,246,315	20,869,719	14,341,264	6,528,455
Net takaful claims	(47,280,471)	(46,311,791)	(968,680)	(31,287,679)	(29,834,516)	(1,453,163)
Change in provision for outstanding claims	(2,017,720)	(1,171,229)	(846,491)	(7,489,286)	(8,758,916)	1,269,630
Retakaful share of outstanding claims	1,486,644	905,113	581,531	6,480,346	7,358,446	(878,100)
Net change in incurred but not reported claims	(2,262,974)	(2,687,820)	424,846	643,001	521,083	121,918
Net change in unallocated loss adjustment expenses reserve	(260,567)	(268,621)	8,054	(15,435)	(41,198)	25,763
Net claims incurred	(50,335,088)	(49,534,348)	(800,740)	(31,669,053)	(30,755,101)	(913,952)
Net takaful income	16,400,715	11,363,242	5,037,473	29,995,755	21,900,603	8,095,152
Wakala fees	(35,182,560)	(27,733,981)	(7,448,579)	(40,583,560)	(27,422,556)	(13,161,004)
Investment income	513,975	513,975	-	406,909	406,909	-
Mudarib's share	(128,494)	(128,494)	-	(101,727)	(101,727)	-
Net deficit from takaful operation for the period	(18,396,364)	(15,985,258)	(2,411,106)	(10,282,623)	(5,216,771)	(5,065,852)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	Three month period ended 30 June 2022			Three month period ended 30 June 2021		
	TOTAL	(Unaudited) NON-LIFE	LIFE	TOTAL	(Unaudited) NON-LIFE	LIFE
Continuing operations						
Attributable to policyholders						
Takaful income						
Gross takaful contributions	68,030,243	59,204,478	8,825,765	77,236,146	58,505,720	18,730,426
Retakaful share of gross takaful contributions	(37,155,500)	(29,946,270)	(7,209,230)	(47,617,435)	(32,015,902)	(15,601,533)
Net takaful contributions	30,874,743	29,258,208	1,616,535	29,618,711	26,489,818	3,128,893
Net transfer to unearned contributions reserve	(1,410,645)	(1,908,122)	497,477	(4,884,068)	(4,257,352)	(626,716)
Net change in mathematical reserve	620,238	-	620,238	(512,395)	-	(512,395)
Net takaful contributions earned	29,470,244	27,350,086	2,120,158	24,222,248	22,232,466	1,989,782
Commission received on ceded retakaful	3,736,574	3,291,525	445,049	4,798,837	4,446,621	352,216
Policy fees	201,857	201,857	-	2,235,049	196,742	2,038,307
	33,408,675	30,843,468	2,565,207	31,256,134	26,875,829	4,380,305
Takaful expenses						
Gross claims settled	(30,425,064)	(27,022,413)	(3,402,651)	(19,730,655)	(17,326,179)	(2,404,476)
Retakaful share of gross claims settled	6,769,608	3,966,986	2,802,622	4,754,962	2,779,135	1,975,827
Net takaful claims	(23,655,456)	(23,055,427)	(600,029)	(14,975,693)	(14,547,044)	(428,649)
Change in provision for outstanding claims	(1,514,187)	(1,968,001)	453,814	431,865	(202,272)	634,137
Retakaful share of outstanding claims	(314,147)	162,486	(476,633)	(1,238,127)	(701,906)	(536,221)
Net change in incurred but not reported claims	(61,807)	(374,301)	312,494	(1,022,068)	(1,255,858)	233,790
Net change in unallocated loss adjustment expenses reserve	(105,951)	(120,391)	14,440	(116,347)	(132,986)	16,639
Net claims incurred	(25,651,548)	(25,355,634)	(295,914)	(16,920,370)	(16,840,066)	(80,304)
Net takaful income	7,757,127	5,487,834	2,269,293	14,335,764	10,035,763	4,300,001
Wakala fees	(18,562,792)	(15,648,282)	(2,914,510)	(22,059,138)	(15,410,505)	(6,648,633)
Investment income	229,568	229,568	-	189,396	189,396	-
Mudarib's share	(57,392)	(57,392)	-	(47,349)	(47,349)	-
Net deficit from takaful operation for the period	(10,633,489)	(9,988,272)	(645,217)	(7,581,327)	(5,232,695)	(2,348,632)