

**Dubai Insurance Company (P.S.C.)**

Condensed consolidated interim financial statements  
(Unaudited)

For the period ended 30 September 2021

## Review report of the Independent Auditor To the Shareholders of Dubai Insurance Company (P.S.C.)

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Insurance Company (P.S.C.) (the “Company”) and its subsidiary (collectively referred to as the “Group”), as of 30 September 2021 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income for the three months and nine months periods then ended, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the nine month period then ended and explanatory information. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements 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 consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

  
GRANT THORNTON  
Farouk Mohamed  
Registration No: 86



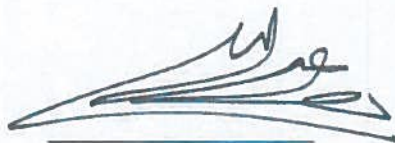
Dubai, 25 October 2021

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

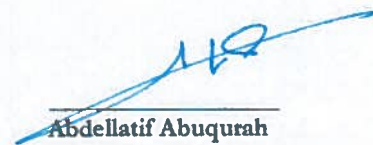
**Condensed consolidated interim statement of financial position**  
**As at 30 September 2021**

		(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
<b>ASSETS</b>	<b>Notes</b>		
Property and equipment	4	49,070	48,590
Investment properties	5	64,007	50,128
Financial instruments	6	526,527	475,012
Reinsurance assets		972,801	828,405
Insurance receivables		269,591	179,235
Prepayments and other receivables		26,198	25,355
Statutory deposits		10,000	10,000
Cash and cash equivalents	7	118,005	96,593
<b>TOTAL ASSETS</b>		<b>2,036,199</b>	<b>1,713,318</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	100,000	100,000
Statutory reserve	10	50,000	50,000
General reserve	10	50,000	50,000
Reinsurance reserve		3,956	3,956
Retained earnings		187,776	162,790
Cumulative changes in fair value of investments		208,930	155,222
<b>Total equity</b>		<b>600,662</b>	<b>521,968</b>
<b>Liabilities</b>			
Bank loan	8	-	1,212
Employees' end of service benefits		5,265	5,209
Insurance contract liabilities		1,079,288	901,628
Amounts held under reinsurance treaties		27,803	35,862
Reinsurance balances payable		159,995	86,529
Insurance and other payables		163,186	160,910
<b>Total liabilities</b>		<b>1,435,537</b>	<b>1,191,350</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,036,199</b>	<b>1,713,318</b>

These condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 25 October 2021:



**Buti Obaid Almulla**  
Chairman



**Abdellatif Abuqurah**  
Chief Executive Officer

The notes from 1 to 16 form part of these condensed consolidated interim financial statements.

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Condensed consolidated interim income statement**  
**For the period ended 30 September 2021**

	(Unaudited) Nine months period ended 30 September 2021 AED'000	(Unaudited) Nine months period ended 30 September 2020 AED'000	(Unaudited) Three months period ended 30 September 2021 AED'000	(Unaudited) Three months period ended 30 September 2020 AED'000
<b>UNDERWRITING INCOME</b>				
Gross premium	912,822	746,068	268,353	281,042
Movement in provision for unearned premium	(136,318)	(74,967)	10,654	(33,521)
<b>Insurance premium revenue</b>	<b>776,504</b>	<b>671,101</b>	<b>279,007</b>	<b>247,521</b>
Reinsurance share of premium	(717,701)	(646,380)	(186,378)	(249,047)
Movement in provision for reinsurance share of unearned premium	115,510	66,766	(19,426)	29,518
	<b>(602,191)</b>	<b>(579,614)</b>	<b>(205,804)</b>	<b>(219,529)</b>
<b>Net insurance premium revenue</b>	<b>174,313</b>	<b>91,487</b>	<b>73,203</b>	<b>27,992</b>
Reinsurance commission income	64,008	55,686	19,925	21,171
Other underwriting income	13,119	8,425	3,556	3,902
<b>Gross underwriting income</b>	<b>251,440</b>	<b>155,598</b>	<b>96,684</b>	<b>53,065</b>
<b>UNDERWRITING EXPENSES</b>				
Claims incurred	(396,019)	(396,035)	(163,192)	(132,069)
Reinsurers' share of claims incurred	349,372	369,525	146,402	124,155
Net claims incurred	(46,647)	(26,510)	(16,790)	(7,914)
Commission expenses	(43,216)	(36,687)	(13,426)	(13,965)
General and administration expenses relating to underwriting activities	(28,601)	(30,273)	(9,625)	(8,657)
Other expenses	(81,983)	(20,333)	(41,449)	(5,044)
<b>Total underwriting expenses</b>	<b>(200,447)</b>	<b>(113,803)</b>	<b>(81,290)</b>	<b>(35,580)</b>
<b>NET UNDERWRITING INCOME</b>	<b>50,993</b>	<b>41,795</b>	<b>15,394</b>	<b>17,485</b>
<b>INVESTMENT INCOME</b>				
Realised (loss) / gain on sale of investments at amortised cost	(102)	292	832	292
Fair value gain / (loss) on financial assets at fair value through profit or loss	145	(168)	73	(62)
Other investment income	16,760	17,239	2,747	1263
Other investment costs	(49)	(67)	(20)	(18)
	<b>16,754</b>	<b>17,296</b>	<b>3,632</b>	<b>1,475</b>
<b>OTHER INCOME AND EXPENSES</b>				
General and administration expenses not allocated	(8,598)	(9,950)	(2,375)	(2,854)
Other (expenses) / income	(340)	31	(94)	64
	<b>(8,938)</b>	<b>(9,919)</b>	<b>(2,469)</b>	<b>(2,790)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>58,809</b>	<b>49,172</b>	<b>16,557</b>	<b>16,170</b>
Basic and diluted earnings per share (note 12)	<b>0.588</b>	<b>0.486</b>	<b>0.166</b>	<b>0.162</b>

The notes from 1 to 16 form part of these condensed consolidated interim financial statements.

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Condensed consolidated interim statement of comprehensive income**  
**For the period ended 30 September 2021**

	<b>(Unaudited)</b> <b>Nine months</b> <b>period ended</b> <b>30 September</b> <b>2021</b> <b>AED'000</b>	(Unaudited) Nine months period ended 30 September 2020 AED'000	<b>(Unaudited)</b> <b>Three months</b> <b>period ended</b> <b>30 September</b> <b>2021</b> <b>AED'000</b>	(Unaudited) Three months period ended 30 September 2020 AED'000
Profit for the period	58,809	49,172	16,557	16,170
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Gain/(loss) on sale of financial assets at fair value through other comprehensive income (FVTOCI)	1,177	(1,590)	1,201	(1,646)
Net unrealised gain / (loss) on financial assets at FVTOCI	53,708	(37,539)	11,095	24,407
<b>Other comprehensive income / (loss) for the period</b>	<b>54,885</b>	<b>(39,129)</b>	<b>12,296</b>	<b>22,761</b>
<b>Total comprehensive income for the period</b>	<b>113,694</b>	<b>10,043</b>	<b>28,853</b>	<b>38,931</b>

The notes from 1 to 16 form part of these condensed consolidated interim financial statements.

**Dubai Insurance Company (P.S.C.)  
Condensed consolidated interim financial statements (Unaudited)**

**Condensed consolidated interim statement of changes in equity  
For the period ended 30 September 2021**

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Reinsurance reserve AED'000	Retained earnings AED'000	Cumulative changes in fair value of investments AED'000	Total equity AED'000
<b>Balance at 1 January 2021 (Audited)</b>	100,000	50,000	50,000	3,956	162,790	155,222	521,968
Profit for the period	-	-	-	-	58,809	-	58,809
Other comprehensive income	-	-	-	-	-	54,885	54,885
Total comprehensive income for the period	-	-	-	-	58,809	54,885	113,694
Transferred to retained earnings on sale of investment at FVTOCI	-	-	-	-	1,177	(1,177)	-
Dividend paid (note 11)	-	-	-	-	(35,000)	-	(35,000)
<b>Balance at 30 September 2021 (Unaudited)</b>	<b>100,000</b>	<b>50,000</b>	<b>50,000</b>	<b>3,956</b>	<b>187,776</b>	<b>208,930</b>	<b>600,662</b>
<b>Balance at 1 January 2020 (Audited)</b>	100,000	50,000	20,000	-	181,665	189,409	541,074
Profit for the period	-	-	-	-	49,172	-	49,172
Other comprehensive loss	-	-	-	-	-	(39,129)	(39,129)
Total comprehensive income / (loss) for the period	-	-	-	-	49,172	(39,129)	10,043
Transferred to retained earnings on sale of investment at FVTOCI	-	-	-	-	(1,590)	1,590	-
Transfer to general reserve (note 10)	-	-	30,000	-	(30,000)	-	-
Dividend paid (note 11)	-	-	-	-	(35,000)	-	(35,000)
Directors' fee paid	-	-	-	-	(600)	-	(600)
<b>Balance at 30 September 2020 (Unaudited)</b>	<b>100,000</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>163,647</b>	<b>151,870</b>	<b>515,517</b>

The notes from 1 to 16 form an integral part of these condensed consolidated interim financial statements.

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Condensed consolidated interim statement of cash flows**  
**For the period ended 30 September 2021**

	Notes	(Unaudited) Nine months period ended 30 September 2021 AED'000	(Unaudited) Nine months period ended 30 September 2020 AED'000
<b>OPERATING ACTIVITIES</b>			
Profit for the period		58,809	49,172
<i>Adjustments for:</i>			
Depreciation on property and equipment		1,058	1,085
Provision for employees' end of service benefits		493	553
Investment income		(17,084)	(17,439)
Change in fair value of investments at FVTPL		(145)	168
Amortisation of investments at amortised cost		(1,136)	-
Loss/(gain) on sale of investments at amortised cost		102	(292)
		42,097	33,247
<i>Changes in operating assets and liabilities:</i>			
Reinsurance assets		(144,396)	(183,524)
Insurance receivables		(90,356)	(22,831)
Prepayments and other assets		(843)	(7,220)
Insurance contract liabilities		177,660	199,942
Amounts held under reinsurance treaties		(8,059)	(9,634)
Reinsurance balances payable		73,466	27,447
Insurance and other payables		2,276	34,800
Cash generated from operations		51,845	72,227
Employees' end of service benefits paid		(437)	(28)
Net cash generated from operating activities		51,408	72,199
<b>INVESTING ACTIVITIES</b>			
Interest on investments received		1,970	3,448
Dividend income received		15,114	13,991
Proceeds from maturity of investments at amortised cost		3,351	1,574
Proceeds from sales of investment at FVTOCI		3,787	-
Purchase of investments held at amortised cost		(6,047)	-
Purchase of investment at FVTOCI		(65,846)	(5,579)
Purchase of investments at FVTPL		(230)	-
Investment in bank deposits at FVTPL		69,534	-
Purchase of property and equipment		(1,538)	(1,701)
Purchase of investment properties		(13,879)	(7,397)
Net cash generated from investing activities		6,216	4,336
<b>FINANCING ACTIVITIES</b>			
Dividend paid	11	(35,000)	(35,000)
Directors' fee paid		-	(600)
Repayment of bank loan		(1,212)	(1,685)
Net cash used in financing activities		(36,212)	(37,285)
<b>Net change in cash and cash equivalents</b>		<b>21,412</b>	<b>39,250</b>
Cash and cash equivalents, beginning of period		96,593	88,917
<b>Cash and cash equivalents, end of period</b>	7	<b>118,005</b>	<b>128,167</b>

The notes from 1 to 16 form an integral part of these condensed consolidated interim financial statements.

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Notes to the condensed consolidated interim financial statements**  
**For the period ended 30 September 2021**

---

**1 Legal status and activities**

Dubai Insurance Company (P.S.C.) (the “Company”) is a public shareholding company registered under the Federal Law No. 8 of 1984 (as amended) and the UAE Federal Law No. (6) of 2007 relating to commercial companies in the UAE. The Federal Law No.2 of 2015, concerning Commercial Companies has come into effect from 28 June 2015, replacing the existing Federal Law No.8 of 1984. The Company mainly issues short term insurance contracts in connection with motor, marine, fire, engineering, general accident and medical risks (collectively known as general insurance) and group life assurance. The Company also invests its funds in investment securities and properties. The registered address of the Company is P.O. Box 3027, Dubai, United Arab Emirates. The Company operates in United Arab Emirates. The shares of the Company are listed on the Dubai Financial Market.

The Federal Decree-Law No. 26 of 2020 on the amendment of certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and shall take effect starting from the 2 January 2021. The Company shall apply and adjust their status in accordance with the provisions thereof by no later than one year from the date on which this Decree-Law takes effect.

The Federal Decree-Law No. 25 of 2020 which amends certain provisions of the U.A.E Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organisation 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.

During the current period, the Company established a new subsidiary for communication and consultation purposes. These consolidated financial statements incorporate the financial statements of the Company and its subsidiary (collectively referred to as the “Group”).

**2 Basis of preparation**

The condensed consolidated interim financial statements are for the nine months period ended 30 September 2021 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Group. These condensed interim financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ and do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2020. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

***Basis of consolidation***

The Group comprises of the Company and the under-mentioned subsidiary company.

<b>Subsidiary</b>	<b>Principal activity</b>	<b>Country of incorporation</b>	<b>Ownership</b>
Insurance Pool For Communication And Consulting Services/ L.L.C	Human Resources Consultancy	United Arab Emirates	100%

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiary as at 30 September 2021.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.



**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Notes to the condensed consolidated interim financial statements**  
**For the period ended 30 September 2021**

---

**2 Basis of preparation (continued)**

*Basis of consolidation (continued)*

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

**3 Significant accounting policies**

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2020, except for application of new standards effective as of 1 January 2021 as several amendments and interpretations apply for the first time in 2021. However, these amendments and interpretations do not have material impact on the condensed consolidated interim financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

*Critical accounting estimates and judgments in applying accounting policies*

The Group makes estimates and assumption that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may substantially be different.

*Outstanding claims and technical provisions*

The estimation of the ultimate liability (both technical and outstanding) arising from claims made under insurance contracts is the Group's most critical accounting estimate. These estimates are continually reviewed and updated, and adjustments resulting from this review are reflected in the income statement. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends (including actuarial calculations), is an appropriate basis for predicting future events.

*Impairment losses on insurance receivables*

The Group reviews its insurance receivables on a regular basis to assess whether a provision for impairment should be recorded in the condensed consolidated interim income statement. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are necessarily based on assumptions about the probability of default and probable losses in the event of default, the value of the underlying security, and realisation costs.

In addition to specific allowance against individually significant insurance receivables, the Group also makes a collective impairment allowance against insurance receivables which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. The amount of the allowance is based on the historical loss pattern for insurance receivables within each grade and is adjusted to reflect current economic changes.

*Classification of investment properties*

The Group makes judgement to determine whether certain properties qualify as investment properties and follows the guidance of IAS 40 'Investment Property' to consider whether any owner-occupied properties are not significant and are classified accordingly as investment properties.

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Notes to the condensed consolidated interim financial statements**  
**For the period ended 30 September 2021**

---

**3 Significant accounting policies (continued)**

*Critical accounting estimates and judgments in applying accounting policies (continued)*

*Classification of investments*

Management decides on acquisition of an investment whether it should be classified as of fair value through profit or loss, at fair value through other comprehensive income or at amortised cost.

*Valuation of unquoted equity investments*

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's length market transactions;
- current fair value of another instrument that is substantially the same; and
- the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or other valuation models.

*Provision for legal cases*

Considerable judgement by management is required in the estimation for legal cases arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possible significant, degrees of judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities.

**4 Property and equipment**

Included in property and equipment is land situated in the Emirate of Dubai, United Arab Emirates with a carrying value of AED 44,173 thousand (31 December 2020: AED 44,173 thousand). The Group's Board of Directors has resolved to construct the Group's head office on the land in the foreseeable future.

**5 Investment properties**

Investment properties represent the Group's investments in freehold land and building situated in the Emirate of Dubai, United Arab Emirates. Additions in the investment properties pertain to ongoing developments at these properties.

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

Notes to the condensed consolidated interim financial statements  
For the period ended 30 September 2021

**6 Financial instruments**

	Carrying value		Fair value	
	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
<i>Financial instruments</i>				
At fair value through profit or loss (note 6.1)	45,169	114,328	45,169	114,328
At fair value through other comprehensive income (note 6.2)	441,259	324,316	441,259	324,316
Investments held at amortised cost (note 6.3)	40,099	36,368	43,825	36,514
	<b>526,527</b>	<b>475,012</b>	<b>530,253</b>	<b>475,158</b>

**6.1 Financial assets at fair values through profit or loss**

	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
a) Shares – quoted	4,108	3,733
b) Designated upon initial recognition		
Bank deposits with maturity over three months – unquoted	41,061	110,595
	<b>45,169</b>	<b>114,328</b>

The entire shares and bank deposits are within the United Arab Emirates.

**6.2 Financial assets at fair value through other comprehensive income**

	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
Shares – quoted (within UAE)	337,937	287,427
Shares – unquoted (outside UAE)	96,441	30,008
Shares – unquoted (within UAE)	6,881	6,881
	<b>441,259</b>	<b>324,316</b>

The fair value gain amounting to AED 53,708 thousand (30 September 2020: loss of AED 37,539 thousand) have been recognised in the condensed consolidated interim statement of comprehensive income.

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

Notes to the condensed consolidated interim financial statements  
For the period ended 30 September 2021

**6 Financial instruments (continued)**

**6.3 Debt instruments at amortised cost**

	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
Debt securities (within UAE)	25,552	24,706
Debt securities (outside UAE)	14,547	11,662
	<u>40,099</u>	<u>36,368</u>

These investments carry interest at an effective rate of 3.74% per annum (31 December 2020: 4.96% per annum). Debt securities amounting to AED 11,615 thousand (31 December 2020: AED 21,778 thousand) are pledged against continued bank loan facility (note 8). The maturity profile of these debt instruments is shown below:

	30 September 2021 (Unaudited)		
	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
	Debt securities (within UAE)	6,361	19,191
Debt securities (outside UAE)	11,323	3,224	14,547
	<u>17,684</u>	<u>22,415</u>	<u>40,099</u>

	31 December 2020 (Audited)		
	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
	Debt securities (within UAE)	6,433	18,273
Debt securities (outside UAE)	9,822	1,840	11,662
	<u>16,255</u>	<u>20,113</u>	<u>36,368</u>

**7 Cash and cash equivalents**

	(Unaudited) 30 September 2021 AED'000	(Unaudited) 30 September 2020 AED'000	(Audited) 31 December 2020 AED'000
Bank balances	117,901	128,132	96,584
Cash on hand	104	35	9
	<u>118,005</u>	<u>128,167</u>	<u>96,593</u>

Above balance represents the cash and cash equivalents in United Arab Emirates, Europe & GCC.

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Notes to the condensed consolidated interim financial statements**  
**For the period ended 30 September 2021**

**8 Bank loan**

	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
Bank loan	-	1,212

In 2015, the Group entered into credit facility agreements with an international bank. These continued loan facilities are secured against investments in debt instruments held at amortised cost amounting to AED 11,615 thousand (31 December 2020: AED 21,778 thousand) (note 6.3) used for the Group's investment operations and carried interest at 1-month USD LIBOR plus 0.5% per annum. The tenure of the loan was directly linked to the maturity period of the debt instruments which were financed by the loan. The debt instruments have maturity periods of 1 to 31 years. The net decrease in carrying amount during the period is due to repayment of loan AED 1,212 thousand by cash and cash equivalents.

**9 Share capital**

	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
Issued and fully paid 100,000,000 shares of AED 1 each (31 December 2020: 100,000,000 shares of AED 1 each)	100,000	100,000

**10 Reserves**

**Statutory reserve**

In accordance with the UAE Commercial Companies Law and the Company's Article of Association, the Company has resolved not to increase the statutory reserve above an amount equal to 50% of its paid-up share capital. Accordingly, no transfers have been made during the nine months period ended 30 September 2021. The reserve is not available for distribution except in the circumstances stipulated by the law.

**General reserve**

Transfers to the general reserve are made on the recommendation of the Board of Directors. This reserve may be used for such purposes as deemed appropriate by the Board of Directors. During the period, no transfers to the general reserve from retained earnings were made (31 December 2020: AED 30,000 thousand).

**Reinsurance reserve**

In accordance with Insurance Authority's Board of Directors' Decision No. 23, Article 34, an amount of AED 3,956 thousand was transferred from retained earnings to reinsurance reserve during the year ended 31 December 2020. The reserve is not available for distribution and will not be disposed of without prior approval from Insurance Authority.

**11 Dividends**

	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
Cash dividend for 2020 of AED 0.35 per share (declared and paid) (for 2019: dividend of AED 0.35 per share (declared and paid))	35,000	35,000

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Notes to the condensed consolidated interim financial statements**  
**For the period ended 30 September 2021**

**12 Basic and diluted earnings per share**

Basic earnings per share are calculated by dividing the profit for the period, net of directors' fees, by the weighted average number of shares outstanding during the period as follows:

	(Unaudited) Nine months period ended 30 September 2021	(Unaudited) Nine months period ended 30 September 2020	(Unaudited) Three months period ended 30 September 2021	(Unaudited) Three months period ended 30 September 2020
Profit for the period (AED'000)	58,809	49,172	16,557	16,170
Directors' fee paid	-	(600)	-	-
Profit for the period attributable to shareholders (AED'000)	58,809	48,572	16,557	16,170
Weighted average number of shares outstanding during the period ('000)	100,000	100,000	100,000	100,000
Earnings per share (AED)	0.588	0.486	0.166	0.162

The Group does not have potentially diluted shares and accordingly, diluted earnings per share equals basic earnings per share.

**13 Segmental information**

**Primary segment information**

For management purposes, the Group is organised into business units based on its products and services and has three reportable operating segments as follows:

- The general insurance segment, comprises motor, marine, fire, engineering and general accident.
- The medical and life segment includes group life and medical insurance.
- Investment comprises investment and cash management for the Group's own account.

Transactions between operating segments are conducted at estimated market rates on an arm's length basis. Operating segment information is presented on the following page.

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

Notes to the condensed consolidated interim financial statements  
For the period ended 30 September 2021

**13 Segmental information (continued)**

(Unaudited)	General insurance		Medical and life assurance		Investments		Total	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020
For the nine months period ended	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<b>UNDERWRITING INCOME</b>								
Gross premium	642,734	499,674	270,088	246,394	-	-	912,822	746,068
Reinsurers' share of premium	(542,321)	(464,558)	(175,380)	(181,822)	-	-	(717,701)	(646,380)
Net movement in unearned premium	(7,221)	(1,585)	(13,587)	(6,616)	-	-	(20,808)	(8,201)
Net insurance premium revenue	93,192	33,531	81,121	57,956	-	-	174,313	91,487
Reinsurance commission income	63,978	55,648	30	38	-	-	64,008	55,686
Other underwriting income	13,119	8,310	-	115	-	-	13,119	8,425
	170,289	97,489	81,151	58,109	-	-	251,440	155,598
<b>UNDERWRITING EXPENSES</b>								
Claims incurred	(203,656)	(215,119)	(192,363)	(180,916)	-	-	(396,019)	(396,035)
Reinsurers' share of claims incurred	186,504	198,156	162,868	171,369	-	-	349,372	369,525
Net claims incurred	(17,152)	(16,963)	(29,495)	(9,547)	-	-	(46,647)	(26,510)
Commission expenses	(22,262)	(19,380)	(20,954)	(17,307)	-	-	(43,216)	(36,687)
General and administration expenses relating to underwriting activities	(20,930)	(20,377)	(7,671)	(9,896)	-	-	(28,601)	(30,273)
Other expenses	(62,979)	(978)	(19,004)	(19,355)	-	-	(81,983)	(20,333)
	(123,323)	(57,698)	(77,124)	(56,105)	-	-	(200,447)	(113,803)
<b>NET UNDERWRITING INCOME</b>	46,966	39,791	4,027	2,004	-	-	50,993	41,795
<b>TOTAL INVESTMENT INCOME</b>								
Unallocated general and administrative expenses					-	-	16,754	17,296
					-	-	(8,938)	(9,919)
<b>PROFIT FOR THE PERIOD</b>					-	-	58,809	49,172

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

Notes to the condensed consolidated interim financial statements  
For the period ended 30 September 2021

**13 Segmental information (continued)**

Operating segments information is presented below: (continued)

Segment-wise statement of financial position

	General insurance		Medical and life insurance		Investments		Total	
	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
Segment assets	1,306,800	950,413	138,865	237,764	590,534	525,141	2,036,199	1,713,318
Segment liabilities	1,318,709	955,562	116,828	234,576	-	1,212	1,435,537	1,191,350



**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Notes to the condensed consolidated interim financial statements**  
**For the period ended 30 September 2021**

**14 Related party transactions**

Related parties represent, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Group's management.

The significant balances outstanding in respect of related parties included in the condensed consolidated interim financial statements are as follows:

	(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
<i>Affiliates of major shareholders:</i>		
Due from policyholders	27,740	21,458
Outstanding claims	15,767	21,385

The income and expenses in respect of related parties included in the financial statements are as follows:

	(Unaudited) 30 September 2021 AED'000	(Unaudited) 30 September 2020 AED'000
<i>Affiliates of major shareholders:</i>		
Premiums	14,104	23,031
Rent received	45	43
Claims paid	9,783	25,568
Commission expenses	2,542	4,141
Rent paid	590	698

Compensation of the key management personnel is as follows:

	(Unaudited) 30 September 2021 AED'000	(Unaudited) 30 September 2020 AED'000
Short term employee benefits	3,184	3,200
End of service benefits	139	139

**Dubai Insurance Company (P.S.C.)**  
**Condensed consolidated interim financial statements (Unaudited)**

**Notes to the condensed consolidated interim financial statements**  
**For the period ended 30 September 2021**

---

**15 Contingencies and commitments**

At 30 September 2021, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 10,105 thousand (31 December 2020: AED 10,650 thousand).

**Capital commitments**

The Group's short-term lease commitments are payable as follows:

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>AED'000</b>	<b>AED'000</b>
Less than 1 year	<u>770</u>	<u>518</u>

**16 Seasonality of results**

The Group's investment income is dependent on market conditions, its investment activities and declaration of profits by investee companies, which are of a seasonal nature. Also, the Group is continuing to monitor the impact of COVID-19 on its financial performance. To date, no significant impact on the credit risk or instances of default have been noted by the management. Accordingly, results for the period ended 30 September 2021 are not comparable to those relating to the comparative period, and are not indicative of the results that might be expected for the year ending 31 December 2021.