

**United Fidelity Insurance Company  
(P.S.C.)**

**Condensed interim financial information  
For the period ended 30 September 2022 (Unaudited)**

**Review report of the Independent Auditor  
To the Shareholders of United Fidelity Insurance Company (P.S.C.)*****Introduction***

We have reviewed the accompanying condensed interim statement of financial position of United Fidelity Insurance Company (P.S.C.) (the “Company”) as at 30 September 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income for the three months and nine months periods then ended, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine-month period then ended and explanatory information. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

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

  
**GRANT THORNTON**

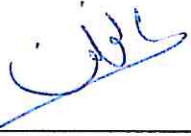


**Dr. Osama El-Bakry  
Registration No. 935  
Dubai, United Arab Emirates  
10 November 2022**

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim statement of financial position**  
**As at 30 September 2022 (Unaudited)**

		<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
	<i>Notes</i>		
<b>ASSETS</b>			
Property and equipment		24,146,565	10,642,875
Investment properties	3	46,799,999	46,799,999
Financial instruments	4	190,941,727	164,611,100
Insurance contract assets	11	247,735,217	145,545,360
Deferred acquisition costs		29,183,729	28,852,761
Insurance receivables	6	117,650,072	88,662,920
Prepayments and other receivables		4,767,698	2,601,474
Statutory deposits	7	10,000,000	10,000,000
Bank balances and cash	8	93,456,869	70,998,762
<b>TOTAL ASSETS</b>		<b>764,681,876</b>	<b>568,715,251</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	9	160,000,000	100,000,000
Statutory reserve	10	1,307,173	1,307,173
General reserve	10	447,524	1,119,524
Reinsurance reserve	10	1,740,629	1,740,629
Investment revaluation reserve	10	(1,951,583)	13,867,416
Accumulated losses		(16,120,706)	(17,441,337)
<b>TOTAL EQUITY</b>		<b>145,423,037</b>	<b>100,593,405</b>
<b>LIABILITIES</b>			
Employees' end of service benefits		3,927,581	3,376,247
Insurance contract liabilities	11	392,358,684	298,483,026
Deferred commission income		10,427,577	9,033,649
Insurance and other payables		194,038,605	150,613,492
Lease liability		18,506,392	6,615,432
<b>TOTAL LIABILITIES</b>		<b>619,258,839</b>	<b>468,121,846</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>764,681,876</b>	<b>568,715,251</b>

The condensed interim financial statements were authorised for issue in accordance with a resolution of the Directors on 10 November 2022 and were signed on their behalf by:

  
 \_\_\_\_\_  
 Nawwaf Ghobash  
 Chairman

  
 \_\_\_\_\_  
 Bilal Adhami  
 Chief Executive Officer

The attached explanatory notes 1 to 18 form part of these condensed interim financial statements.

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim income statement**  
**For the nine months ended 30 September 2022 (Unaudited)**

	Note	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>(Unaudited)</i>		<i>(Unaudited)</i>	
		2022	2021	2022	2021
		AED	AED	AED	AED
<b>UNDERWRITING INCOME</b>					
Gross premium	14	76,122,353	80,018,781	318,926,335	310,142,887
Movement in provision for unearned premium		24,951,865	20,040,304	(31,884,246)	(18,866,552)
Movement in premium deficiency reserve		1,014,706	(22,496)	386,445	(33,711)
Insurance premium revenue		<u>102,088,924</u>	<u>100,036,589</u>	<u>287,428,534</u>	<u>291,242,624</u>
Reinsurance share of premium		(43,436,544)	(36,531,091)	(191,756,661)	(152,935,322)
Movement in provision for reinsurance share of unearned premium		(16,509,181)	(7,867,932)	31,079,125	20,081,853
Reinsurance share of premium revenue		<u>(59,945,725)</u>	<u>(44,399,023)</u>	<u>(160,677,536)</u>	<u>(132,853,469)</u>
Net insurance premium revenue		42,143,199	55,637,566	126,750,998	158,389,155
Reinsurance commission income		5,323,075	4,933,074	15,987,191	12,420,434
Other income		-	(4,572)	-	(2,227)
<b>Total underwriting income</b>		<u>47,466,274</u>	<u>60,566,068</u>	<u>142,738,189</u>	<u>170,807,362</u>
<b>UNDERWRITING EXPENSES</b>					
Claims incurred		(114,009,843)	(57,270,726)	(230,358,031)	(162,260,965)
Reinsurers' share of claims incurred		89,781,245	26,758,201	153,954,907	79,462,602
Net claims incurred		<u>(24,228,598)</u>	<u>(30,512,525)</u>	<u>(76,403,124)</u>	<u>(82,798,363)</u>
Commission expenses including third-party administrator fees		(15,160,399)	(18,151,744)	(45,983,251)	(50,352,574)
Other underwriting expenses		(617,436)	(1,043,473)	(3,648,065)	(4,655,906)
General and administration expenses relating to underwriting activities		(12,428,719)	(11,347,239)	(32,621,668)	(34,394,984)
<b>Total underwriting expenses</b>		<u>(52,435,152)</u>	<u>(61,054,981)</u>	<u>(158,656,108)</u>	<u>(172,201,827)</u>
<b>NET UNDERWRITING LOSS</b>		<u>(4,968,878)</u>	<u>(488,913)</u>	<u>(15,917,919)</u>	<u>(1,394,465)</u>
Investment income	13	5,301,536	993,278	17,617,973	7,664,137
General and administration expenses not allocated to underwriting activities		(126,392)	(80,081)	(379,423)	(247,666)
<b>PROFIT FOR THE PERIOD</b>		<u>206,266</u>	<u>424,284</u>	<u>1,320,631</u>	<u>6,022,006</u>
Basic and diluted earnings per share (AED)	15	0.002	0.003	0.011	0.049

The attached explanatory notes 1 to 18 form part of this condensed interim financial information.

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim statement of comprehensive income**  
**For the nine months ended 30 September 2022 (Unaudited)**

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	2022	2021	2022	2021
	AED	AED	AED	AED
<b>Profit for the period</b>	206,266	424,284	1,320,631	6,022,006
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Item that will be reclassified to profit or loss in subsequent periods</i>				
Net increase in fair value of available-for-sale investments	347,955	2,818,027	3,985,426	13,653,704
<i>Item that will not be reclassified to profit or loss in subsequent periods</i>				
Net realised gain on disposal of available-for-sale investments transferred to income statement	(4,540,643)	(322,404)	(19,804,425)	(1,299,460)
<b>Other comprehensive income/(loss) for the period</b>	<b>(4,192,688)</b>	<b>2,495,623</b>	<b>(15,818,999)</b>	<b>12,354,244</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>(3,986,422)</b>	<b>2,919,907</b>	<b>(14,498,368)</b>	<b>18,376,250</b>

The attached explanatory notes 1 to 18 form part of this condensed interim financial information.

**United Fidelity Insurance Company (P.S.C.)**  
**Condensed interim statement of changes in equity**  
**For the nine months ended 30 September 2022 (Unaudited)**

	<i>Share capital</i> <i>AED</i>	<i>Statutory reserve</i> <i>AED</i>	<i>General reserve</i> <i>AED</i>	<i>Reinsurance reserve</i> <i>AED</i>	<i>Investment revaluation reserve</i> <i>AED</i>	<i>Accumulated losses</i> <i>AED</i>	<i>Total equity</i> <i>AED</i>
Balance at 31 December 2020 (audited)	100,000,000	503,389	1,119,524	771,153	(3,970,627)	(23,705,917)	74,717,522
Profit for the period	-	-	-	-	-	6,022,006	6,022,006
Other comprehensive income for the period	-	-	-	-	12,354,244	-	12,354,244
Total comprehensive income for the period	-	-	-	-	12,354,244	6,022,006	18,376,250
Balance at 30 September 2021 (unaudited)	100,000,000	503,389	1,119,524	771,153	8,383,617	(17,683,911)	93,093,772
Balance at 31 December 2021 (audited)	100,000,000	1,307,173	1,119,524	1,740,629	13,867,416	(17,441,337)	100,593,405
Profit for the period	-	-	-	-	-	1,320,631	1,320,631
Other comprehensive loss for the period	-	-	-	-	(15,818,999)	-	(15,818,999)
Total comprehensive (loss)/income for the period	-	-	-	-	(15,818,999)	1,320,631	(14,498,368)
<i>Transactions with owners</i>							
Shares issued during the period (note 9)	60,000,000	-	-	-	-	-	60,000,000
Transaction cost on issue of shares	-	-	(672,000)	-	-	-	(672,000)
<b>Balance at 30 September 2022 (unaudited)</b>	<b>160,000,000</b>	<b>1,307,173</b>	<b>447,524</b>	<b>1,740,629</b>	<b>(1,951,583)</b>	<b>(16,120,706)</b>	<b>145,423,037</b>

The attached explanatory notes 1 to 18 form part of this condensed interim financial information.

**United Fidelity Insurance Company (P.S.C)**  
**Condensed interim statement of cashflows**  
**For the nine months ended 30 September 2022 (Unaudited)**

		<i>Nine months ended</i>	
		<i>30 September</i>	
		<i>2022</i>	<i>2021</i>
		<i>AED</i>	<i>AED</i>
<b>OPERATING ACTIVITIES</b>	<b>Note</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit for the period		1,320,631	6,022,006
Adjustments for:			
Investment income		(8,035,612)	(6,026,651)
Gain on sale of available-for-sale investment	13	(17,807,967)	(2,154,795)
Gain on sale of investments at FVTPL	13	(401,546)	(156,946)
Change in fair value of investments at FVTPL	4	8,502,014	(1,001,412)
Allowance made for doubtful debts	6	751,695	1,424,566
Provision for impairment of investment properties	13	-	1,500,000
Depreciation on property and equipment		821,575	819,776
Depreciation on right-to-use asset		2,188,603	625,230
Provision for employees' end of service benefits		709,684	660,824
Interest expense on lease liability		520,442	194,130
		<u>(11,430,481)</u>	<u>1,906,728</u>
Changes in operating assets and liabilities:			
Insurance contract assets		(102,189,857)	(681,347)
Deferred acquisition cost		(330,968)	(2,992,202)
Insurance and other receivables		(29,738,847)	(26,253,569)
Prepayment and other assets		(2,166,224)	388,577
Insurance contract liabilities		93,875,658	10,848,695
Deferred commission income		1,393,928	2,689,304
Insurance and other payables		43,425,113	24,896,417
Cash (used in)/generated from operations		<u>(7,161,678)</u>	<u>10,802,603</u>
Employees' end of service benefits paid		<u>(158,350)</u>	<u>(106,869)</u>
<b>Net cash (used in)/ generated from operating activities</b>		<u><b>(7,320,028)</b></u>	<u><b>10,695,734</b></u>
<b>INVESTING ACTIVITIES</b>			
Net movement in fixed deposits		6,988,300	25,000,000
Purchase of investment at FVTPL	4	(44,172,044)	(27,263,472)
Purchase of available-for-sale investments	4	(87,164,044)	(50,373,303)
Purchase of property and equipment		(2,034,305)	(315,874)
Proceeds from disposal of investments at FVTPL		15,560,037	9,248,344
Proceeds from disposal of available-for-sale investments		83,333,924	13,693,369
Dividend income received		5,895,814	3,864,969
Interest income		1,148,865	856,828
Other investment expenses		(50,376)	-
Income from investment properties		1,041,309	1,304,854
<b>Net cash used in investing activities</b>		<u><b>(19,452,520)</b></u>	<u><b>(23,984,285)</b></u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital	9	60,000,000	-
Payment of transaction charges towards rights issue	9	(672,000)	-
Interest paid on lease liability		(520,442)	(194,130)
Payment of lease liability		(2,588,603)	(559,754)
<b>Net cash generated from/(used in) financing activities</b>		<u><b>56,218,955</b></u>	<u><b>(753,884)</b></u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<u><b>29,446,407</b></u>	<u><b>(14,042,435)</b></u>
Cash and cash equivalents at 1 January		<u><b>38,998,762</b></u>	<u><b>36,623,858</b></u>
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>8</b>	<u><b>68,445,169</b></u>	<u><b>22,581,423</b></u>

The attached explanatory notes 1 to 18 form part of this condensed interim financial information.

**United Fidelity Insurance Company (P.S.C.)**  
**Notes to the condensed interim financial information**  
**For the nine months ended 30 September 2022 (Unaudited)**

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**1 CORPORATE INFORMATION**

United Fidelity Insurance Company (Public Shareholding Company) (the “Company”) is a public shareholding company, registered in the Emirate of Ras Al Khaimah by Emiri decree No. 13/76 issued by the ruler of Ras Al Khaimah on 15 June 1976, which was amended by the Emiri decree No. 10/77 issued on 15 December 1977. The company is subject to the regulations of the UAE Federal Law No. (2) of 2015 (as amended) and the UAE Federal Law No. (6) of 2007 relating to commercial companies in the UAE and is registered in the Insurance Companies Register of Insurance Authority of U.A.E. under registration number 8.

The Company is domiciled in the United Arab Emirates and the address of the Company’s registered office is P.O. Box 1010, Ras Al Khaimah, United Arab Emirates. The Company’s ordinary shares are listed on Abu Dhabi Securities Exchange, United Arab Emirates.

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

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a 9% Federal Corporate Tax rate effective for fiscal years commencing on or after 1 June 2023. There is no impact of this announcement on the condensed interim financial information of the Company for the period ended 30 September 2022. Management will assess the implications of this Federal Corporate Tax in due course.

The principal activity of the Company is the writing of all classes of general and life insurance. The Company operates through its Head Office in Dubai and branch offices in Abu Dhabi, Ras Al Khaimah, Sharjah and Fujairah. This condensed interim financial information was authorised for issue in accordance with a resolution of the directors on 10 November 2022.

**2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**  
**BASIS OF PREPARATION**

The condensed interim financial information of the Company is prepared in accordance with International Financial Reporting Standard, Interim Financial Reporting (“IAS 34”) issued by the International Accounting Standards Board (IASB) and comply with the applicable requirements of the laws in the U.A.E. This condensed interim financial information is presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Company’s transactions are determined.

The Company has not early adopted any version of IFRS 9 as the activities of the Company are predominantly connected with insurance on 30 September 2022, therefore the Company have opted for the temporary exemption from the application of IFRS 9 and defer the implementation date of IFRS 9 until 1 January 2023.

**SIGNIFICANT ACCOUNTING POLICIES**

This condensed interim financial information has been prepared on historical cost basis, except for the revaluation of certain financial instruments and investment properties which are stated at fair value. Historically, cost is generally based on the fair value of the consideration given in exchange for assets.

This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the Company’s audited annual financial statements as at and for the year ended 31 December 2021. In addition, results for the nine months ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. The Company’s insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2021.

**New standards, interpretations and amendments**

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2021, except for application of new standards effective as of 1 January 2022 as several amendments and interpretations apply for the first time in 2022. However, these amendments and interpretations do not have material impact on the condensed interim financial information of the Company. The Company has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.



**United Fidelity Insurance Company (P.S.C.)**  
**Notes to the condensed interim financial information**  
**For the nine months ended 30 September 2022 (Unaudited)**

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**2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**New standards, interpretations and amendments (continued)**

*Critical accounting estimates and judgments in applying accounting policies*

The Company makes estimates and judgements 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 Company'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.

*Valuation of unquoted equity investments*

Valuation of unquoted equity investments is normally based on recent market transactions on an arm's length basis, fair value of another instrument that is substantially the same, expected cash flows discounted at current rates for similar instruments or other valuation models.

*Impairment losses on insurance receivables*

The Company reviews its insurance receivables on a regular basis to assess whether a provision for impairment should be recorded in the statement of income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions 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 provisions against individually significant insurance receivables, the Company also makes a collective impairment provision against insurance receivables which, although not specifically identified as requiring a specific provision, have a greater risk of default than when originally granted. The amount of the provision 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 Company makes judgement to determine whether the 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 is classified accordingly as investment properties.

*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.

**3 INVESTMENT PROPERTIES**

Investment properties represent the fair value of the properties which are located in the U.A.E.

Investment properties are stated at fair value, which has been principally determined based on valuations performed by management. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. Valuations are performed on a periodic basis, at least annually, and the fair value gains and losses are recorded in the statement of income. Fair value of the Company's investment properties are based on unobservable inputs (i.e. Level 3).

**United Fidelity Insurance Company (P.S.C.)**  
**Notes to the condensed interim financial information**  
**For the nine months ended 30 September 2022 (Unaudited)**

**4 FINANCIAL INSTRUMENTS**

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Available for sale investments (a)	105,719,938	99,900,850
Financial asset at fair value through profit or loss (b)	85,221,789	64,710,250
	<u>190,941,727</u>	<u>164,611,100</u>

4(a) Available for sale investments

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Within UAE		
Quoted equity securities	105,719,938	99,900,850
	<u>105,719,938</u>	<u>99,900,850</u>

Movement during the period/year was as follows:

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Fair value at the beginning of the period/year	99,900,850	56,807,308
Purchased during the period/year	87,164,044	67,889,785
Disposed during the period/year	(85,330,382)	(49,655,017)
Net increase in fair value during the period/year	3,985,426	24,858,774
<b>Fair value at the end of the period/year</b>	<u>105,719,938</u>	<u>99,900,850</u>

4(b) Investment at fair value through profit or loss

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Outside UAE		
Quoted bonds	10,485,512	7,613,867
Quoted structured products	-	4,318,457
Unquoted mutual fund units	35,195,700	27,245,115
Unquoted investments in real estate funds	37,227,750	23,252,460
Unquoted equity securities	2,312,827	2,280,351
	<u>85,221,789</u>	<u>64,710,250</u>

Movement during the period/year was as follows:

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Fair value at the beginning of the period/year	64,710,250	44,580,406
Purchased during the period/year	44,172,044	29,650,760
Disposed during the period/year	(15,158,491)	(11,281,185)
Change in fair value during the period/year	(8,502,014)	1,760,269
<b>Fair value at the end of the period/year</b>	<u>85,221,789</u>	<u>64,710,250</u>

**United Fidelity Insurance Company (P.S.C.)**  
**Notes to the condensed interim financial information**  
**For the nine months ended 30 September 2022 (Unaudited)**

**5 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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

*Valuation techniques and assumptions applied for the purposes of measuring fair value*

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2021.

*Fair value of the Company's financial assets that are measured at fair value on recurring basis.*

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:

*Level 1:* Quoted (unadjusted) prices in active markets for identical assets or liabilities.

*Level 2:* Valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly.

*Level 3:* Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>	<i>Fair value hierarchy</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable inputs</i>
<b><u>Available - for - sale investments</u></b>					
Quoted investments	105,719,938	99,900,850	Level 1	Quoted bid prices in an active market	N/A
<b><u>Investment at fair value through profit or loss</u></b>					
Quoted investments	10,485,512	11,932,324	Level 1	Quoted bid prices in an active market	N/A
Unquoted investments	74,736,277	52,777,926	Level 3	Net assets valuation method	Net asset value

There were no transfers between each of the level during the period. There are no financial liabilities, which should be measured at fair value, and accordingly no disclosure is made in the above table.

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

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Opening balance	52,777,926	33,626,701
Purchased during the period/year	32,542,574	17,773,343
Disposal during the period/year	(3,851,018)	-
Fair value adjustment	(6,733,205)	1,377,882
Closing balance	<u>74,736,277</u>	<u>52,777,926</u>

**United Fidelity Insurance Company (P.S.C.)**  
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**6 INSURANCE RECEIVABLES**

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Due from policyholders and brokers	121,139,554	88,263,733
Due from insurance companies	1,164,393	4,499,893
Due from reinsurance companies	7,306,383	8,158,206
Less: allowance for doubtful debts	<u>(11,960,258)</u>	<u>(12,258,912)</u>
	<u>117,650,072</u>	<u>88,662,920</u>

All of the amounts are due within twelve months of the reporting date. The amounts due from reinsurers are normally settled on a quarterly basis.

Movements in the allowance for doubtful debts were as follows:

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
At 1 January	12,258,912	11,919,555
Provided during the period / year	751,695	1,986,700
Allowance written back during the period / year	(1,039,020)	(1,440,341)
Bad debts written off during the period / year	<u>(11,329)</u>	<u>(207,002)</u>
Closing balance	<u>11,960,258</u>	<u>12,258,912</u>

**7 STATUTORY DEPOSITS**

Statutory deposits represent the amount that cannot be withdrawn without the prior approval of the Ministry of Economy in accordance with Article 42 of Federal Law No. 6 of 2007. The bank deposit expires after one year and is renewable every year earning an interest per annum of 2.27% (31 December 2021: 0.5%).

**8 BANK BALANCES AND CASH**

Bank balances and cash comprise the following statement of financial position amounts:

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Current accounts and cash	59,213,281	27,202,460
Call accounts	9,231,888	11,796,302
Bank deposits	<u>25,011,700</u>	<u>32,000,000</u>
	<u>93,456,869</u>	<u>70,998,762</u>

Bank balances and cash include balances amounting to AED 5.47 million with banks outside United Arab Emirates. The annual fixed bank deposits rate ranges from 2.27% to 3.9% (31 December 2021: 0.25% to 4.25%). All fixed deposits mature within different periods not exceeding one year from the financial date of deposit after three months period from the reporting date. For the purpose of statement of cash flows, cash and cash equivalents include bank balances and cash net of fixed deposits in bank with maturity over three months and fixed deposits under lien.

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**8 BANK BALANCES AND CASH (continued)**

Cash and cash equivalents at the end of the period/year as shown in the condensed interim statement of cash flows can be reconciled to the related items in the financial items in the statement of financial position as mentioned below:

	<i>30 September 2022 AED (Unaudited)</i>	<i>30 September 2021 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Bank balances and cash	93,456,869	49,581,423	70,998,762
Bank deposits with maturity over 3 months	<u>(25,011,700)</u>	<u>(27,000,000)</u>	<u>(32,000,000)</u>
Cash and cash equivalents	<u>68,445,169</u>	<u>22,581,423</u>	<u>38,998,762</u>

**9 SHARE CAPITAL**

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Issued and fully paid 160,000,000 shares of AED 1 each (31 December 2021: 100,000,000 shares of AED 1 each)	<u>160,000,000</u>	<u>100,000,000</u>

During the period, the Company issued 60 million shares with a nominal value of AED 1 each. The issued share capital amounting to AED 60 million was paid and subscribed in full on the subscription closure dated 10 January 2022. Transaction costs for the share issue amounted to AED 672 thousand and have been recorded in the general reserve.

**10 RESERVES**

***Statutory reserve***

In accordance with the UAE Federal Law No. (2) of 2015 (as amended) and the Company's Articles of Association, 10% of the net profit of the Company is transferred to a statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution, except in the circumstances stipulated by the UAE Commercial Companies Law.

***General reserve***

This reserve may be used for such purposes as deemed appropriate by the Board of Directors.

***Investment revaluation reserve***

This reserve records fair value changes on available-for-sale investments.

***Reinsurance reserve***

In accordance with Insurance Authority's Board of Directors' Decision No. 23, Article 34, an amount of AED 969,476 was transferred from retained earnings to reinsurance reserve during the year ended 31 December 2021. The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of UAE.

**United Fidelity Insurance Company (P.S.C.)**  
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**11 INSURANCE CONTRACT ASSETS AND LIABILITIES**

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
<i>Insurance contract liabilities:</i>		
Unearned premiums	191,032,903	159,148,657
Premium deficiency reserve	344,346	730,791
Claims reported unsettled	175,588,246	111,501,878
Claims incurred but not reported	23,561,084	25,262,220
Unallocated loss adjustment expenses	1,832,105	1,839,480
	<u>392,358,684</u>	<u>298,483,026</u>
	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
<i>Insurance contract assets:</i>		
Unearned premiums	109,218,062	78,138,937
Claims reported unsettled	124,106,288	55,414,328
Claims incurred but not reported	14,410,867	11,992,095
	<u>247,735,217</u>	<u>145,545,360</u>
	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
<i>Insurance contract liabilities - net:</i>		
Unearned premiums	81,814,841	81,009,720
Premium deficiency reserve	344,346	730,791
Claims reported unsettled	51,481,958	56,087,550
Claims incurred but not reported	9,150,217	13,270,125
Unallocated loss adjustment expenses	1,832,105	1,839,480
	<u>144,623,467</u>	<u>152,937,666</u>

**12 RELATED PARTY TRANSACTIONS**

Related parties represent, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Company's management. The significant balances outstanding in respect of related parties included in the financial information are as follows:

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
<i>Affiliates of major shareholders:</i>		
Due from policyholders	4,084,337	1,742,443
Outstanding claims	247,192	358,187
	<u>4,331,529</u>	<u>2,100,630</u>

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**12 RELATED PARTY TRANSACTIONS (continued)**

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Unaudited)</i>		<i>30 September (Unaudited)</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
<i>Affiliates of major shareholders:</i>				
Premiums	2,898,223	(2,769,035)	9,297,233	12,669,861
Claims	(2,837,529)	(1,726,413)	(4,832,408)	(6,882,664)
<i>Compensation of the key management personnel:</i>				
Remuneration of key management personnel	691,434	686,729	2,514,285	3,227,855

The Company has not recorded any impairment of amounts owed by related parties.

**13 INVESTMENT INCOME**

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Unaudited)</i>		<i>30 September (Unaudited)</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Rental income from investment properties	523,445	557,128	1,526,394	1,724,137
Provision for impairment of investment properties	-	-	-	(1,500,000)
Expenses against rental income from investment properties	(190,595)	(132,133)	(485,085)	(419,283)
Net gain from investment properties	332,850	424,995	1,041,309	(195,146)
Gain on disposal of available-for-sale investments	4,466,382	388,673	17,807,967	2,154,795
Dividend income from available-for-sale investment	428,294	70,014	4,335,490	2,581,987
Fair value (loss)/gain on investment at FVTPL (note 4)	(1,273,723)	(603,575)	(8,502,014)	1,001,412
Dividend income from investments at FVTPL	694,699	531,673	1,560,324	1,282,982
Interest income from bonds at FVTPL	306,470	88,450	602,760	362,874
Gain on disposal of investment at FVTPL	146,726	37,065	401,546	156,946
Interest income on fixed deposits	240,193	131,390	546,105	493,954
Other investment expenses	(40,355)	(75,407)	(175,514)	(175,667)
	5,301,536	993,278	17,617,973	7,664,137

**United Fidelity Insurance Company (P.S.C.)**  
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**14 SEGMENTAL INFORMATION**

***Primary segment information***

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

- The general insurance segment, comprises property, engineering, marine, motor, general accident and miscellaneous risks.
- The medical and life segment includes medical and group life.
- Investment comprises financial assets at FVTPL, available-for-sale investments, investment properties and bank deposits.

These segments are the basis on which the Company reports its primary segment information.

	<b>General insurance</b>			<b>Medical and life insurance</b>			<b>Investment</b>			<b>Total</b>		
	<b>30 September 2022</b>	<b>30 September 2021</b>	<b>30 September 2022</b>	<b>30 September 2021</b>	<b>30 September 2022</b>	<b>30 September 2021</b>	<b>30 September 2022</b>	<b>30 September 2021</b>	<b>30 September 2022</b>	<b>30 September 2021</b>	<b>30 September 2022</b>	<b>30 September 2021</b>
	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Gross premium	152,650,487	168,404,379	166,275,848	141,738,508	-	-	-	-	318,926,335	-	310,142,887	-
Reinsurance share of gross premium	(87,240,295)	(63,001,443)	(104,516,366)	(89,933,879)	-	-	-	-	(191,756,661)	-	(152,935,322)	-
Net movement in provision for UPR and PDR	11,773,579	11,490,142	(12,192,255)	(10,308,552)	-	-	-	-	(418,676)	-	1,181,590	-
Net insurance premium revenue	77,183,771	116,893,078	49,567,227	41,496,077	-	-	-	-	126,750,998	-	158,389,155	-
Reinsurance commission income	15,987,191	12,420,434	-	-	-	-	-	-	15,987,191	-	12,420,434	-
Other income	-	(2,227)	-	-	-	-	-	-	-	-	(2,227)	-
<b>Total underwriting income</b>	<b>93,170,962</b>	<b>129,311,285</b>	<b>49,567,227</b>	<b>41,496,077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142,738,189</b>	<b>-</b>	<b>170,807,362</b>	<b>-</b>
Claims incurred	(130,809,714)	(72,009,201)	(99,548,317)	(90,251,764)	-	-	-	-	(230,358,031)	-	(162,260,965)	-
Reinsurers' share of claims incurred	79,811,405	8,944,544	74,143,502	70,518,058	-	-	-	-	153,954,907	-	79,462,602	-
Net claims incurred	(50,998,309)	(63,064,657)	(25,404,815)	(19,733,706)	-	-	-	-	(76,403,124)	-	(82,798,363)	-
Commission expenses including third-party administrator fees	(28,942,373)	(35,664,329)	(17,040,878)	(14,688,245)	-	-	-	-	(45,983,251)	-	(50,352,574)	-
Other underwriting expenses	(2,641,803)	(4,179,557)	(1,006,262)	(476,349)	-	-	-	-	(3,648,065)	-	(4,655,906)	-
General and administration expenses relating to underwriting activities	(22,681,646)	(25,160,484)	(9,940,022)	(9,234,500)	-	-	-	-	(32,621,668)	-	(34,394,984)	-
<b>Total underwriting expenses</b>	<b>(105,264,131)</b>	<b>(128,069,027)</b>	<b>(53,391,977)</b>	<b>(44,132,800)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(158,656,108)</b>	<b>-</b>	<b>(172,201,827)</b>	<b>-</b>
<b>Net underwriting (loss)/profit</b>	<b>(12,093,169)</b>	<b>1,242,258</b>	<b>(3,824,750)</b>	<b>(2,636,723)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,917,919)</b>	<b>-</b>	<b>(1,394,465)</b>	<b>-</b>
Investment income – net	-	-	-	-	-	-	17,617,973	7,664,137	17,617,973	7,664,137	7,664,137	-
Unallocated general and administration expenses	-	-	-	-	-	-	(379,423)	(247,666)	(379,423)	(247,666)	(247,666)	-
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,238,550</b>	<b>5,126,471</b>	<b>17,238,550</b>	<b>5,126,471</b>	<b>5,126,471</b>	<b>-</b>
									<b>1,320,631</b>		<b>6,022,006</b>	



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14 SEGMENTAL INFORMATION (continued)

Primary segment information (continued)

	General insurance		Medical and life insurance		Investment		Total	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	AED	AED	AED	AED	AED	AED	AED	AED
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment assets	247,501,069	152,453,037	147,067,949	110,608,004	272,753,426	243,411,099	667,322,444	506,472,140
Unallocated assets	-	-	-	-	-	-	97,359,432	62,243,111
Total assets	247,501,069	152,453,037	147,067,949	110,608,004	272,753,426	243,411,099	764,681,876	568,715,251
Segment liabilities	369,323,356	286,876,695	227,501,510	171,253,472	-	-	596,824,866	458,130,167
Unallocated liabilities	-	-	-	-	-	-	22,433,973	9,991,679
Total liabilities	369,323,356	286,876,695	227,501,510	171,253,472	-	-	619,258,839	468,121,846

The Company's operations are primarily conducted in the United Arab Emirates. General insurance figures reported above include certain assets and liabilities that are common for all reportable segments. These amounts are not significant and are not reported separately.

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**14 SEGMENTAL INFORMATION (continued)**

**Revenue from underwriting departments**

The following is an analysis of the Company's revenues classified by major underwriting departments.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Medical	32,954,633	32,402,434	164,465,934	140,048,304
Motor	14,579,649	22,243,348	59,063,441	96,692,309
Property	11,830,533	12,205,845	38,803,244	32,381,110
Marine	4,625,512	3,197,127	15,670,485	12,036,408
Engineering, general accidents and others	11,666,793	9,598,858	39,113,316	27,294,553
Group life	465,233	371,169	1,809,915	1,690,203
	<b>76,122,353</b>	<b>80,018,781</b>	<b>318,926,335</b>	<b>310,142,887</b>

**15 BASIC AND DILUTED EARNINGS PER SHARE**

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Profit for the period (AED)	206,266	424,284	1,320,631	6,022,006
Weighted average number of shares outstanding during the period *	123,076,923	123,076,923	123,076,923	123,076,923
Earnings per share (AED)	<b>0.002</b>	0.003	<b>0.011</b>	0.049

\*The weighted average number of shares outstanding takes into account the effect of the rights issue during the period.

No figures for diluted earnings per share are presented as the Company has not issued any instruments which would have an impact on earnings per share when exercised.

**16 SOLVENCY MARGIN**

	<i>30 June</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	93,647,190	98,790,022
Minimum Guarantee Fund (MGF)	51,420,912	55,534,552
Basic Own Funds	101,620,823	61,116,185
MCR Solvency Margin Surplus/(Deficit)	1,620,823	(38,883,815)
SCR Solvency Margin Surplus/(Deficit)	7,973,634	(37,673,837)
MGF Solvency Margin Surplus/(Deficit)	<b>50,199,911</b>	5,581,633

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**17 CONTINGENCIES AND COMMITMENTS**

*Contingent liabilities*

At 30 September 2022, the Company 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 10,785,040 (31 December 2021: AED 11,312,676).

*Legal claims*

The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Company's income or financial condition.

*Capital and lease commitments*

The Company has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) and for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. At 30 September 2022, the Company's capital and short-term lease commitments are payable as follows:

	<i>30 September 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Capital commitments - less than one year	724,501	733,802
Short-term lease commitments - less than one year	80,000	1,291,475
	<u>804,501</u>	<u>2,025,277</u>

**18 SEASONALITY OF RESULTS**

The Company's investment income is dependent on market conditions, its investment activities and declaration of profits by investee companies, which are of a seasonal nature. Accordingly, results for the period ended 30 September 2022 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 2022.