

# Royal & Sun Alliance Insurance (Middle East) B.S.C. (c). United Arab Emirates

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

ASSETS	2020 AED '000	2019 AED '000
Property and equipment	12,388	18,998
Intangible assets	12,120	12,396
Available for sale investments	285,738	250,808
Deferred acquisition costs	61,362	65,577
Reinsurers' share of unearned premiums	15,708	29,312
Reinsurers' share of outstanding claims	17,673	31,168
Receivables arising from insurance and reinsurance contracts	151,749	164,535
Other receivables and prepayments	23,222	16,124
Bank balances, cash and restricted deposits	366,413	392,392
<b>TOTAL ASSETS</b>	<b>946,373</b>	<b>981,310</b>
<b>Head Office Account, Reserve and Liabilities</b>		
Head Office account	474,210	417,292
Available for sale investment reserve	8,176	3,164
Actuarial loss on retirement benefit schemes	(757)	(101)
Reinsurance risk reserve	5	-
<b>TOTAL HEAD OFFICE ACCOUNT AND RESERVE</b>	<b>481,634</b>	<b>420,355</b>
<b>Liabilities</b>		
Provision for employees' end-of-service indemnity	17,478	16,740
Outstanding claims and other reserves	109,131	122,332
Unearned premiums	252,061	299,170
Reinsurance balances payable	15,262	34,650
Other liabilities and provisions	63,889	75,144
Lease liabilities	6,918	12,919
<b>TOTAL LIABILITIES</b>	<b>464,739</b>	<b>560,955</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>946,373</b>	<b>981,310</b>

## STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	2020 AED '000	2019 AED '000
Gross insurance premium	616,420	666,471
Premium ceded to reinsurers	(82,422)	(97,640)
<b>NET EARNED PREMIUM</b>	<b>533,998</b>	<b>568,831</b>
Underwriting expenses		
Gross claims incurred	(293,844)	(259,976)
Reinsurers' share of claims	116,073	58,205
<b>NET CLAIMS INCURRED</b>	<b>(177,771)</b>	<b>(201,771)</b>
Commission paid	(132,711)	(145,719)
Commission income on ceded insurance	3,296	4,041
<b>NET COMMISSION INCURRED</b>	<b>(129,415)</b>	<b>(141,678)</b>
<b>UNDERWRITING PROFIT</b>	<b>226,812</b>	<b>225,382</b>
Amortisation of deferred acquisition costs	(4,215)	(415)
General and administrative expenses	(119,942)	(115,366)
<b>NET UNDERWRITING PROFIT</b>	<b>102,655</b>	<b>109,601</b>
Net investment income	11,658	14,572
<b>PROFIT FOR THE YEAR</b>	<b>114,313</b>	<b>124,173</b>

## Independent Auditors' Report on the Summary of Financial Statements Royal & Sun Alliance Insurance (Middle East) B.S.C (c)

To the Board of Directors,  
Royal & Sun Alliance Insurance (Middle East) B.S.C. (c)

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31<sup>st</sup> December 2020 and the summary statement of profit or loss for the year then ended, are derived from the audited financial statements of Royal & Sun alliance Insurance (Middle East) B.S.C (c) - U.A.E. Branches ("the U.A.E. Branches") for the year ended 31<sup>st</sup> December 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards (IFRS).

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 4<sup>th</sup> March 2021.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary of the audited financial statements in accordance with the requirements of Federal Law No. 2 of 2015 and Federal Law No. 6 of 2007 of Insurance Authority of the U.A.E.

### Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

### KPMG Lower Gulf Limited

Emilio Para  
Registration No: 1146  
Dubai, United Arab Emirates  
Date: 4<sup>th</sup> March 2021