

**TAKAFUL EMARAT - INSURANCE  
(PSC) AND ITS SUBSIDIARY**

Interim condensed consolidated financial information  
(Unaudited)

For the nine-month period ended 30 September 2024

## **Independent Auditor's Review Report on Interim Condensed Consolidated Financial Information To the Shareholders of Takaful Emarat - Insurance (PSC) and its subsidiary**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Takaful Emarat - Insurance (PSC) (the "Company") and its subsidiary (collectively referred to as the "Group") as at 30 September 2024, and the related interim condensed consolidated statement of income statement and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows for the nine-month period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim condensed consolidated 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 information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "*Interim Financial Reporting*".

### ***Emphasis of Matters***

- We draw our attention to Note 3 to the interim condensed consolidated financial information which indicates that the Group's incurred a loss for the nine-month period ended 30 September 2024 of AED 4.1 million (30 September 2023: AED 1.6 million (restated)), and as at that date, the accumulated losses amounted to AED 185.3 million (31 December 2023: AED 181.3 million) and a shareholders' deficit of AED 43.7 million (31 December 2023: AED 39.7 million). Further, as stated in Note 25, the Group did not meet the Minimum Capital Requirements, Minimum Guarantee Fund and Solvency Capital Requirement. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 25 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The interim condensed consolidated financial information has been prepared on a going concern basis as the Group's shareholders have committed to provide financial support to the Group to enable it to meet its obligations as they fall due. Our opinion is not modified in respect of this matter.

**Independent Auditor's Review Report on Interim Condensed Consolidated Financial Information**

**To the Shareholders of Takaful Emarat - Insurance (PSC) and its subsidiary**

***Emphasis of Matters (continued)***

- We draw our attention to Note 26 to the interim condensed consolidated financial information which states that the Group's share capital has been reduced to AED 26.5 million subsequent to the period end as a result of capital restructuring. This has resulted in the technical breach of minimum share capital requirement as per the regulations.
- We draw our attention to Note 27 to the interim condensed consolidated financial information which highlights details of the impairment losses incorrectly booked related to investments carried at fair value through profit or loss and fair value through other comprehensive income. The Company has restated the comparative information in this interim condensed consolidated financial information.

Our opinion is not modified in respect of the above matters.

  
GRANT THORNTON UAE

**Farouk Mohamed**  
**Registration No: 86**  
**Dubai, United Arab Emirates**

**14 November 2024**



**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**

**Interim condensed consolidated statement of financial position**  
**As at 30 September 2024**

	Notes	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
<b>Assets</b>			
<b>Participants' assets</b>			
Investment properties	6	95,487	83,984
Investments carried at FVTPL	7	382,895	343,196
Retakaful contract assets	8	42,295	33,700
Other receivables	9	25,790	5,648
Due from shareholders		87,142	106,471
Cash and bank balances	11	100,800	50,791
<b>Total participants' assets</b>		<b>734,409</b>	<b>623,790</b>
<b>Shareholders' assets</b>			
Property and equipment		583	715
Intangible assets		265	490
Investments carried at FVTPL	7	4,829	4,829
Other receivables	9	8,919	4,800
Statutory deposit	10	4,000	4,000
Cash and bank balances	11	16,361	25,450
Deferred tax assets		295	-
<b>Total shareholders' assets</b>		<b>35,252</b>	<b>40,284</b>
<b>Total assets</b>		<b>769,661</b>	<b>664,074</b>

The notes from 1 to 28 form an integral part of this interim condensed consolidated financial information.

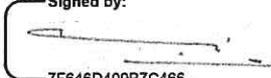
**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**  
**Interim condensed consolidated statement of financial position (continued)**  
**As at 30 September 2024**

		(Unaudited) 30 September 2024	(Audited) 31 December 2023
	Notes	AED'000	AED'000
<b>Participants' liabilities and deficit</b>			
<b>Participants' liabilities</b>			
Takaful contract liabilities	8	666,451	536,243
Retakaful contract liabilities	8	1,016	3,453
Other payables	14	14,933	18,370
<b>Total participants' liabilities</b>		<b>682,400</b>	<b>558,066</b>
<b>Deficit in participants funds and Qard Hassan from shareholder's</b>			
Deficit in participants funds	15	(52,009)	(65,724)
Qard Hassan from Shareholder's	15	52,009	65,724
<b>Deficit in participants funds and Qard Hassan from shareholder's</b>		<b>-</b>	<b>-</b>
<b>Total participants' liabilities and deficit</b>		<b>682,400</b>	<b>558,066</b>
<b>Shareholder's liability and deficit</b>			
<b>Shareholder's liabilities</b>			
Employees' end of service benefits		3,623	3,636
Other payables	14	40,219	35,553
Due to participants		87,142	106,471
<b>Total shareholder's liabilities</b>		<b>130,984</b>	<b>145,660</b>
<b>Shareholder's deficit</b>			
Share capital	12	150,000	150,000
Statutory reserve	13	6,568	6,568
Retakaful reserves	13	1,966	1,966
Cumulative changes in fair value of FVTOCI investments		(16,922)	(16,922)
Accumulated losses		(185,335)	(181,264)
<b>Total shareholder's deficit</b>		<b>(43,723)</b>	<b>(39,652)</b>
<b>Total shareholder's deficit and liabilities</b>		<b>87,261</b>	<b>106,008</b>
<b>Total liabilities, participants' fund and equity</b>		<b>769,661</b>	<b>664,074</b>

This interim condensed consolidated financial information was authorised for issue on 14 November 2024 by the Board of Directors and signed on their behalf by:

Signed by:  
  
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**Dr. Nooraldeen Subhi Ahmed Atatreh**  
**Chairman**

Signed by:  
  
 7F646D409B7C466...

**Mr. Mohd Amin Ghaleb Abu Quora**  
**Chief Executive Officer**

The notes from 1 to 28 form an integral part of this interim condensed consolidated financial information.

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**

**Interim condensed consolidated income statement**  
**For the period ended 30 September 2024**

		<i>(Restated)</i>	<i>(Restated)</i>		
	(Unaudited)	(Unaudited)	(Unaudited)		
	Three-month	Three-month	Nine-month		
	period ended	period ended	period ended		
	30 September	30 September	30 September		
Notes	2024	2023	2023		
	AED'000	AED'000	AED'000		
<b>Attributable to participants</b>					
Takaful revenue	16	103,410	52,582	293,572	155,213
Takaful service expense	17	<b>(63,013)</b>	(33,983)	<b>(210,667)</b>	(112,994)
<b>Takaful service result before retakaful contracts held</b>		<b>40,397</b>	18,599	<b>82,905</b>	42,219
Net expenses from retakaful contracts held		<b>(1,022)</b>	(8,517)	<b>(5,498)</b>	(4,208)
<b>Takaful service result</b>		<b>39,375</b>	10,082	<b>77,407</b>	38,011
Takaful finance expense	18	<b>(32,879)</b>	(53,656)	<b>(18,930)</b>	(60,882)
Retakaful finance (expense)/income	18	<b>(12)</b>	(102)	<b>(52)</b>	13
Net change in fair value of participants' investment		<b>32,875</b>	54,149	<b>18,876</b>	61,280
<b>Net takaful income</b>		<b>39,359</b>	10,473	<b>77,301</b>	38,422
Investment income – net		<b>2,162</b>	8,724	<b>3,506</b>	9,316
Wakala fees		<b>(23,874)</b>	(9,613)	<b>(67,092)</b>	(29,877)
<b>Surplus for the period attributable to participants</b>		<b>17,647</b>	9,584	<b>13,715</b>	17,861
<b>Attributable to shareholders</b>					
Investment (loss)/ income		<b>(251)</b>	272	<b>(87)</b>	829
Other income		<b>132</b>	54	<b>541</b>	139
Wakala fees		<b>23,874</b>	9,613	<b>67,092</b>	29,877
Policy acquisition cost		<b>(17,460)</b>	(8,309)	<b>(44,847)</b>	(22,704)
General and administrative expenses	19	<b>(14,528)</b>	(12,065)	<b>(40,780)</b>	(27,646)
<b>Loss for the period before Qard Hassan</b>		<b>(8,233)</b>	(10,435)	<b>(18,081)</b>	(19,505)
Recovery against Qard Hassan to participants		<b>17,647</b>	9,584	<b>13,715</b>	17,861
<b>Profit / (loss) before tax attributable to shareholders</b>		<b>9,414</b>	(851)	<b>(4,366)</b>	(1,644)
Income tax (expense)/ credit for the period		<b>(635)</b>	-	<b>295</b>	-
<b>Profit / (loss) after tax attributable to shareholders</b>		<b>8,779</b>	(851)	<b>(4,071)</b>	(1,644)
<b>Basic earnings/ (loss) per share</b>	24	<b>0.06</b>	(0.01)	<b>(0.03)</b>	(0.01)
<b>Diluted earnings/ (loss) per share</b>	24	<b>0.37</b>	(0.01)	<b>(0.17)</b>	(0.01)

The notes from 1 to 28 form an integral part of this interim condensed consolidated financial information.

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**

**Interim condensed consolidated statement of comprehensive income**  
**For the period ended 30 September 2024**

	<b>(Unaudited)</b>	<i>(Restated)</i> <b>(Unaudited)</b>	<b>(Unaudited)</b>	<i>(Restated)</i> <b>(Unaudited)</b>
	<b>Three-month</b>	<b>Three-month</b>	<b>Nine-month</b>	<b>Nine-month</b>
	<b>period ended</b>	<b>period ended</b>	<b>period ended</b>	<b>period ended</b>
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>Net income / (loss) for the period</b>	<b>8,779</b>	<b>(851)</b>	<b>(4,071)</b>	<b>(1,644)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other Comprehensive Income / (Loss) for the Period</b>	<b>8,779</b>	<b>(851)</b>	<b>(4,071)</b>	<b>(1,644)</b>

The notes from 1 to 28 form an integral part of this interim condensed consolidated financial information.

**Takaful Emarat - Insurance (PSC) and its subsidiary  
Interim condensed consolidated financial information (Unaudited)**

**Interim condensed consolidated statement of changes in equity  
For the period ended 30 September 2024**

	Share capital AED'000	Statutory reserve AED'000	Retakaful reserve AED'000	Cumulative changes in fair value of investments (FVTOCI) AED'000	Accumulated losses AED'000	Total deficit AED'000
At 1 January 2023 (Audited)	150,000	6,568	1,268	(16,922)	(168,140)	(27,226)
Loss for the period	-	-	-	-	(1,644)	(1,644)
Total comprehensive loss for the period	-	-	-	-	(1,644)	(1,644)
Balance at 30 September 2023 (Unaudited)	150,000	6,568	1,268	(16,922)	(169,784)	(28,870)
At 1 January 2024 (Audited)	150,000	6,568	1,966	(16,922)	(181,264)	(39,652)
Loss for the period	-	-	-	-	(4,071)	(4,071)
Total comprehensive loss for the period	-	-	-	-	(4,071)	(4,071)
At 30 September 2024 (Unaudited)	150,000	6,568	1,966	(16,922)	(185,335)	(43,723)

The notes from 1 to 28 from an integral part of this interim condensed consolidated financial information.



**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**

**Interim condensed consolidated statement of cash flows**  
**For the period ended 30 September 2024**

	(Unaudited) Nine-month period ended 30 September 2024	<i>(Restated)</i> (Unaudited) Nine-month period ended 30 September 2023
Notes	AED'000	AED'000
<b>Cash flows from operating activities</b>		
Loss before tax for the period	(4,366)	(1,644)
<b>Adjustments for:</b>		
Depreciation and amortisation	568	656
Unrealised gain on investments carried at FVTPL	(18,876)	(60,919)
Provision for expected credit loss	114	11
Gain on revaluation of invested properties	-	(9,057)
Provision for employees' end of service benefits	665	217
<b>Operating cash flows before changes in working capital</b>	<u>(21,895)</u>	<u>(70,736)</u>
<b>Changes in working capital:</b>		
Changes in takaful contract assets	-	(32)
Changes in retakaful contract assets	(8,595)	(21,196)
Change in other receivables	(24,261)	15,302
Changes in takaful contract liabilities	130,208	61,030
Changes in retakaful contract liabilities	(2,437)	(904)
Change in other payables	1,174	10,136
<b>Cash generated/(used in) from operating activities</b>	<u>74,194</u>	<u>(6,400)</u>
Employees end of service benefits paid	(678)	(891)
<b>Net cash generated/(used in) from operating activities</b>	<u>73,516</u>	<u>(7,291)</u>
<b>Cash flows from investing activities</b>		
Change in deposits with maturity of more than three month	(35,000)	27,832
Net purchase from investments carried at FVTPL	(20,823)	(14,044)
Purchase of property and equipment	(74)	-
Purchase of intangible assets	(140)	-
Addition to investments properties	(11,465)	(7,044)
<b>Net cash (used in)/generated from investing activities</b>	<u>(67,502)</u>	<u>6,744</u>
<b>Cash flows from financing activity</b>		
Repayment of ijarah financing	-	(17,500)
<b>Net cash used in financing activity</b>	<u>-</u>	<u>(17,500)</u>
<b>Net change in cash and cash equivalents</b>	<u>6,014</u>	<u>(18,047)</u>
Cash and cash equivalents at beginning of the period	62,701	62,831
<b>Cash and cash equivalents at end of the period</b>	<u>68,715</u>	<u>44,784</u>

The notes from 1 to 28 form an integral part of this interim condensed consolidated financial information.

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**

**Notes to the interim condensed consolidated financial information**  
**For the period ended 30 September 2024**

**1 Legal status and activities**

Takaful Emarat Insurance (PSC) (the “Company”) and its subsidiary, (collectively referred to as the “Group”) is a public stock company incorporated in the Emirate of Dubai – United Arab Emirates, subject to the regulations of the UAE Federal Decree Law No. 32 of 2021 and the UAE Federal Law No. 48 of 2023 (previously UAE Federal Law No. 6 of 2007, as amended) relating to commercial companies in the UAE and is registered in the Insurance Companies Register of Central Bank of the United Arab Emirates.

The Group carries out takaful activities in Health Insurance, Life Insurance and Credit and Saving Insurance in accordance with the Islamic Sharia’a and within the provisions of the Articles of Association of the Group.

The registered address of the Group is P.O. Box 57589, Dubai, United Arab Emirates.

In 2023, Federal Law No. 48 of 2023 has been issued with effective date of 30 November 2023, repealing Federal Law No. 6 of 2007. In accordance with Article 112 of the Federal Law No. 48 of 2023, the Group has applied the provisions of the new law and has amended its Articles of Association in compliance with the provisions of the law.

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

This interim condensed consolidated financial information is prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. 32 of 2021.

This interim condensed consolidated financial information incorporates the financial information of the Company and its subsidiary (collectively referred to as the “Group”).

<b>Subsidiary</b>	<b>Principal activity</b>	<b>Country of incorporation</b>	<b>Ownership</b>	
<i>Directly owned</i>			<b>2024</b>	<b>2023</b>
Modern Tech Investment	Investment	United Arab Emirates	100%	100%

**2 Application of new and revised international financial reporting standards (“IFRS”)**

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

<b>Standard number</b>	<b>Title</b>	<b>Effective date</b>
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

These standards have been adopted by the Group and did not have a material impact on these interim condensed consolidated financial information.

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

## **Takaful Emarat - Insurance (PSC) and its subsidiary Interim condensed consolidated financial information (Unaudited)**

### **Notes to the interim condensed consolidated financial information For the period ended 30 September 2024**

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#### **3 Basis of preparation**

##### **Statement of compliance**

This interim condensed consolidated financial information is prepared in accordance with IAS 34 *Interim Financial Reporting* and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of U.A.E Federal Law No. 32 of 2021, relating to commercial companies, and of UAE Federal Law No. 48 of 2023 concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations.

While applying the requirements of International Financial Reporting Standards 17 - Insurance Contracts (IFRS-17), the Group has considered policy acquisition cost and general and administrative expenses (attributable) for the assessment of takaful service expenses. This contradicts the principles as per Article 3.3 of Section 7 of the Financial Regulations for Takaful Companies (FRTC) as these are shareholders' expenses. Further, to align the presentation in line with FRTC requirements, the Group reclassified all maintenance and acquisition expenses from the takaful service expenses under the participants fund to the general expenses and acquisition cost to be under the shareholders' fund.

##### **Fundamental accounting concept**

The Group incurred a loss for the nine-month period ended 30 September 2024 of AED 4.1 million (30 September 2023: AED 1.6 million (restated)), and as at that date, the accumulated losses amounted to AED 185.3 million (31 December 2023: AED 181.3 million), a shareholders' deficit of AED 43.7 million (31 December 2023: AED 39.7 million) and has net current liabilities of AED 273.5 million. Further, as disclosed in Note 25, the Group did not meet the Minimum Capital Requirements of AED 100 million, Solvency Capital Requirements of AED 74 million and Minimum Guarantee Fund of AED 48 million as at 30 September 2024. The Group has made a business plan to meet the solvency requirements which is submitted to the regulatory authorities. A material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Furthermore, as at 30 September 2024, the Group's accumulated losses represent 124% of the share capital of the Company (31 December 2023: 121%). Article 309 of the Federal Decree Law No. 32 of 2021 requires a Company to conduct a meeting of general assembly in case the accumulated losses exceed 50% of a Company's share capital. Accordingly, the Group conducted a general assembly meeting on 27 February 2024 and passed a resolution for continuity of the Group's operations. Further, the shareholders passed the following resolutions:

- offset the accumulated losses by AED 132 million through reducing the Group's share capital; and
- Increase the share capital of the Company by AED 185 million, which was approved in the Annual General Assembly meeting held on 14 June 2024. However, the Group has received a non-objection letter from the concerned regulated authorities to proceed with the capital restructuring.

##### **Basis of measurement**

The interim condensed consolidated financial information is prepared on the historical cost basis except for the following which are measured at fair value:

- i. Financial assets at fair value through profit or loss ("FVTPL"); and
- ii. Investment properties.

The Group's interim condensed 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, Takaful and other receivables and Takaful and other payables. The following balances would generally be classified as non-current: property and equipment, intangible assets, investment properties, deferred tax, statutory and other deposits. The following balances are of mixed nature (including both current and non-current portions), retakaful contract assets, takaful contract liabilities, fixed deposits and provision for employees' end of service indemnity.

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**

**Notes to the interim condensed consolidated financial information**  
**For the period ended 30 September 2024**

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**3 Basis of preparation (continued)**

**Functional and presentation currency**

The interim condensed consolidated financial information is presented in U.A.E. Dirhams (“AED”) rounded to the nearest thousand, since that is the currency in which the majority of the Group’s transactions are denominated.

**Basis of consolidation**

The interim condensed consolidated financial information comprises the financial information of the Group and its subsidiary as at 30 September 2024.

Control is achieved when the Group 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.

The financial information of a subsidiary is included in the Group’s interim condensed consolidated financial information from the date that control commences until the date that control ceases. The Group maintains control over the subsidiary as it has power over the investee, exposure or rights to its variable returns and the power to affect the investor’s returns.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full consolidation.

**4 Material accounting policies**

The accounting policies applied by the Group in the preparation of the condensed consolidated interim financial information are consistent with those applied by the Group in the annual consolidated financial statements for the period ended 31 December 2023, except for application of new standards effective as of January 2024 and several amendments and interpretations apply for the first time in 2024. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

**5 Critical accounting estimates and judgements in applying accounting policies**

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

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited consolidated financial statements as at and for the year ended 31 December 2023.

**Insurance and financial risk management**

The Group insurance and financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2023. There have been no changes in any risk management policies since the year end.

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**

**Notes to the interim condensed consolidated financial information**  
**For the period ended 30 September 2024**

**6 Investment properties**

Investment properties include plot of land, properties under development and residential apartments. All investment properties are located in the U.A.E.

The carrying amount of investment properties are the fair value of the properties as determined by two independent appraisers having an appropriate recognised professional qualification and recent experience in the region. Investment properties are being valued and reviewed by the Board of Directors on a yearly basis. Fair values were determined based on comparable method for residential apartments and residual method of valuation for under construction properties.

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Residential apartments*	20,872	20,834
Land**	23,275	23,275
Properties under development**	51,340	39,875
	<u>95,487</u>	<u>83,984</u>

\* Residential apartments are classified as Level 3 in the fair value hierarchy as at 31 December 2023.

\*\* Land, on which construction is under progress, and the work in progress as at 30 September 2024 amounting to AED 74.6 million (31 December 2023 AED 63.2 million) are stated at its fair value. This includes land with fair value of AED 23.3 million and work in progress with an amount of AED 51.3 million (31 December 2023: land with fair value of AED 23.3 million and work in progress with an amount of AED 39.9 million).

	Apartments AED'000	Land AED'000	Properties under development AED'000	Total AED'000
<b>30 September 2024 (Unaudited)</b>				
As at 1 January	20,834	23,275	39,875	83,984
Addition in WIP	38	-	11,465	11,503
<b>As at 30 September 2024</b>	<u>20,872</u>	<u>23,275</u>	<u>51,340</u>	<u>95,487</u>
<b>31 December 2023 (Audited)</b>				
As at 1 January	13,266	15,402	29,037	57,705
Change in fair value during the period	7,568	7,873	-	15,441
Addition in WIP	-	-	10,838	10,838
<b>As at 31 December 2023</b>	<u>20,834</u>	<u>23,275</u>	<u>39,875</u>	<u>83,984</u>

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**

Notes to the interim condensed consolidated financial information  
For the period ended 30 September 2024

**7 Investments carried at FVTPL**

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Mutual funds	382,938	343,239
Equity investments – Unquoted	4,786	4,786
	<u>387,724</u>	<u>348,025</u>
<b>Attributable to:</b>		
Participants	382,895	343,196
Shareholders	4,829	4,829
	<u>387,724</u>	<u>348,025</u>
Within UAE	302,972	79,748
Outside UAE	84,752	268,277
	<u>387,724</u>	<u>348,025</u>

The movement in financial assets are as follows:

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
<b>As at 1 January</b>	348,025	265,658
Purchased during the period/ year	370,917	538,977
Sold during the period/ year	(350,094)	(511,816)
Change in fair value during the period/ year	18,876	55,206
	<u>387,724</u>	<u>348,025</u>

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
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Notes to the interim condensed consolidated financial information  
For the period ended 30 September 2024

**8 Takaful and retakaful contracts**

The breakdown of groups of takaful and retakaful contracts issued, and retakaful contracts held, that are in an asset position and those in a liability position is set out in the table below:

	(Unaudited)			(Audited)		
	30 September 2024			31 December 2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Takaful contracts issued</b>						
Group life and medical	-	(315,581)	(315,581)	-	(206,651)	(206,651)
Individual life	-	(350,870)	(350,870)	-	(329,592)	(329,592)
<b>Total takaful contracts issued</b>	-	(666,451)	(666,451)	-	(536,243)	(536,243)
<b>Retakaful contracts held</b>						
Group life and medical	42,295	-	42,295	33,700	-	33,700
Individual life	-	(1,016)	(1,016)	-	(3,453)	(3,453)
<b>Total retakaful contracts held</b>	42,295	(1,016)	41,279	33,700	(3,453)	30,247

**Takaful Emarat - Insurance (PSC) and its subsidiary  
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Notes to the interim condensed consolidated financial information  
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**8 Takaful and retakaful contracts (continued)**

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) for takaful contracts

30 September 2024 (Unaudited)	Liability for remaining coverage		LIC for contracts not measured under the PAA		LIC for contracts measured under the PAA		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	measured under the PAA AED'000	contracts not measured under the PAA AED'000	Present value of future cash flows AED'000	Risk adjustment AED'000	
Takaful contracts issued							
Opening takaful contract liabilities	(439,484)	(12,491)	(5,412)	(76,780)	(2,076)	(536,243)	(536,243)
Net balance as at 1 January 2024	(439,484)	(12,491)	(5,412)	(76,780)	(2,076)	(536,243)	(536,243)
Takaful revenue	293,572	-	-	-	-	293,572	
Takaful service expenses							
Incurred claims and other directly attributable expenses	-	-	(7,944)	(227,495)	(6,598)	(242,037)	
Changes that relate to past service - adjustments to the LIC	-	-	208	(4,800)	5,725	1,133	
Losses on onerous contracts and reversal of those losses	-	3,961	-	-	-	3,961	
Takaful acquisition cash flows amortisation	(44,847)	-	-	-	-	(44,847)	
<b>Total takaful service expenses</b>	<b>(44,847)</b>	<b>3,961</b>	<b>(7,736)</b>	<b>(232,295)</b>	<b>(873)</b>	<b>(281,790)</b>	
Takaful service result	248,725	3,961	(7,736)	(232,295)	(873)	11,782	
Finance expenses from takaful contracts issued	(18,875)	(32)	(21)	-	-	(18,928)	
Investment components	64,133	-	(64,133)	-	-	-	
<b>Total amounts recognised in comprehensive income</b>	<b>293,983</b>	<b>3,929</b>	<b>(71,890)</b>	<b>(232,295)</b>	<b>(873)</b>	<b>(7,146)</b>	
<b>Cash flows</b>							
Premiums received	(438,380)	-	-	-	-	(438,380)	
Claims and other directly attributable expenses paid	-	-	63,299	195,032	-	258,331	
Takaful acquisition cash flows paid	56,987	-	-	-	-	56,987	
<b>Total cash flows</b>	<b>(381,393)</b>	<b>-</b>	<b>63,299</b>	<b>195,032</b>	<b>-</b>	<b>(123,062)</b>	
<b>Net takaful contract liabilities at 30 September 2024</b>	<b>(526,894)</b>	<b>(8,562)</b>	<b>(14,003)</b>	<b>(114,043)</b>	<b>(2,949)</b>	<b>(666,451)</b>	



**Takaful Emarat - Insurance (PSC) and its subsidiary  
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**Notes to the interim condensed consolidated financial information  
For the period ended 30 September 2024**

**8 Takaful and retakaful contracts (continued)**

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) for takaful contracts (continued)

31 December 2023 (Audited)	Liability for remaining coverage		LIC for contracts not measured under the PAA		LIC for contracts measured under the PAA		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	LIC for contracts not measured under the PAA AED'000	Present value of future cash flows AED'000	Risk adjustment AED'000	AED'000	
Takaful contracts issued							
Opening takaful contract assets	765	(634)	-	-	-	131	
Opening takaful contract liabilities	(294,914)	-	(6,553)	(101,976)	(2,772)	(406,215)	
Net balance as at 1 January 2023	(294,149)	(634)	(6,553)	(101,976)	(2,772)	(406,084)	
Takaful revenue	228,705	-	-	-	-	228,705	
Takaful service expenses							
Incurred claims and other directly attributable expenses	-	-	(3,579)	(183,785)	(5,236)	(192,600)	
Changes that relate to past service - adjustments to the LIC	-	-	478	(3,798)	5,931	2,611	
Losses on onerous contracts and reversal of those losses	-	(11,920)	-	-	-	(11,920)	
Takaful acquisition cash flows amortisation	(34,945)	-	-	-	-	(34,945)	
Total takaful service expenses	(34,945)	(11,920)	(3,101)	(187,583)	695	(236,854)	
Takaful service result	193,760	(11,920)	(3,101)	(187,583)	695	(8,149)	
Finance (expenses)/income from takaful contracts issued	(57,895)	63	(17)	-	1	(57,848)	
Investment components	68,664	-	(68,664)	-	-	-	
Total amounts recognised in comprehensive income	204,529	(11,857)	(71,782)	(187,583)	696	(65,997)	
Cash flows							
Premiums received	(405,823)	-	-	-	-	(405,823)	
Claims and other directly attributable expenses paid	-	-	72,923	212,779	-	285,702	
Takaful acquisition cash flows paid	55,959	-	-	-	-	55,959	
Total cash flows	(349,864)	-	72,923	212,779	-	(64,162)	
Net takaful contract liabilities at 31 December 2023	(439,484)	(12,491)	(5,412)	(76,780)	(2,076)	(536,243)	

**Takaful Emarat - Insurance (PSC) and its subsidiary  
Interim condensed consolidated financial information (Unaudited)**

Notes to the interim condensed consolidated financial information  
For the period ended 30 September 2024

**8 Takaful and retakaful contracts (continued)**

Reconciliation of the components of takaful contract liabilities - Contracts not measured under the PAA

30 September 2024 (Unaudited)	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
Opening takaful contract liabilities	(306,761)	(8,706)	(14,125)	(329,592)
Net balance as at 1 January 2024	(306,761)	(8,706)	(14,125)	(329,592)
<b>Changes related to current services</b>				
- CSM recognised in profit and loss	-	-	2,565	2,565
- Risk Adjustment recognised in profit and loss	-	1,081	-	1,081
- Experience adjustments	(5,172)	(216)	-	(5,388)
<b>Changes related to future services</b>				
- Contracts initially recognised in the period	(567)	(968)	(146)	(1,681)
- Changes in estimates that adjust CSM	8,958	(392)	(8,566)	-
- Changes in estimates that result in onerous contracts or reversal of losses	4,357	316	-	4,673
Changes that relate to past service - adjustments to LIC	5	204	-	209
Takaful finance expense through profit and loss	(18,903)	-	(26)	(18,929)
<b>Total changes in statement of comprehensive income</b>	<b>(11,322)</b>	<b>25</b>	<b>(6,173)</b>	<b>(17,470)</b>
Premiums received	(78,645)	-	-	(78,645)
Claims and other directly attributable expenses paid	63,301	-	-	63,301
Takaful acquisition cash flows paid	11,536	-	-	11,536
<b>Total cash flows</b>	<b>(3,808)</b>	<b>-</b>	<b>-</b>	<b>(3,808)</b>
<b>Net takaful contract liabilities at 30 September 2024</b>	<b>(321,891)</b>	<b>(8,681)</b>	<b>(20,298)</b>	<b>(350,870)</b>

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
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**For the period ended 30 September 2024**

**8 Takaful and retakaful contracts (continued)**

Reconciliation of the components of takaful contract liabilities - Contracts not measured under the PAA (continued)

31 December 2023 (Audited)	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
Opening takaful contract assets	759	(71)	(557)	131
Opening takaful contract liabilities	(217,226)	(7,737)	(15,180)	(240,143)
Net balance as at 1 January 2023	(216,467)	(7,808)	(15,737)	(240,012)
Changes related to current services				
- CSM recognised in profit and loss	-	-	1,422	1,422
- Risk Adjustment recognised in profit and loss	-	885	-	885
- Experience adjustments	4,856	(398)	-	4,458
Changes related to future services				
- Contracts initially recognised in the period	(1,016)	(1,631)	(366)	(3,013)
- Changes in estimates that adjust CSM	(356)	(242)	598	-
- Changes in estimates that result in onerous contracts or reversal of losses	(4,664)	30	-	(4,634)
Changes that relate to past service - adjustments to LIC	19	458	-	477
Takaful finance expenses through profit and loss	(57,806)	-	(42)	(57,848)
Total changes in statement of comprehensive income	(58,967)	(898)	1,612	(58,253)
Premiums received	(124,538)	-	-	(124,538)
Claims and other directly attributable expenses paid	72,927	-	-	72,927
Takaful acquisition cash flows paid	20,284	-	-	20,284
Total cash flows	(31,327)	-	-	(31,327)
Net takaful contract liabilities at 31 December 2023	(306,761)	(8,706)	(14,125)	(329,592)

**Takaful Emarat - Insurance (PSC) and its subsidiary  
Interim condensed consolidated financial information (Unaudited)**

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**8 Takaful and retakaful contracts (continued)**

Reconciliation of the assets for remaining coverage (ARC) and the assets for incurred claims (LIC) for retakaful contracts

30 September 2024 (Unaudited)	Asset for remaining coverage		AIC for contracts not measured under the PAA		AIC for contracts measured under the PAA		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	AED'000	AED'000	cash flows AED'000	Risk adjustment AED'000	
<b>Retakaful contracts issued</b>							
Opening retakaful contract assets	(27,762)	1,813	-	-	58,620	1,029	33,700
Opening retakaful contract liabilities	(13,908)	7,368	3,087	-	-	-	(3,453)
Net balance as at 1 January 2024	(41,670)	9,181	3,087	-	58,620	1,029	30,247
Allocation of retakaful premium	(133,565)	-	-	-	-	-	(133,565)
Amounts recoverable for claims and other expenses	-	-	832	-	121,887	1,486	124,205
Changes that relate to past service - adjustments to LIC	-	-	(4)	-	9,114	(876)	8,234
Changes in fulfilment cash flows that do not adjust underlying CSM	-	(4,372)	-	-	-	-	(4,372)
Expenses directly attributable to retakaful	-	-	(290)	-	(1,795)	-	(2,085)
<b>Net (expenses)/ income from retakaful contracts held</b>	<b>(133,565)</b>	<b>(4,372)</b>	<b>538</b>	<b>-</b>	<b>129,206</b>	<b>610</b>	<b>(7,583)</b>
Finance (expenses)/ income from retakaful contracts issued	(64)	-	12	-	-	-	(52)
<b>Total amounts recognised in comprehensive income</b>	<b>(133,629)</b>	<b>(4,372)</b>	<b>550</b>	<b>-</b>	<b>129,206</b>	<b>610</b>	<b>(7,635)</b>
<b>Cash flows</b>							
Premiums paid to retakaful net of commission	69,072	-	-	-	-	-	69,072
Recoveries from retakaful	-	-	(57)	-	(52,495)	-	(52,552)
Directly attributable expenses paid	-	-	324	-	1,823	-	2,147
<b>Total cash flows</b>	<b>69,072</b>	<b>-</b>	<b>267</b>	<b>-</b>	<b>(50,672)</b>	<b>-</b>	<b>18,667</b>
<b>Net retakaful contract liabilities at 30 September 2024</b>	<b>(106,227)</b>	<b>4,809</b>	<b>3,904</b>	<b>-</b>	<b>137,154</b>	<b>1,639</b>	<b>41,279</b>
Closing retakaful contract assets	(99,829)	3,331	-	-	137,154	1,639	42,295
Closing retakaful contract liabilities	(6,398)	1,478	3,904	-	-	-	(1,016)
<b>Net retakaful contract liabilities at 30 September 2024</b>	<b>(106,227)</b>	<b>4,809</b>	<b>3,904</b>	<b>-</b>	<b>137,154</b>	<b>1,639</b>	<b>41,279</b>

**Takaful Emarat - Insurance (PSC) and its subsidiary  
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**8 Takaful and retakaful contracts (continued)**

Reconciliation of the assets for remaining coverage (ARC) and the assets for incurred claims (LIC) for retakaful contracts (continued)

31 December 2023 (Audited)	Asset for remaining coverage		AIC for contracts not measured under the PAA		AIC for contracts measured under the PAA		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	AIC for contracts not measured under the PAA		Present value of future cash flows AED'000	Risk adjustment AED'000	
			AED'000				
Retakaful contracts issued							
Opening retakaful contract assets	(11,919)	-	-	-	22,818	676	11,575
Opening retakaful contract liabilities	(14,725)	-	830	-	-	-	(13,895)
Net balance as at 1 January 2023	(26,644)	-	830	-	22,818	676	(2,320)
Allocation of retakaful premium	(105,790)	-	-	-	-	-	(105,790)
Amounts recoverable for claims and other expenses	-	-	138	138	89,994	1,693	91,825
Changes that relate to past service - adjustments to LIC	-	-	12	12	9,058	(1,340)	7,730
Changes in fulfilment cash flows that do not adjust underlying CSM	-	9,181	-	-	-	-	9,181
Expenses directly attributable to retakaful	-	-	(571)	(571)	(1,114)	-	(1,685)
Net (expenses)/income from retakaful contracts held	(105,790)	9,181	(421)	(421)	97,938	353	1,261
Finance income from retakaful contracts issued	1,340	-	2	2	-	-	1,342
Total amounts recognised in comprehensive income	(104,450)	9,181	(419)	(419)	97,938	353	2,603
Cash flows							
Premiums paid to retakaful net of commission	89,424	-	-	-	-	-	89,424
Recoveries from retakaful	-	-	2,023	2,023	(63,479)	-	(61,456)
Directly attributable expenses paid	-	-	653	653	1,343	-	1,996
Total cash flows	89,424	-	2,676	2,676	(62,136)	-	29,964
Net retakaful contract liabilities at 31 December 2023	(41,670)	9,181	3,087	3,087	58,620	1,029	30,247
Closing retakaful contract assets	(27,762)	1,813	-	-	58,620	1,029	33,700
Closing retakaful contract liabilities	(13,908)	7,368	3,087	3,087	-	-	(3,453)
Net retakaful contract liabilities at 31 December 2023	(41,670)	9,181	3,087	3,087	58,620	1,029	30,247

**Takaful Emarat - Insurance (PSC) and its subsidiary  
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**8 Takaful and retakaful contracts (continued)**

Reconciliation of the components of retakaful contract liabilities - Contracts not measured under the PAA

	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
30 September 2024 (Unaudited)	(7,098)	573	3,072	(3,453)
Opening retakaful contract liabilities as at 1 January 2024				
<b>Changes related to current services</b>				
- CSM recognised in profit and loss	-	-	6,801	6,801
- Risk adjustment recognised in profit and loss	-	(52)	-	(52)
- Experience adjustments	15	10	-	25
<b>Changes related to future services</b>				
- Contracts initially recognised in the period	(38)	6	32	-
- Changes in estimates that adjust CSM	(1,193)	12	1,181	-
- Changes in estimates that result in onerous contracts or reversal of losses	-	-	(5,891)	(5,891)
- Changes that relate to past service - adjustments to LIC	(13)	9	-	(4)
- Retakaful finance expenses through profit and loss	(148)	-	95	(53)
<b>Total changes in statement of comprehensive income</b>	<b>(1,377)</b>	<b>(15)</b>	<b>2,218</b>	<b>826</b>
Premiums paid to reinsurer net of commission	1,343	-	-	1,343
Directly attributable expenses paid	325	-	-	325
Recoveries from retakaful	(57)	-	-	(57)
<b>Total cash flows</b>	<b>1,611</b>	<b>-</b>	<b>-</b>	<b>1,611</b>
Closing retakaful contract liabilities as at 30 September 2024	(6,864)	558	5,290	(1,016)

**Takaful Emarat - Insurance (PSC) and its subsidiary  
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Notes to the interim condensed consolidated financial information  
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**8 Takaful and retakaful contracts (continued)**

Reconciliation of the components of retakaful contract liabilities - Contracts not measured under the PAA (continued)

	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
31 December 2023 (Audited)	(16,823)	1,173	1,755	(13,895)
Opening retakaful contract liabilities as at 1 January 2023				
Changes related to current services				
- CSM recognised in profit and loss	-	-	1,411	1,411
- Risk adjustment recognised in profit and loss	-	76	-	76
- Experience adjustments	(1,759)	(7)	-	(1,766)
Changes related to future services				
- Contracts initially recognised in the period	(154)	15	139	-
- Changes in estimates that adjust CSM	8,376	(707)	(7,668)	1
- Changes in estimates that result in onerous contracts or reversal of losses	-	-	7,368	7,368
- Changes that relate to past service - adjustments to LIC	(11)	23	-	12
- Retakaful finance expenses through profit and loss	1,276	-	67	1,343
Total changes in statement of comprehensive income	7,728	(600)	1,317	8,445
Premiums paid to reinsurer net of commission	(676)	-	-	(676)
Recoveries from retakaful	2,020	-	-	2,020
Directly attributable expenses paid	653	-	-	653
Total cash flows	1,997	-	-	1,997
Closing retakaful contract liabilities as at 31 December 2023	(7,098)	573	3,072	(3,453)

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
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Notes to the interim condensed consolidated financial information  
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**9 Other receivables**

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Advances*	23,225	631
Prepayments	2,531	1,759
Other receivables	8,953	8,058
	<u>34,709</u>	<u>10,448</u>
Attributable to:		
Participants	25,790	5,648
Shareholders	8,919	4,800
	<u>34,709</u>	<u>10,448</u>

\* The advances include matured investment receivables of an amount of AED 22.5 million.

**10 Statutory deposit**

Statutory deposit of amounting AED 4 million (31 December 2023: AED 4 million) is maintained in accordance with the requirements of UAE Federal Law No. (48) of 2023 for the purpose of carrying on takaful operations in the United Arab Emirates and is not available to finance the day-to-day operations of the Group.

**11 Cash and bank balances**

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000	(Unaudited) 30 September 2023 AED'000
Cash on hand	583	45	161
Cash at banks	68,132	62,656	44,623
Term deposit having maturity more than 3 month	48,610	13,610	13,310
Less: Expected credit losses	(164)	(70)	(61)
Cash and bank balances	<u>117,161</u>	<u>76,241</u>	<u>58,033</u>

For the purpose of cash flow, the cash and cash equivalents at each period end is as follows:

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000	(Unaudited) 30 September 2023 AED'000
Cash and bank balances	117,161	76,241	58,033
Add: Expected credit losses	164	70	61
Less: Term deposit having maturity more than 3 month	(48,610)	(13,610)	(13,310)
Cash and cash equivalents	<u>68,715</u>	<u>62,701</u>	<u>44,784</u>
Attributable to:			
Participants		100,800	50,791
Shareholders		16,361	25,450
		<u>117,161</u>	<u>76,241</u>



**Takaful Emarat - Insurance (PSC) and its subsidiary**  
**Interim condensed consolidated financial information (Unaudited)**

Notes to the interim condensed consolidated financial information  
For the period ended 30 September 2024

**12 Share capital**

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
<i>Authorised issued and fully paid</i> 150,000,000 ordinary shares of AED 1 each	<u>150,000</u>	<u>150,000</u>

**13 Statutory reserves**

**Statutory reserve**

In accordance with U.A.E. Law No. (32) of 2021, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law. No transfer to the statutory reserve has been made during the nine-month period ended 30 September 2024 (31 December 2023: Nil), as this will be based on the audited results for the year-end.

**Retakaful reserve**

In accordance with Article 34 of Central Bank of UAE, Board of Directors' Decision No. (23) of 2019, the Company allocated an amount equals to 0.5% of the total retakaful contributions ceded to retakaful reserve.

This reserve is accumulated year after year and may not be disposed of without the written approval of the Director General of the Central Bank of UAE. No transfer to the retakaful reserve has been made during the nine-month period ended 30 September 2024 (nine-month period ended 30 September 2023: Nil), as this will be based on the audited results for the year end.

**14 Other payables**

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Account payables	18,861	16,327
Payable to DHA	18,005	17,706
Accrued expenses	3,557	2,261
Employee related accruals	1,973	2,597
Other payables	<u>12,756</u>	<u>15,032</u>
	<u>55,152</u>	<u>53,923</u>
Attributable to:		
Participants	14,933	18,370
Shareholders	<u>40,219</u>	<u>35,553</u>
	<u>55,152</u>	<u>53,923</u>

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**15 Qard Hasan**

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
<b>(i) Deficit in participants' fund:</b>		
As at 1 January	(65,724)	(93,516)
Surplus during the period/ year	13,715	27,792
Closing balance	<u>(52,009)</u>	<u>(65,724)</u>
	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
<b>(ii) Qard Hasan from shareholders</b>		
As at 1 January	65,724	93,516
Recovery during the period/ year	(13,715)	(27,792)
Closing balance	<u>52,009</u>	<u>65,724</u>

**16 Takaful revenue**

For the nine-month period ended 30 September 2024 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
CSM recognised for services provided	-	2,565	2,565
Change in risk adjustment for non-financial risk for risk expired	-	187	187
Expected incurred claims and other takaful service expenses	-	1,351	1,351
Experience adjustments	-	(1,454)	(1,454)
Recovery of takaful acquisition cash flows	-	5,952	5,952
Contracts not measured under the PAA	-	8,601	8,601
Contracts measured under the PAA	284,971	-	284,971
Total takaful revenue	<u>284,971</u>	<u>8,601</u>	<u>293,572</u>

For the nine-month period ended 30 September 2023 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
CSM recognised for services provided	-	1,993	1,993
Change in risk adjustment for non-financial risk for risk expired	-	723	723
Expected incurred claims and other takaful service expenses	-	6,284	6,284
Experience adjustments	-	(3,603)	(3,603)
Recovery of takaful acquisition statements	-	2,356	2,356
Contracts not measured under the PAA	-	7,753	7,753
Contracts measured under the PAA	147,460	-	147,460
Total takaful revenue	<u>147,460</u>	<u>7,753</u>	<u>155,213</u>

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**16 Takaful revenue (continued)**

For the three-month period ended 30 September 2024 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
CSM recognised for services provided	-	342	342
Change in risk adjustment for non-financial risk for risk expired	-	(415)	(415)
Expected incurred claims and other takaful service expenses	-	(950)	(950)
Experience adjustments	-	(9,831)	(9,831)
Recovery of takaful acquisition statements	-	2,158	2,158
Contracts not measured under the PAA	-	(8,696)	(8,696)
Contracts measured under the PAA	112,106	-	112,106
Total takaful revenue	112,106	(8,696)	103,410

For the three-month period ended 30 September 2023 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
CSM recognised for services provided	-	(1,659)	(1,659)
Change in risk adjustment for non-financial risk for risk expired	-	319	319
Expected incurred claims and other takaful service expenses	-	2,203	2,203
Experience adjustments	-	(4,931)	(4,931)
Recovery of takaful acquisition statements	-	897	897
Contracts not measured under the PAA	-	(3,171)	(3,171)
Contracts measured under the PAA	55,753	-	55,753
Total takaful revenue	55,753	(3,171)	52,582

**17 Takaful service expense**

For the nine-month period ended 30 September 2024 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
Incurred claims and other expenses	214,665	1,096	215,761
Losses on onerous contracts and reversals of those losses	2,586	(6,547)	(3,961)
Changes to liabilities for incurred claims	(925)	(208)	(1,133)
Total takaful service expenses charged to participants' fund	216,326	(5,659)	210,667
<b>Other expenses allocated to shareholders' fund</b>			
Amortisation of takaful acquisition cash flows	38,895	5,952	44,847
Takaful maintenance expenses	19,428	6,848	26,276
Total other expenses charged to shareholders' fund	58,323	12,800	71,123
Total takaful service expenses	274,649	7,141	281,790

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**17 Takaful service expense (continued)**

For the nine-month period ended 30 September 2023 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
Incurring claims and other expenses	110,989	(51,879)	59,110
Losses on onerous contracts and reversals of those losses	-	(438)	(438)
Changes to liabilities for incurred claims	1,783	52,539	54,322
Total takaful service expenses charged to participants' fund	112,772	222	112,994
Amortisation of takaful acquisition cash flows	20,348	2,356	22,704
Takaful maintenance expenses	16,356	2,302	18,658
Total other expenses charged to shareholders' fund	36,704	4,658	41,362
Total takaful service expenses	149,476	4,880	154,356
<b>For the three-month period ended 30 September 2024 (Unaudited)</b>	<b>Group life and medical AED'000</b>	<b>Individual life AED'000</b>	<b>Total AED'000</b>
Incurring claims and other expenses	75,775	(27,794)	47,981
Losses on onerous contracts and reversals of those losses	455	(18,108)	(17,653)
Changes to liabilities for incurred claims	4,532	28,153	32,685
Total takaful service expenses charged to participants' fund	80,762	(17,749)	63,013
<b>Other expenses allocated to shareholders' fund</b>			
Amortisation of takaful acquisition cash flows	15,261	2,199	17,460
Takaful maintenance expenses	3,996	5,600	9,596
Total other expenses charged to shareholders' fund	19,257	7,799	27,056
Total takaful service expenses	100,019	(9,950)	90,069
For the three-month period ended 30 September 2023 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
Incurring claims and other expenses	39,123	(52,480)	(13,357)
Losses on onerous contracts and reversals of those losses	-	(400)	(400)
Changes to liabilities for incurred claims	(4,881)	52,621	47,740
Total takaful service expenses charged to participants' fund	34,242	(259)	33,983
Amortisation of takaful acquisition cash flows	7,412	897	8,309
Takaful maintenance expenses	7,608	570	8,178
Total other expenses charged to shareholders' fund	15,020	1,467	16,487
Total takaful service expenses	49,262	1,208	50,470

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**18 Takaful and retakaful finance income and expense**

	(Unaudited) Nine-month period ended 30 September 2024 AED'000	(Unaudited) Nine-month period ended 30 September 2023 AED'000
Takaful finance expenses	(18,930)	(60,882)
Retakaful finance (expenses)/ income	(52)	13
	<u>(18,982)</u>	<u>(60,869)</u>

**19 General and administrative expenses**

	(Unaudited) Three-month period ended 30 September 2024 AED'000	<i>(Restated)</i> (Unaudited) Three-month period ended 30 September 2023 AED'000	(Unaudited) Nine-month period ended 30 September 2024 AED'000	<i>(Restated)</i> (Unaudited) Nine-month period ended 30 September 2023 AED'000
TPA expenses	5,964	2,782	14,696	6,163
Salaries and other benefits	3,870	2,737	13,810	10,269
Legal and professional fees	2,661	1,989	5,394	3,753
Utilities, maintenance and communication	684	1,409	1,901	3,043
Depreciation and amortisation	296	201	568	656
Other expenses	1,053	2,947	4,411	3,762
	<u>14,528</u>	<u>12,065</u>	<u>40,780</u>	<u>27,646</u>

**20 Contingent liabilities**

On 30 September 2024, the Group had contingent liabilities in respect of medical claims and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 1.8 million (31 December 2023: AED 1.3 million).

**Legal claims**

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

**Capital commitments**

Capital commitments for under construction properties as at 30 September 2024 amounted to AED 5 million (31 December 2023: AED 6.5 million).

**Other commitments**

The Group has lease agreements which are payable as follows:

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Less than one year	<u>786</u>	<u>634</u>

**Takaful Emarat - Insurance (PSC) and its subsidiary**  
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**21 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.

Compensation of the key management personnel is given below:

	<b>(Unaudited)</b> <b>Nine-month</b> <b>period ended</b> <b>30 September</b> <b>2024</b> <b>AED'000</b>	<b>(Unaudited)</b> <b>Nine-month</b> <b>period ended</b> <b>30 September</b> <b>2023</b> <b>AED'000</b>
Short/long term employee benefits	<u>5,594</u>	<u>5,934</u>

The Group has no balance receivable and payable from its related parties.

**22 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 Group is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on adverse terms.

**Fair value of financial instruments carried at amortised cost**

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial information approximate their fair values.

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

The fair values of assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2023.

Fair value measurements recognised in the consolidated statement of financial position The following table provides an analysis of assets and liabilities 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 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); and

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 table on next page gives information about how the fair values of these financial assets are determined:

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**22 Financial instruments (continued)**

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

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>30 September 2024 (Unaudited)</b>				
Mutual funds	-	382,938	-	382,938
Equity investments – quoted	-	-	-	-
Equity investments – unquoted	-	-	4,786	4,786
	-	382,938	4,786	387,724
<b>31 December 2023 (Audited)</b>				
<i>Investments at fair value through profit or loss</i>				
Mutual funds	-	343,239	-	343,239
Equity investments – unquoted	-	-	4,786	4,786
	-	343,239	4,786	348,025

During the period ended 30 September 2024, there were no transfers made between fair value levels. (31 December 2023: No transfer).

**23 Segment information**

For management purposes, the Group is organised into two business segments; Takaful and investment operations. The takaful operations comprise the takaful business undertaken by the Group on behalf of policyholders. Investment operations comprise investments and cash management for the Group's own account. No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated based on profit or loss which in certain respects is measured differently from profit or loss in the interim condensed consolidated financial information.

Except for wakalah fees, allocation charges and Qard Hassan, no other inter-segment transactions occurred during the period.

**Takaful Emarat - Insurance (PSC) and its subsidiary  
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**23 Segment information (continued)**

These segments are the basis on which the Group reports its primary segment information. Segmental information is presented below:

	2024		2023			
	Attributable to participants AED'000	Attributable to shareholders AED'000	Total AED'000	Attributable to participants AED'000	Attributable to shareholders AED'000	Total AED'000
<b>For the nine-month period ended 30 September (Unaudited)</b>						
<i>Takaful</i>						
Takaful revenue	293,572	-	293,572	155,213	-	155,213
Takaful service expenses	(210,667)	-	(210,667)	(112,994)	-	(112,994)
<b>Takaful service result before retakaful contracts held</b>	<b>82,905</b>	<b>-</b>	<b>82,905</b>	<b>42,219</b>	<b>-</b>	<b>42,219</b>
Net expenses from retakaful contracts held	(5,498)	-	(5,498)	(4,208)	-	(4,208)
<b>Takaful service results</b>	<b>77,407</b>	<b>-</b>	<b>77,407</b>	<b>38,011</b>	<b>-</b>	<b>38,011</b>
Takaful finance expense	(18,930)	-	(18,930)	(60,882)	-	(60,882)
Retakaful finance (expense)/income	(52)	-	(52)	13	-	13
Net change in fair value of participants' investments	18,876	-	18,876	61,280	-	61,280
<b>Net takaful income</b>	<b>77,301</b>	<b>-</b>	<b>77,301</b>	<b>38,422</b>	<b>-</b>	<b>38,422</b>
Investment income- net	3,506	(87)	3,419	9,316	829	10,145
Other income	-	541	541	-	139	139
Wakala fees	(67,092)	67,092	-	(29,877)	29,877	-
Policy acquisition cost	-	(44,847)	(44,847)	-	(22,704)	(22,704)
General and administrative expenses	-	(40,780)	(40,780)	-	(27,646)	(27,646)
<b>Profit/ (loss) before tax for the period</b>	<b>13,715</b>	<b>(18,081)</b>	<b>(4,366)</b>	<b>17,861</b>	<b>(19,505)</b>	<b>(1,644)</b>
	<b>Takaful</b>		<b>Investment</b>		<b>Total</b>	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	AED'000 (Unaudited)	AED'000 (Audited)	AED'000 (Unaudited)	AED'000 (Audited)	AED'000 (Unaudited)	AED'000 (Audited)
Segment assets	734,409	623,790	35,252	40,284	769,661	664,074
Segment liabilities	682,400	558,066	130,984	145,660	813,384	703,726



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**24 Basic and diluted earnings and loss per share**

	(Unaudited) Three-month period ended 30 September 2024 AED'000	<i>(Restated)</i> (Unaudited) Three-month period ended 30 September 2023 AED'000	(Unaudited) Nine-month period ended 30 September 2024 AED'000	<i>(Restated)</i> (Unaudited) Nine-month period ended 30 September 2023 AED'000
Profit / (loss) after tax for the period attributable to shareholders	9,414	(851)	(4,366)	(1,644)
Weighted average number of shares outstanding during the period	150,000	150,000	150,000	150,000
<b>Basic earnings/ (loss) per share</b>	<b>0.06</b>	<b>(0.01)</b>	<b>(0.03)</b>	<b>(0.01)</b>
Weighted average number of shares outstanding after reduction subsequent to the period	25,652	25,652	25,652	25,652
<b>Diluted earnings/ (loss) per share</b>	<b>0.37</b>	<b>(0.01)</b>	<b>(0.17)</b>	<b>(0.01)</b>

Basic earnings /loss per share are calculated by dividing the earnings /loss for the period by the number of weighted average shares outstanding during the reporting period. Diluted earnings /loss per share is equivalent to diluted earnings/loss per share as the Group has reduced the share capital subsequent to the period ended 30 September 2024.

**25 Capital risk management**

Section 2 of the Financial Regulations for Insurance Companies (the “Regulations”) issued by Central Bank of UAE identifies the required solvency margins to be held in addition to insurance liabilities. The solvency margins must be maintained at all times throughout the period.

The table below summarises the consolidated Minimum Capital Requirement (MCR), Minimum Guarantee Fund (MGF) and Solvency Capital Requirement (SCR) 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 financial regulations issued for takaful companies in UAE.

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	73,741	45,934
Minimum Guarantee Fund (MGF)	48,415	29,861
Basic Own Funds	(152,810)	(152,740)
MCR Solvency Margin - Minimum Capital Requirement (deficit)	(252,810)	(252,740)
SCR Solvency Margin - Solvency Capital Requirement (deficit)	(226,551)	(198,674)
MGF Solvency Margin – Minimum Guarantee Fund (deficit)	(201,225)	(182,601)

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**25 Capital risk management (continued)**

As per Article (8) of Section 2 of the financial regulations issued for takaful companies in the UAE, the Group shall always comply with the requirements of Solvency Margin. As at 30 September 2024, the Group has a solvency deficit as compared to the Minimum Capital Requirements of AED 100 million, Solvency Capital Requirements of AED 74 million and Minimum Guarantee Fund of AED 48 million as at 30 September 2024. The Group also has a negative equity of AED 43.7 million as at 30 September 2024.

The shareholders have approved capital restructuring in the Annual General Meeting held on 14 June 2024 which comprises of following steps:

- Offsetting the accumulated losses through reducing the Group's share capital; and
- Capital injection of AED 185 million.

**26 Subsequent events**

On 21 October 2024, the Group completed the reduction of the share capital on Dubai Financial Market (DFM) and the following steps are involved.

- The Group reduced the share capital from 150 million to 25.7 million.
- The Group announced to increase the share capital of an AED 185 million by way of right issue and the start date of trading to exercise the right issues is from 11 November 2024 to 22 November 2024 at an issue price of 1 per share which is equal to the nominal value of the Company ordinary shares. The subscription of the right issue will close on the 26 November 2024.

**27 Correction of an error**

**Investment income**

For the period ended 30 September 2023, the Group recorded an impairment loss on investments carried at FVTPL and FVTOCI amounting to AED 56.5 million and AED 36.4 respectively. The Group later recorded full provision in the opening balance for the year ended 31 December 2022, In addition, the Group has reversed the gain on investment property valuation of AED 2.8 million. Which has been recorded for the period ended 30 September 2023 and later it has been adjusted in the opening balance of 2022.

**General and administrative expenses**

The Group has written off the receivables amounting to AED 6.1 million for the period ended 30 September 2023, which has been fully adjusted later in the opening balance for the year ended 31 December 2022. Therefore, the comparatives for the period ended 30 September is restated.

There is no impact of the restatement on the statement of financial position as at 31 December 2023.

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**27 Correction of an error (continued)**

	As previously reported	Restatement	As restated
	Nine-month period ended 30 September 2024		
	AED'000	AED'000	AED'000
<b>Attributable to participants</b>			
Takaful revenue	155,213	-	155,213
Takaful service expense	(112,994)	-	(112,994)
<b>Takaful service result before retakaful contracts held</b>	42,219	-	42,219
Net expenses from retakaful contracts held	(4,208)	-	(4,208)
<b>Takaful service result</b>	38,011	-	38,011
Takaful finance expense	(60,882)	-	(60,882)
Retakaful finance income	13	-	13
Net change in fair value of participants' investment	60,882	398	61,280
<b>Net takaful income</b>	38,024	398	38,422
Investment income – net	(43,843)	53,159	9,316
Wakala fees	(29,877)	-	(29,877)
<b>Surplus for the period attributable to participants</b>	(35,696)	53,557	17,861
<b>Attributable to shareholders</b>			
Investment income	829	-	829
Other income	426	(287)	139
Wakala fees	29,877	-	29,877
Policy acquisition cost	(22,704)	-	(22,704)
General and administrative expenses	(33,719)	6,073	(27,646)
<b>Loss for the period before Qard Hassan</b>	(25,291)	5,786	(19,505)
Recovery against Qard Hassan to participants	(35,696)	53,557	17,861
<b>Loss before tax attributable to shareholders</b>	(60,987)	59,343	(1,644)
Income tax for the period	-	-	-
<b>Loss after tax attributable to shareholders</b>	(60,987)	59,343	(1,644)
<b>Basic and diluted loss per share</b>	(0.41)	-	(0.01)
<b>Net loss for the period</b>	(60,987)	59,343	(1,644)
Other comprehensive income	-	-	-
Unrealised loss on equity investments carried at FVTOCI	(36,384)	36,384	-
<b>Total other comprehensive loss for the period</b>	(97,371)	95,727	(1,644)

**28 Approval of the interim condensed consolidated financial information**

The interim condensed consolidated financial information was approved by the Board of Directors and authorised for issue on 14<sup>th</sup> November 2024.