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

Condensed interim consolidated financial information (Unaudited)

For the six-month period ended 30 June 2024

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

Condensed interim consolidated financial information (unaudited)
For the six-month period ended 30 June 2024

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Board of Directors' report

The Board of Directors have the pleasure in submitting their report and the condensed interim consolidated financial information for the Six month period ended 30 June 2024.

Incorporation and registered offices

Dubai Islamic Insurance & Reinsurance Company (Aman) (P.J.S.C) (the "Company") is registered as a public shareholding company in Dubai, United Arab Emirates. The Company is involved in carrying out general Takaful (insurance) business in accordance with the principles of Islamic Sharia'a as interpreted by its Fatwa and Sharia Board. The Company is also licensed to engage in Retakaful and life Takaful business. The Company and its subsidiaries are referred to as the "Group".

Principal activities

The Group issues Takaful contracts in connection with motor, marine, fire, engineering, general accident risks, group life, credit life, individual life, and medical risks. However, the Group is in the process of transferring its takaful portfolio, following which it will change its activity and transform into an investment Group.

Financial position and results

The consolidated financial position and results of the Group for the Six month period ended 30 June 2024 are set out in the accompanying condensed interim consolidated financial information.

Directors

The following were the Directors of the Group for the Six month period ended 30 June 2024:

– Dr. Saleh Hashem Sayed Al Hashimi	Chairman
– Mr. Mohammed Ahmed Abdulla Mohammed Al Malik	Vice Chairman
– Mr. Nasser Al-Falah Al Qahtani	Member
– Ms. Maha Khadem Khalfan Khadem Al Mheiri	Member
– Mr. Omran Mohammed Saleh Mahmood Husain Al Khoori	Member

Auditors

The condensed interim consolidated financial information for the Six month period ended 30 June 2024 has been reviewed by Grant Thornton Audit and Accounting Limited – Abu Dhabi.

The condensed interim consolidated financial information for the Six month period ended 30 June 2024 were approved by the Board of Directors on 15 August 2024:

On behalf of the Board of Directors,

Dr. Saleh Hashem Sayed Al Hashimi
Chairman

Grant Thornton Audit and Accounting Limited – Abu Dhabi

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Zayed the 1st Street
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Report on review of condensed interim consolidated financial information
To The Shareholders of Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C)

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Dubai Islamic Insurance & Reinsurance Co. (AMAN) (P.J.S.C) (the "Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2024, and the related condensed interim consolidated statements of profit or loss, other comprehensive income for the three-month and six-month periods then ended, changes in equity, and cash flows for the six-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 ("IAS 34") *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim 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 condensed interim 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.

Basis for Adverse Conclusion

- As stated in note 1.1 to this condensed interim consolidated financial information, the accumulated losses of the Group have reached AED 152,485 thousand as of 30 June 2024, which represents 68% of the share capital of the Group. Further, as disclosed in note 21 to the condensed interim consolidated financial information, the Group has MCR Solvency Margin Deficit, SCR Solvency Margin Deficit and MGF Solvency Margin Deficit in solvency capital requirements as stipulated by the Central Bank of the U.A.E. by an amount of AED 114,447 thousand, AED 36,204 thousand and AED 32,869 thousand, respectively. The Group's ability to continue as a going concern was based on the successful execution of the proposed business plan, which states that the Shareholders of the Group have approved the exit of all takaful operations and the change of the status of the Group from a takaful operator to an investment Group, however, there is currently insufficient evidence available to confirm that this plan will be successfully executed.

Grant Thornton

Report on review of condensed interim consolidated financial information
To The Shareholders of Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C) (continued)

Basis for Adverse Conclusion (continued)

Further, the Group's Third-Party Administrator (TPA) and system provider for the individual life portfolio has filed for insolvency and the local court appointed a restructuring expert. The TPA previously made certain investments on behalf of the Group amounting to AED 555,276 thousand which are recorded at fair value through profit or loss. These investments were made in sukuk unit-linked investments, a portion of which were issued by entities related to the TPA Group and which are currently under liquidation. As a result, the valuation of these investments could be adversely affected by the liquidation process and this could potentially result in the Group's liabilities being over and above the value of the underlying assets.

These factors, along with other matters set forth in Note 1.1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern and, consequently, the going concern basis of preparation of the condensed interim consolidated financial information is not appropriate. Any adjustments that might be required to be recorded in the condensed interim consolidated financial information relating to this matter have not been determined.

- Further, as detailed in note 19.2 to this condensed interim consolidated financial information, the Group has not adopted the International Financial Reporting Standard (IFRS) 17, "*Insurance Contracts*", which became effective for annual periods beginning on or after 1 January 2023 for the preparation of this condensed interim consolidated financial information. As stated in Note 19.2 to the condensed interim consolidated financial information, the Group has not implemented the provisions of IFRS 17 on the takaful portfolio classified as held for sale – discontinued operations in this condensed interim consolidated financial information due to the shareholders' decision to exit and sell the entire insurance portfolios. However, the Group has performed a financial impact assessment on IFRS 17 and elected not to adopt the impact on the condensed interim consolidated financial information and continue to apply the provisions of IFRS 4, "*Insurance Contracts*". Had the Group adopted IFRS 17, total assets and total liabilities would have decreased by AED 20,239 thousand and AED 41,924 thousand, respectively, and the net loss for the period would have increased by AED 7,456 thousand. Further, due to the retrospective adoption requirement of IFRS 17, the comparative figures of total assets and total liabilities as of 31 December 2023 would have decreased by AED 27,251 thousand and AED 31,513 thousand, respectively and the net loss for the six-month period ended 30 June 2023 would have increased by AED 5,849 thousand.

Adverse Conclusion

Our review indicates that, because of the significant matters explained in the *Basis of Adverse Conclusion* section of our review report, the accompanying condensed interim consolidated financial information does not present fairly, in all material respects, the financial position of the Group as at 30 June 2024 and their financial performance and their cash flows for the six-month period then ended in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" as issued by the IASB.

Report on review of condensed interim consolidated financial information
To The Shareholders of Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C) (continued)

Emphasis of Matters

We draw attention to note 19.1 to the condensed interim consolidated financial information, which discloses information on assets that are held by a related party for the beneficial interest of the Group. Our conclusion is not modified in respect of this matter.

Further, we draw attention to Note 19.2 to the condensed interim consolidated financial information, which states that the entire Takaful operations have been classified as held for sale according to the requirements of IFRS 5 "*Discontinued Operations and Assets Held for Sale*", based on the Shareholders' special resolution issued on 6 February 2023 to approve the board of directors' decision for the Group to exit and sell its entire insurance portfolio, and authorizing the Group's Board of Directors to complete all procedures with authorities and policyholders to exit the insurance business and transform the Group's activities into an investment Group. Our conclusion is not modified in respect of this matter.

Grant Thornton

Farouk Mohamed

Grant Thornton
Registration No 86
Abu Dhabi, United Arab Emirates
15 August 2024

Condensed interim consolidated statement of financial position
As at 30 June 2024

	Notes	**30 June 2024 (Unaudited) AED**	31 December 2023 (Audited) AED
Assets			
Property and equipment	5	**43,134**	64,982
Financial assets carried at fair value through other comprehensive income (FVOCI)	6	**19,882,647**	28,551,222
Financial assets carried at fair value through profit or loss (FVTPL)	6	**435,400**	21,269,687
Investment properties		**47,070,029**	47,070,029
Statutory deposit	7	**10,000,000**	10,000,000
Prepayments and other receivables	8	**5,904,146**	31,756,968
Deferred policy acquisition costs		**565,824**	589,103
Assets under discontinued operations - subsidiaries	19.1	**1,583,321**	1,583,321
Assets classified as held for sale - takaful operations	19.2	**797,738,061**	910,091,831
Cash and cash equivalents	9	**80,210,414**	49,147,395
Total assets		**963,432,976**	1,100,124,538
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	13	**225,750,000**	225,750,000
Legal reserve		**6,420,521**	6,420,521
General reserve		**6,420,521**	6,420,521
Accumulated losses		**(152,485,496)**	(143,212,289)
Investments revaluation reserve – FVOCI		**(27,521,933)**	(18,853,358)
Equity attributable to the shareholders of the Company		**58,583,613**	76,525,395
Non-controlling interests		**(1,325,973)**	(1,325,973)
Total equity		**57,257,640**	75,199,422
Liabilities			
Provision for employees' end of service benefits	10	**2,442,606**	2,313,166
Trade and other payables	11	**45,829,425**	43,388,320
Due to policyholders		**47,217,888**	56,184,443
Liabilities directly associated with assets under discontinued operations – subsidiaries	19.1	**12,947,356**	12,947,356
Liabilities directly associated with assets classified as held for sale - takaful operations	19.2	**797,738,061**	910,091,831
Total liabilities		**906,175,336**	1,024,925,116
Total shareholders' equity and liabilities		**963,432,976**	1,100,124,538

To the best of our knowledge, the condensed interim consolidated financial information present fairly in all material respects the financial position, results of operation and cash flows of the Group as of, and for the six-month period ended 30 June 2024.

This condensed interim consolidated financial information was approved by the Board of Directors on 15 August 2024 and signed on their behalf by:

Rached Diab
Chief Executive Officer

Dr. Saleh Hashem Sayed Al Hashimi
Chairman of the Board of Directors

The accompanying notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.

Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C)
Condensed interim consolidated financial information (unaudited)

Condensed interim consolidated statement of profit or loss
For the six-month period ended 30 June 2024

	Notes	Three-month period ended 30 June 2024 AED (Unaudited)	Three-month period ended 30 June 2023 AED (Unaudited)	Six-month period ended 30 June 2024 AED (Unaudited)	Six-month period ended 30 June 2023 AED (Unaudited)
Attributable to Policyholders					
Discontinued operations					
Profit/(loss) from discontinued operations - takaful operation	19.2	**1,493,118**	(8,481,949)	**4,128,589**	171,403
Attributable to Shareholders					
Income					
Investment income/(expenses), net	15	**423,812**	(164,260)	**(6,856,121)**	323,325
Wakala fees from policyholders	14	**248,254**	1,825,334	**716,369**	4,977,498
Mudarib's share from policyholders	14	**5,799**	5,845	**11,270**	11,340
Other income		**1,162,276**	(2,285)	**5,325,035**	1,599
Recovery from Qard Hassan to policyholders	20	**69,837**	16,405,990	**487,186**	16,405,990
		1,909,978	18,070,624	**(316,261)**	21,719,752
Expenses					
Policy acquisition cost		**(609,692)**	(3,499,698)	**(1,262,497)**	(9,120,105)
General and administrative expenses		**(3,336,779)**	(4,186,162)	**(6,694,449)**	(8,594,313)
Total expenses		**(3,946,471)**	(7,685,860)	**(7,956,946)**	(17,714,418)
(Loss)/profit for the period from continuing operations		**(2,036,493)**	10,384,764	**(8,273,207)**	4,005,334
Profit for the period from discontinued operations		**1,493,118**	(8,481,949)	**4,128,589**	171,403
(Loss)/profit for the period before tax		**(543,375)**	1,902,815	**(4,144,618)**	4,176,737
Income tax expense		**-**	-	**-**	-
(Loss)/profit for the period after tax		**(543,375)**	1,902,815	**(4,144,618)**	4,176,737
Attributable to:					
Shareholders of the Company		**(2,036,493)**	10,384,764	**(8,273,207)**	4,005,334
Policyholders – Discontinued operations		**1,493,118**	(8,481,949)	**4,128,589**	171,403
		(543,375)	1,902,815	**(4,144,618)**	4,176,737
(Loss)/earnings per share – continuing operations	16	**(0.009)**	0.046	**(0.037)**	0.018

The accompanying notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of other comprehensive income
For the six-month period ended 30 June 2024

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2024 AED (Unaudited)	2023 AED (Unaudited)	**2024 AED (Unaudited)**	2023 AED (Unaudited)
(Loss)/profit for the period attributable to shareholders of the Company	**(2,036,493)**	10,384,764	**(8,273,207)**	4,005,334
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Transfer of realised gain on sale of financial assets carried at fair value through other comprehensive income	**-**	(1,737,189)	**-**	(1,737,189)
Changes in fair value of equity investments carried at fair value through other comprehensive income	**(275,193)**	15,144,657	**(8,668,575)**	3,335,696
Other comprehensive (loss)/income for the period	**(275,193)**	13,407,468	**(8,668,575)**	1,598,507
Total comprehensive (loss)/income for the period	**(2,311,686)**	23,792,232	**(16,941,782)**	5,603,841
Attributable to:				
Shareholders of the Company	**(2,311,686)**	23,792,232	**(16,941,782)**	5,603,841
Policyholders – Discontinued operations	**1,493,118**	(8,481,949)	**4,128,589**	171,403
Total comprehensive (loss)/income for the period	**(818,568)**	15,310,283	**(12,813,193)**	5,775,244

The accompanying notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of changes in equity
For the six-month period ended 30 June 2024

	Share capital AED	Legal reserve AED	General reserve AED	Accumulated losses AED	Investments revaluation reserve – FVOCI AED	Equity attributable to shareholders of the Company AED	Non-controlling interests AED	Total equity AED
Balance at 1 January 2023	225,750,000	6,309,669	6,309,669	(146,704,914)	(13,151,220)	78,513,204	(1,325,973)	77,187,231
Net profit for the period attributable to the shareholders of the Company	-	-	-	4,005,334	-	4,005,334	-	4,005,334
Transfer of realised gain on sale of financial assets carried at fair value	-	-	-	1,737,189	(1,737,189)	-	-	-
Changes in fair value of financial assets carried at fair value through other comprehensive income	-	-	-	-	3,335,696	3,335,696	-	3,335,696
Total comprehensive loss for the period	-	-	-	5,742,523	1,598,507	7,341,030	-	7,341,030
Balance at 30 June 2023	225,750,000	6,309,669	6,309,669	(140,962,391)	(11,552,713)	85,854,234	(1,325,973)	84,528,261
Balance at 1 January 2024	**225,750,000**	**6,420,521**	**6,420,521**	**(143,212,289)**	**(18,853,358)**	**76,525,395**	**(1,325,973)**	**75,199,422**
Net profit for the period attributable to the shareholders of the Company	**-**	**-**	**-**	**(8,273,207)**	**-**	**(8,273,207)**	**-**	**(8,273,207)**
Changes in fair value of financial assets carried at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**(8,668,575)**	**(8,668,575)**	**-**	**(8,668,575)**
Directors' fees	**-**	**-**	**-**	**(1,000,000)**	**-**	**(1,000,000)**	**-**	**(1,000,000)**
Total comprehensive loss for the period	**-**	**-**	**-**	**(9,273,207)**	**(8,668,575)**	**(17,941,782)**	**-**	**(17,941,782)**
Balance at 30 June 2024	**225,750,000**	**6,420,521**	**6,420,521**	**(152,485,496)**	**(27,521,933)**	**58,583,613**	**(1,325,973)**	**57,257,640**

The accompanying notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of cash flows
For the six-month period ended 30 June 2024

	Six-month period ended	
	30 June 2024	30 June 2023
	AED	AED
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
(Loss)/profit for the period	**(8,273,207)**	4,005,334
Adjustments for:		
Depreciation of property and equipment	**21,848**	44,364
Realised loss on disposal of financial assets carried at fair value through profit or loss profit or loss (FVTPL)	**7,611,004**	-
Unrealized gain on investments in financial assets carried at FVTPL	**(147,797)**	-
Provision for employees' end of service benefits	**131,333**	438,129
Income from Wakala deposits with banks	**(410,350)**	(58,046)
Rental Income	**(196,736)**	(173,302)
Dividend Income	**-**	(91,977)
Operating (loss)/profit before working capital changes:	**(1,263,905)**	4,164,502
Working capital changes:		
Change in prepayments and other receivables	**25,852,822**	11,108,600
Change in trade and other payables	**2,441,105**	(9,988,278)
Change in deferred policy acquisition costs	**23,279**	6,093,726
Change in due to policyholders	**(8,966,555)**	(18,538,191)
Cash generated from/(used in) operations	**18,086,746**	(7,159,641)
Employees' end of service benefits paid	**(1,893)**	(2,905,573)
Net cash generated from/(used in) operating activities	**18,084,853**	(10,065,214)
INVESTING ACTIVITIES		
Proceeds from financial assets measured at FVTPL	**13,215,830**	(88,642,718)
Disposal proceeds from financial assets carried at fair value through other comprehensive income (FVOCI)	**-**	41,315,320
Dividend income received	**-**	91,977
Income from wakala deposits with banks	**410,350**	58,046
Disposal of discontinued operations – takaful operations	**6,780,832**	(42,796,011)
Net cash generated from/(used in) investing activities	**20,407,012**	(89,973,386)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**38,491,865**	(100,038,600)
Cash and cash equivalents at the beginning of the period	**57,761,221**	133,832,554
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 9)	**96,253,086**	33,793,954

The accompanying notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.

1 General information

Dubai Islamic Insurance & Reinsurance Company (Aman) (P.J.S.C.) (the "Company") is registered as a public shareholding company in Dubai, United Arab Emirates. The Company carries out general takaful, retakaful and life takaful business in accordance with the teachings of Islamic Sharia'a. The Company is also licensed to engage in retakaful and life takaful business. The registered address of the Company is P.O. Box 157, Dubai, United Arab Emirates (UAE) and operates through its branches in Dubai, Abu Dhabi and Sharjah. The Company's ordinary shares are listed on the Dubai Financial Market, United Arab Emirates.

The Company obtained its commercial license on 12 March 2003 and commenced operations on 8 April 2003. The Company issues takaful contracts in connection with motor, marine, fire and engineering, general accident and medical risks and life takaful risks. The Company also invests in investment securities and properties.

The Company's business activities are subject to the supervision of its Fatwa and Sharia'a Board (the "Board") consisting of three members appointed by the shareholders. The Board performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Sharia'a rules and principles.

The Company with its subsidiaries are together referred to as (the "Group") in this condensed interim consolidated financial information. At 30 June 2024 and 31 December 2023, the Company had the following subsidiaries:

Name of subsidiary	**Place of incorporation (or registration) and operation**	**Proportion of ownership profit** %	**Proportion of voting power held** %	**Principal activity**	**Status**
Nawat Investments L.L.C.	United Arab Emirates	100.00	100.00	Investment in commercial, industrial, and agricultural enterprises and management	Active
Technik Auto Service Centre Co. L.L.C	United Arab Emirates	100.00	100.00	Vehicles' repair services	Under liquidation
Amity Health L.L.C.	United Arab Emirates	90.00	90.00	Medical billing services	Under liquidation

The Group neither made social contributions during the period ended 30 June 2024 nor the year ended 31 December 2023.

1 General information (continued)

1.1 Assessment of going concern assumption

As at 30 June 2024, the Group's accumulated losses amounted to AED 152,485 thousand (31 December 2023: AED 143,212 thousand), which represent 68% (31 December 2023: 63%) of the share capital of the Group. Further, as stated in the note 21 to the condensed interim consolidated financial information, the Group has MCR Solvency Margin Deficit, SCR Solvency Margin Deficit and MGF Solvency Margin Deficit in solvency capital requirements as stipulated by the Central Bank of the U.A.E. by an amount of AED 114,447 thousand, AED 36,204 thousand and AED 32,869 thousand, respectively (31 December 2023: AED 131,553 thousand, AED 57,893 thousand and AED 51,553 thousand, respectively). To address the solvency deficit, the Group's management initially submitted a recovery plan to the Central Bank of United Arab Emirates ("CBUAE") which involved a substantial capital injection by means of a rights issue; however, the plan was subsequently changed, because it was envisaged that shareholders are unlikely to support a capital injection in the prevailing economic and financial circumstances. The new plan, which is subject to the regulatory approval, envisages selling the portfolios of the takaful business to other takaful companies and, aided partly by the proceeds resulting the sale of the takaful portfolios and partly by other assets, generating enough capital to transform the Company into a viable investment firm to safeguard and preserve shareholders' value. The Group has informed the Regulator of its revised plans and received (in-principle/ no-objection letter) approval to proceed with the above sale negotiations.

During the General Assembly meeting held on 6 February 2023, the shareholders issued a special resolution approving the board of directors' decision to exit and sell all the entire takaful portfolio and authorising the Group's board of directors to complete all procedures with authorities and policyholders to exit takaful business and transform the Group into an investment group. As a result, the Group signed two portfolio transfer agreements (PTA) with Islamic Arab Insurance Co. (Salama) PJSC to transfer the general, medical, and family takaful portfolio and with Abu Dhabi National Takaful Company P.S.C. to transfer the individual life portfolio, refer to note 19.2. the proceeds resulted from the execution of these agreements are expected to improve the Group's liquidity and generate enough capital to transform the Company into a viable investment firm to safeguard and preserve shareholders' value, however, on 1 August 2024, management received a notice terminating the insurance portfolio transfer agreement between the Group and Abu Dhabi National Takaful Company P.S.C. as a result, the Group's management has sent a formal objection letter to Abu Dhabi National Takaful Company P.S.C. stating that the Group's management expects the portfolio transfer by 31 August 2024.

Further, the Group's Third-Party Administrator (TPA) and system provider for the individual life portfolio has filed for insolvency and the local court appointed a restructuring expert. The TPA previously made certain investments on behalf of the Group amounting to AED 555,276 thousand which are recorded at fair value through profit or loss. These investments were made in sukuk unit-linked investments, a portion of which were issued by entities related to the TPA Group and which are currently under liquidation. As a result, the valuation of these investments could be adversely affected by the liquidation process and this could potentially result in the Group's liabilities being over and above the value of the underlying assets.

In addition, the accumulated losses as at 31 March 2024 exceeded 50% of the share capital of the Group, and as per UAE Federal Law No. (32) of 2021 article 309, the Board of Directors should invite the General Assembly to convene within (30) thirty days from the date of the invitation to consider making a decision as regards the Group's continuation of its activity or dissolution prior to the expiry of its term. As a result, during the General Assembly meeting held on 5 May 2023, the shareholders issued a special resolution approving the continuity of the Groups' operations.

2 Application of new and revised International Financial Reporting Standards (IFRS)

Application of new and revised International Financial Reporting Standards ("IFRS")

Title	Effective date
Amendment to IAS 1 Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024
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 this condensed interim consolidated financial information.

Standards, amendments and interpretations to existing Standards that are not yet effective

Title	Effective date
Amendments to the SASB standards	1 January 2025
Lack of exchangeability	1 January 2025
IFRS 18 'Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027

These standards, amendments and interpretations are not expected to have a significant impact on the condensed interim consolidated financial information in the period of initial application and therefore no disclosures have been made. The Group has not early adopted any of the above standards.

3 Summary of material accounting policy information

Basis of preparation

This condensed interim consolidated financial information of the Group is prepared on an accrual basis and under the historical cost basis except for financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income and investment properties, which are carried at fair value.

This condensed interim consolidated financial information is prepared in accordance with International Accounting Standard 34: "*Interim Financial Reporting*" issued by the International Accounting Standard Board (IASB and comply with the applicable requirements of the UAE federal law No. (32) of 2021 and United Arab Emirates (UAE) Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) concerning Insurance Law issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations.

The Group's condensed interim consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, prepayments and other receivables and deferred policy acquisition costs, accruals and other payables, due to policyholders. The following balances would generally be classified as non-current: property and equipment, investment properties, statutory deposit and provision for employees' end of service. The following balances are of mixed nature (including both current and non-current portions): investments at fair value through other comprehensive income, investments carried at fair value through profit or loss, assets and liabilities directly associated with assets under discontinued operations and assets and liabilities directly associated with assets classified as held for sale - takaful operations.

This condensed interim consolidated financial information does not include all the information and disclosures required in full consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023. In addition, results for the period from 1 January 2024 to 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The accounting policies applied in the condensed interim consolidated financial information are the same as those applied in the Group's financial information as at and for the year ended 31 December 2023, with the exception of the below:

Taxation

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.

For the Group, accounting for current and deferred taxes have become applicable from the period beginning 1 January 2024. Accordingly, management has applied following accounting policies to incorporate the applicable Corporate Tax in accordance with IAS 12 "Income Taxes".

Current Taxation

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period.

Income tax expense is recognised in interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

3 Summary of material accounting policy information (continued)

Deferred Taxation

Deferred tax is accounted for in respect of all temporary differences at the statement of financial position date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to statement of other comprehensive income or equity in which case it is included in statement of other comprehensive income or equity.

As at 30 June 2024 the Group does not have material impact of deferred tax or income tax

4 Changes in judgements and estimation uncertainty

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

5 Property and equipment

	Motor vehicles AED	Furniture and fixtures AED	Office equipment AED	Total AED
Cost:				
At 1 January 2024 (Audited)	**128,890**	**746,447**	**2,690,512**	**3,565,849**
30 June 2024 (Unaudited)	**128,890**	**746,447**	**2,690,512**	**3,565,849**
Accumulated depreciation:				
At 1 January 2024 (Audited)	**128,890**	**746,447**	**2,625,530**	**3,500,867**
Charge for the period	**-**	**-**	**21,848**	**21,848**
At 30 June 2024 (Unaudited)	**128,890**	**746,447**	**2,647,378**	**3,522,715**
Net carrying amount:				
30 June 2024 (Unaudited)	**-**	**-**	**43,134**	**43,134**

	Motor vehicles AED	Furniture and fixtures AED	Office equipment AED	Total AED
Cost:				
At 1 January 2023 (Audited)	227,290	5,405,566	5,909,248	11,542,104
Disposals	(98,400)	(4,659,119)	(3,218,736)	(7,976,255)
At 31 December 2023 (Audited)	128,890	746,447	2,690,512	3,565,849
Accumulated depreciation:				
At 1 January 2023 (Audited)	227,290	5,399,639	5,765,157	11,392,086
Charge for the year	-	5,227	75,436	80,663
Disposals	(98,400)	(4,658,419)	(3,215,063)	(7,971,882)
At 31 December 2023 (Audited)	128,890	746,447	2,625,530	3,500,867
Net carrying amount:				
31 December 2023 (Audited)	-	-	64,982	64,982

6 Investments in financial assets

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Financial assets carried at fair value through other comprehensive income (FVOCI) (A)		
- Listed	**16,557,436**	25,226,011
- Unlisted	**3,325,211**	3,325,211
	19,882,647	28,551,222
Financial assets measured at fair value through profit or loss (FVTPL) (B)		
- Listed	**435,400**	21,269,687
	435,400	21,269,687
Total investment in financial assets measured at fair value (A+B)	**20,318,047**	49,820,909
Investments by geographical concentration are as follows:		
- Within U.A.E.	**16,992,836**	46,495,698
- Outside U.A.E.	**3,325,211**	3,325,211
	20,318,047	49,820,909

7 Statutory deposit

In accordance with the requirements of UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) covering insurance companies and agencies, the Group maintains a bank deposit of AED 10 million (2023: AED 10 million) which cannot be utilized without the consent of the Central bank of UAE. The deposit bears a profit rate of 0.6% per annum (2023: 0.6% per annum).

8 Prepayments and other receivables

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Advance to suppliers	**1,115,000**	1,115,000
Prepayments	**1,225,760**	973,356
Staff receivables	**445,400**	372,943
Refundable deposits	**71,483**	71,483
Other receivables *	**3,046,503**	29,224,186
	5,904,146	31,756,968

* Other receivables include an amount of AED Nil (31 December 2023: 18.3 million) receivable against an investment disposed during 2022.

9 Cash and bank balances (excluding statutory deposit)

9.1 Cash and cash equivalents

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Cash on hand	**20,018**	65,710
Bank balances in current accounts	**96,297,090**	57,712,876
	96,317,108	57,778,586
Less: allowances for expected credit losses	**(64,022)**	(17,365)
Total	**96,253,086**	57,761,221
Less: cash and cash equivalents included in assets under discontinued operations – (note 19.1)	**(1,008,976)**	(1,008,976)
Less: cash and bank balances related to discontinued operations – Policyholders (note 19.2)	**(15,033,696)**	(7,604,850)
Total	**80,210,414**	49,147,395

There are no restrictions on bank balances at the time of approval of this condensed interim consolidated financial information.

Details of allowances for expected credit losses are as follows:

	2024 AED (Unaudited)	2023 AED (Audited)
Balance at the beginning of the period/year	**17,365**	20,483
Charges/(reversal) for the period/year	**46,657**	(3,118)
Balance at the end of the period/year	**64,022**	17,365

For the purpose of the condensed interim consolidated statement of cash flows, the cash and cash equivalents are analysed as follows:

	30 June 2024 AED (Audited)	31 December 2023 AED (Audited)
Cash and cash equivalents	**80,210,414**	49,147,395
Cash and cash equivalents included in assets under discontinued operations – (note 19.1)	**1,008,976**	1,008,976
Cash and cash equivalents included in assets under discontinued operations – Takaful operations (note 19.2)	**15,033,696**	7,604,850
Total cash and cash equivalent	**96,253,086**	57,761,221

10 Provision for employees' end of service benefits

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Balance at beginning of the period/year	**2,313,166**	5,456,780
Charged during the period/year	**131,333**	612,773
Payments made during the period/year	**(1,893)**	(3,756,387)
Balance at end of the period/year	**2,442,606**	2,313,166

11 Trade and other payables

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Trade payables and accruals	**34,946,882**	40,596,218
Zakat payable	**324,586**	768,491
Other payables	**10,557,957**	2,023,611
	45,829,425	43,388,320

12 Contingencies

At the reporting date, the Group has contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business amounting to AED 0.47 million (2023: AED 0.43 million).

The Group is involved as a defendant in a number of legal cases with other insurance and reinsurance companies and customers. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Group in terms of an outflow of economic resources and a reliable estimate of the amount of outflow can be made. The expected outcome of the cases is dependent on future legal proceedings.

13 Share capital

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Issued and fully paid:		
225,750,000 ordinary shares of AED 1 each (2023: 225,750,000 ordinary shares of AED 1 each)	**225,750,000**	225,750,000

Reinsurance default reserve is recorded under the takaful operations (Note 19.2)

14 Wakala fees and Mudarib's share

The Group manages the Takaful operations for the Policyholders and charges 33% (2023: 33%) of the gross takaful contributions net of fronting contribution as Wakala fees. In addition, the Group charges 2% (2023: 2%) on fronting contribution as Wakala fees and 100% (2023: 100%) on certain unit-linked takaful contracts. These Wakala fees rates were approved by the Group's Fatwa and Sharia'a Supervisory Board. The Wakala Fees share amounted to AED 716,369 for the period ended 30 June 2024 (30 June 2023: AED 4,977,498).

The Group also manages the policyholders' investment funds and is entitled to 25% (2023: 25%) of net investment income earned by the takaful operations' investment funds as the Mudarib's share. The Mudarib's share amounted to AED 11,270 for the period ended 30 June 2024 (30 June 2023: AED 11,340).

15 Investment income/(expenses), net

	Six-month period ended 31 June	
	2024	2023
	AED	AED
	(Unaudited)	(Unaudited)
	AED	AED
Realized gain on investments in financial assets measured at FVTPL	**(7,611,004)**	-
Unrealized gain on investments in financial assets measured at FVTPL	**147,797**	-
Income from wakala deposits with banks	**410,350**	58,046
Income on investment properties, net	**196,736**	197,142
Dividend Income	**-**	91,977
Investment expenses	**-**	(23,840)
	(6,856,121)	323,325

Investment income and losses are allocated amongst the shareholders and the policyholders on a pro-rata basis. This allocation to policyholders is approved by the Group's Fatwa and Sharia'a Supervisory Board on an annual basis.

16 Basic and diluted earnings/(losses) per share

Earnings/(losses) per share are calculated by dividing profits/(losses) attributable to the shareholders for the period from continuing operations and discontinued operations, by the weighted average number of shares outstanding during the period.

	Six-month period ended 30 June					
	2024	2023	**2024**	2023	**2024**	2023
	AED	AED	**AED**	AED	**AED**	AED
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	(Loss)/profit for the period		Weighted average number of shares outstanding during the period		(Losses)/earnings per share (AED per share)	
Continuing operations	**(8,273,207)**	4,005,334	**225,750,000**	225,750,000	**(0.037)**	0.018
Discontinuing operations	**4,128,589**	171,403	**225,750,000**	225,750,000	**0.018**	0.001

No figure for diluted (losses)/earnings per share has been presented since the Group has not issued any instruments which would have an impact on (losses)/earnings per share when exercised. Accordingly, diluted (losses)/earnings per share is equivalent to basic (losses)/earnings per share.

17 Fatwa and Sharia'a supervisory board

The Group's business activities are subject to the supervision of its Fatwa and Sharia'a Supervisory Board consisting of three members appointed by the shareholders. The Fatwa and Sharia'a Supervisory Board perform a supervisory role in order to determine whether the operations of the Group are conducted in accordance with Sharia'a rules and principles.

18 Segmental information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's management in order to allocate resources to the segment and to assess its performance. Information reported to the Group's Board of Directors for the purpose of resource allocation and assessment of performance is based on following strategic business activities:

- **Investment activities** represent investment and cash management for the Group's own account.
- **Others** represent income and expense activities conducted by the subsidiaries and included in this condensed interim consolidated financial information.

18 Segmental information (continued)

The following table presents segment information for the six-month period ended 30 June 2024 and 2023.

	Six-month period ended 30 June 2024 (Unaudited)			Six-month period ended 30 June 2023 (Unaudited)		
	Investments AED	**Other AED**	**Total AED**	Investments AED	Other AED	Total AED
Takaful - discontinued operations						
Net takaful income	**-**	**5,298,335**	**5,298,335**	-	21,520,873	21,520,873
Wakala fees	**716,369**	**(716,369)**	**-**	4,977,498	(4,977,498)	-
Mudarib fees	**11,270**	**(11,270)**	**-**	11,340	(11,340)	-
Policy acquisition cost	**(1,262,497)**	**-**	**(1,262,497)**	(9,120,105)	-	(9,120,105)
	(534,858)	**4,570,696**	**4,035,838**	(4,131,267)	16,532,035	12,400,768
Investment income	**(6,856,121)**	**45,079**	**(6,811,042)**	323,325	45,358	368,683
Other operating income	**5,325,035**	**-**	**5,325,035**	1,599	-	1,599
General and administrative expenses	**(6,694,449)**	**-**	**(6,694,449)**	(8,594,313)	-	(8,594,313)
Net (loss)/profit for the period before Qard Hassan	**(8,760,393)**	**4,615,775**	**(4,144,618)**	(12,400,656)	16,577,393	4,176,737
Recovery of Qard Hassan to shareholders	**487,186**	**(487,186)**	**-**	16,405,990	(16,405,990)	-
Net (loss)/profit for the period	**(8,273,207)**	**4,128,589**	**(4,144,618)**	4,005,334	171,403	4,176,737

	Investment		**Others**		**Total**	
	30 June 2024 AED (Unaudited)	31 December 2022 (Restated) AED (Unaudited)	**30 June 2024 AED (Unaudited)**	31 December 2022 (Restated) AED (Unaudited)	**30 June 2024 AED (Unaudited)**	31 December 2022 (Restated) AED (Unaudited)
Segment assets	**133,275,990**	190,032,707	**797,738,061**	910,091,831	**931,014,051**	1,100,124,538
Segment liabilities	**76,018,350**	114,833,285	**797,738,061**	910,091,831	**873,756,411**	1,024,925,116

19 Disposal groups held for sale and discontinued operations

19.1 Disposal groups held for sale and discontinued operations - subsidiaries.

During 2018, the Board of Directors approved the liquidation and the disposal of Technik Auto Services Centre LLC and Amity Health L.L.C., subsidiaries of the Group.

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Assets under discontinued operations	**1,583,321**	1,583,321
Liabilities directly associated with assets under discontinued operations	**12,947,356**	12,947,356

Board of Directors approved the liquidation of two of the Group's subsidiaries. The Group is currently in the process of liquidation of these subsidiaries, the carrying amount of the assets and liabilities have been written down to the fair value less cost to sell. The major class of assets and liabilities of the subsidiaries at the end of the reporting period are as follows:

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Cash and cash equivalents - note 9	**1,008,976**	1,008,976
Other receivables	**574,345**	574,345
Assets under discontinued operations	**1,583,321**	1,583,321
Trade and other payable	**12,947,356**	12,947,356
Liabilities associated with assets under discontinued operations	**12,947,356**	12,947,356
Net liabilities associated with assets under discontinued operations	**(11,364,035)**	(11,364,035)

The ex-Vice Chairman of the Group holds 1% of Nawat Investments L.L.C. and 1% of Technik Auto Service Centre Co. L.L.C on behalf and for the benefit of the Group to meet the requirements of the legal structure of these subsidiaries.

19 Disposal groups held for sale and discontinued operations (continued)

19.2 Disposal groups held for sale and discontinued operations - takaful operations.

Sale of the general takaful portfolio

During 2022, the Group initiated the transfer of the general, medical, and family takaful portfolios to Islamic Arab Insurance Co. (SALAMA) PSC, an entity incorporated in the United Arabic Emirates, subject to the regulator's final approval. The Group has submitted an application to CBUAE - Insurance Sector to approve the transaction and will complete the necessary procedures to finalize the transaction between the two Companies, however, due to solvency issues, there is a possibility that SALAMA may reassess its position on finalising the transaction. The Group is currently seeking legal advice to compensate for its losses.

Sale of the individual life portfolio

As per the AGM meeting held on 6 February 2023, the Shareholders issued a special resolution approving the board of directors' decision to exit and sell takaful portfolio to Islamic Arab Insurance Co. (SALAMA) PSC and Abu Dhabi National Takaful Company P.S.C. and authorizing the Group's board of directors to complete all procedures with authorities and Policyholders to exit takaful business and transform the Group into an investment group.

Further, the Group has signed an agreement to transfer the individual life takaful portfolio to Abu Dhabi National Takaful Company P.S.C., and on 20 July 2023, the Group has received the final approval from the CBUAE on the transfer of the individual life insurance portfolio to Abu Dhabi National Takaful Company P.S.C. Currently, the Group is in the process of completing the legal formalities related to the transfer of the individual life takaful portfolio.

Based on that, the takaful operations "disposable group" have been classified and accounted for as per the requirements of IFRS 5 *"Non-current Assets Held for Sale and Discontinued Operations"*.

As required by IFRS 5 *"Non-current Assets Held for Sale and Discontinued Operations"*, the entire takaful operations should be recorded at the lower of their carrying value or fair value less costs to sell, with reference to the sale price as per the signed agreements.

However, the carrying values of the disposal group are measured in accordance with IFRS 4 "*Insurance contracts*" as the Group did not apply IFRS 17 *"Insurance contracts"*, which is effective for annual periods starting on or after 1 January 2023. Management initially expected that the sale transactions to be completed during 2023, as the Group has already received the final approval from the regulator on the transfer of the individual life insurance portfolio to Abu Dhabi National Takaful Company P.S.C., and accordingly, management requested an exemption for IFRS 17 from the regulator during 2023, who requested a Non-Objection Letter from the buyer on the application of IFRS 17 to the transferred portfolio during 2023. The NOC was provided to the Regulator on 28 April 2023. However, as the takaful portfolio was not transferred until 30 June 2024, management has performed a financial impact assessment for IFRS 17, revealing a material impact on total assets and total liabilities presented as assets held for sale in this condensed interim consolidated financial information, including comparative figures. However, management opted not to apply the provisions of IFRS 17, as management expects to exist all the takaful activities during 2024.

On 1 August 2024, management received a notice terminating the insurance portfolio transfer agreement between the Group and Abu Dhabi National Takaful Company P.S.C. As a consequence to this, on 8 August, the Group's management has sent a formal objection letter to Abu Dhabi National Takaful Company P.S.C. stating that the Group's management expects the portfolio transfer by 31 August 2024.

Management is committed to the exist plan and is currently seeking viable alternatives.

19 Disposal groups held for sale and discontinued operations (continued)

19.2 Disposal groups held for sale and discontinued operations - takaful operation (continued)

	30 June 2024 Total	**30 June 2024 Non-life**	**30 June 2024 Life**	31 December 2023 Total	31 December 2023 Non-life	31 December 2023 Life
Takaful operations' assets						
Cash and cash equivalents	**15,033,696**	**14,677,770**	**355,926**	7,604,850	5,378,812	2,226,038
Retakaful contract assets	**83,727,383**	**79,009,245**	**4,718,138**	102,710,925	93,495,486	9,215,439
Takaful receivables	**17,224,355**	**16,581,682**	**642,673**	27,072,317	24,571,577	2,500,740
Financial assets measured at fair value through profit or loss (FVTPL)	**623,704,768**	**-**	**623,704,768**	705,689,325	19,022	705,670,303
Investment property	**10,829,971**	**10,829,971**	**-**	10,829,971	10,829,971	-
Due from shareholders	**47,217,888**	**38,981,474**	**8,236,414**	56,184,443	43,294,110	12,890,333
Total takaful operations' assets	**797,738,061**	**160,080,142**	**637,657,919**	910,091,831	177,588,978	732,502,853
Takaful operations' liabilities						
Trade and other payables	**6,088,610**	**6,088,610**	**-**	11,742,826	11,742,826	-
Takaful payables	**47,650,995**	**42,504,793**	**5,146,202**	48,935,447	36,402,100	12,533,347
Takaful contract liabilities	**109,980,238**	**102,007,011**	**7,973,227**	135,045,505	121,584,527	13,460,978
Unit linked liabilities	**623,704,768**	**-**	**623,704,768**	705,670,303	-	705,670,303
Deferred discount	**777,728**	**777,728**	**-**	1,397,130	1,390,632	6,498
Amounts held under retakaful treaties	**378,586**	**378,586**	**-**	2,272,073	2,272,073	-
Total takaful operations' liabilities	**788,580,925**	**151,756,728**	**636,824,197**	905,063,284	173,392,158	731,671,126
Takaful operations' surplus/(deficit)						
(Deficit) / surplus in takaful operations' fund	**(17,333,366)**	**8,211,674**	**(25,545,040)**	(21,836,796)	4,195,430	(26,032,226)
Qard Hassan from shareholders	**25,545,040**	**-**	**25,545,040**	26,032,226	-	26,032,226
Retakaful default reserve	**3,225,827**	**2,392,105**	**833,722**	3,113,482	2,281,755	831,727
Takaful operations' investments revaluation reserve	**(2,280,365)**	**(2,280,365)**	**-**	(2,280,365)	(2,280,365)	-
Total surplus from takaful operations	**9,157,136**	**8,323,414**	**833,722**	5,028,547	4,196,820	831,727
Total takaful operations liabilities and deficit	**797,738,061**	**160,080,142**	**637,657,919**	910,091,831	177,588,978	732,502,853

19 Disposal groups held for sale and discontinued operations (continued)

19.2 Disposal groups held for sale and discontinued operations - takaful operation (continued)

Condensed interim consolidated statement of profit or loss	**Six-month period ended 30 June 2024 (Unaudited)**			Six-month period ended 30 June 2023 (Unaudited)		
	TOTAL AED	**NON-LIFE AED**	**LIFE AED**	TOTAL AED	NON-LIFE AED	LIFE AED
Attributable to policyholders						
Takaful income						
Gross takaful contributions	**23,277,343**	**22,876,182**	**401,161**	38,057,574	34,804,058	3,253,516
Retakaful share of gross takaful contributions	**(22,468,951)**	**(22,069,957)**	**(398,994)**	(34,280,439)	(31,688,203)	(2,592,236)
Net takaful contributions	**808,392**	**806,225**	**2,167**	3,777,135	3,115,855	661,280
Net transfer to unearned contributions reserve	**1,134,748**	**1,111,644**	**23,104**	45,742,606	42,789,059	2,953,547
Net change in mathematical reserve	**151,568**	**-**	**151,568**	(1,022,981)	-	(1,022,981)
Net takaful contributions earned	**2,094,708**	**1,917,869**	**176,839**	48,496,760	45,904,914	2,591,846
Discount received on ceded retakaful	**1,341,783**	**1,308,735**	**33,048**	5,134,247	4,008,522	1,125,725
Policy fees	**240,966**	**240,966**	**-**	216,612	216,612	-
Net takaful income	**3,677,457**	**3,467,570**	**209,887**	53,847,619	50,130,048	3,717,571
Takaful expenses						
Gross claims settled	**(10,797,213)**	**(8,478,312)**	**(2,318,901)**	(56,773,466)	(46,013,143)	(10,760,323)
Retakaful share of gross claims settled	**7,601,436**	**5,686,635**	**1,914,801**	16,486,207	7,555,245	8,930,962
Net takaful claims	**(3,195,777)**	**(2,791,677)**	**(404,100)**	(40,287,259)	(38,457,898)	(1,829,361)
Change in provision for outstanding claims	**10,537,748**	**9,776,109**	**761,639**	5,520,888	5,937,359	(416,471)
Retakaful share of outstanding claims	**(10,167,742)**	**(9,538,231)**	**(629,511)**	(1,591,458)	(1,790,679)	199,221
Net change in incurred but not reported claims	**4,334,276**	**3,642,888**	**691,388**	1,493,533	1,701,491	(207,958)
Net change in unallocated loss adjustment expenses reserve	**112,373**	**98,865**	**13,508**	2,537,550	2,492,239	45,311
Net claims incurred	**1,620,878**	**1,187,954**	**432,924**	(32,326,746)	(30,117,488)	(2,209,258)
Net takaful income	**5,298,335**	**4,655,524**	**642,811**	21,520,873	20,012,560	1,508,313
Wakala fees	**(716,369)**	**(562,739)**	**(153,630)**	(4,977,498)	(3,913,783)	(1,063,715)
Investment income	**45,079**	**45,079**	**-**	45,358	45,358	-
Mudarib's share	**(11,270)**	**(11,270)**	**-**	(11,340)	(11,340)	-
	4,615,775	**4,126,594**	**489,181**	16,577,393	16,132,795	444,598
Provision of Qard Hassan to shareholders	**(487,186)**	**-**	**(487,186)**	(16,405,990)	(16,405,990)	-
Net surplus/(deficit) from takaful operation for the period	**4,128,589**	**4,126,594**	**1,995**	171,403	(273,195)	444,598

19 Disposal groups held for sale and discontinued operations (continued)

19.2 Disposal groups held for sale and discontinued operations - takaful operation (continued)

Condensed interim consolidated statement of profit or loss	Three-month period ended 30 June 2024 (Unaudited)			Three-month period ended 30 June 2023 (Unaudited)		
	TOTAL AED	**NON-LIFE AED**	**LIFE AED**	TOTAL AED	NON-LIFE AED	LIFE AED
Attributable to policyholders						
Takaful income						
Gross takaful contributions	**10,101,450**	**10,081,685**	**19,765**	20,072,690	19,369,147	703,543
Retakaful share of gross takaful contributions	**(9,779,643)**	**(9,763,185)**	**(16,458)**	(18,647,110)	(18,081,608)	(565,502)
Net takaful contributions	**321,807**	**318,500**	**3,307**	1,425,580	1,287,539	138,041
Net transfer to unearned contributions reserve	**381,448**	**285,061**	**96,387**	18,545,777	18,371,118	174,659
Net change in mathematical reserve	**62,386**	**-**	**62,386**	142,021	-	142,021
Net takaful contributions earned	**765,641**	**603,561**	**162,080**	20,113,378	19,658,657	454,721
Discount received on ceded retakaful	**502,904**	**479,173**	**23,731**	1,849,770	1,728,659	121,111
Policy fees	**138,405**	**138,405**	**-**	121,089	121,089	-
Net takaful income	**1,406,950**	**1,221,139**	**185,811**	22,084,237	21,508,405	575,832
Takaful expenses						
Gross claims settled	**(2,116,118)**	**(1,937,085)**	**(179,033)**	(21,983,032)	(17,608,552)	(4,374,480)
Retakaful share of gross claims settled	**1,477,176**	**1,346,977**	**130,199**	5,563,783	2,005,339	3,558,444
Net takaful claims	**(638,942)**	**(590,108)**	**(48,834)**	(16,419,249)	(15,603,213)	(816,036)
Change in provision for outstanding claims	**3,260,318**	**2,842,008**	**418,310**	4,151,313	4,898,878	(747,565)
Retakaful share of outstanding claims	**(3,341,007)**	**(3,005,153)**	**(335,854)**	(2,529,743)	(3,005,165)	475,422
Net change in incurred but not reported claims	**1,086,839**	**1,226,763**	**(139,924)**	288,538	408,076	(119,538)
Net change in unallocated loss adjustment expenses reserve	**19,655**	**20,725**	**(1,070)**	2,156,745	2,109,831	46,914
Net claims incurred	**386,863**	**494,235**	**(107,372)**	(12,352,396)	(11,191,593)	(1,160,803)
Net takaful income	**1,793,813**	**1,715,374**	**78,439**	9,731,841	10,316,812	(584,971)
Wakala fees	**(248,254)**	**(239,734)**	**(8,520)**	(1,825,334)	(1,650,070)	(175,264)
Investment income	**23,195**	**23,195**	**-**	23,379	23,379	-
Mudarib’s share	**(5,799)**	**(5,799)**	**-**	(5,845)	(5,845)	-
	1,562,955	**1,493,036**	**69,919**	7,924,041	8,684,276	(760,235)
Provision of Qard Hassan to shareholders	**(69,837)**	**-**	**(69,837)**	(16,405,990)	(15,974,350)	(431,640)
Net surplus from takaful operation for the period	**1,493,118**	**1,493,036**	**82**	(8,481,949)	(7,290,074)	(1,191,875)

20 Surplus/(deficit) in takaful operations' fund

	30 June 2024 Total (Unaudited)	30 June 2024 Non-Life (Unaudited)	30 June 2024 Life (Unaudited)	31 December 2023 Total (Audited)	31 December 2023 Non-Life (Audited)	31 December 2023 Life (Audited)
(Deficit)/surplus in policyholders' fund						
At the beginning of the period/year	**(21,836,796)**	**4,195,430**	**(26,032,226)**	(45,681,014)	(19,142,509)	(26,538,505)
Surplus for the period/year attributable to takaful operations	**4,615,775**	**4,126,594**	**489,181**	24,168,107	23,645,453	522,654
Transfer to retakaful default reserve during the period/year	**(112,345)**	**(110,350)**	**(1,995)**	(323,889)	(307,514)	(16,375)
(Deficit)/surplus in takaful operations' fund as at period/year end	**(17,333,366)**	**8,211,674**	**(25,545,040)**	(21,836,796)	4,195,430	(26,032,226)
Qard Hassan against deficit in takaful operations' fund						
At the beginning of the period/year	**26,032,226**	**-**	**26,032,226**	45,681,014	19,142,509	26,538,505
Provision of Qard Hassan to shareholders	**(487,186)**	**-**	**(487,186)**	(19,648,788)	(19,142,509)	(506,279)
At the end of the period/year	**25,545,040**	**-**	**25,545,040**	26,032,226	-	26,032,226
Surplus in takaful operations' fund (Net)	**8,211,674**	**8,211,674**	**-**	4,195,430	4,195,430	-

21 Capital management

(i) Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Group's risk management function is carried out by the Board of Directors, with its associated committees. This is supplemented with a clear organisational structure with delegated authorities and responsibilities from the Board of Directors to the Chief Executive Officer and other senior managers. The Group is currently in the process of updating the risk management function to address the changes in the Group's operations with regards to the sale of the entire takaful portfolio.

The Board of Directors meets regularly to approve any commercial, regulatory and organisational decisions. The Board of Directors defines the Group's risk and its interpretation, limits structure to ensure the appropriate quality and diversification of assets, aligns underwriting and retakaful strategy to the corporate goals, and specifies reporting requirements.

(ii) Capital management framework

The primary objective of the Group's capital management is to comply with the regulatory requirements in the UAE and to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

(iii) Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters. The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

As per Article (8) of Section 2 of the Financial Regulations, the Group is required, at all times, to comply with the requirements of Solvency Margin. The solvency position of the Group as of 30 June 2024 and 31 December 2023 is presented below:

	30 June 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**21,758**	26,340
Minimum Guarantee Fund (MGF)	**18,422**	20,000
Total Basic Own Funds	**(14,447)**	(31,553)
MCR Solvency Margin - Surplus / (Deficit)	**(114,447)**	(131,553)
SCR Solvency Margin - Surplus / (Deficit)	**(36,204)**	(57,893)
MGF Solvency Margin - Surplus / (Deficit)	**(32,869)**	(51,553)

21 Capital management (continued)

To address the solvency deficit, the Group's management initially submitted a recovery plan to the Central Bank of United Arab Emirates ("CBUAE") which involved a substantial capital injection by means of a rights issue; however, the plan was subsequently changed, because it was envisaged that shareholders are unlikely to support a capital injection in the prevailing economic and financial circumstances. The new plan, which is subject to the regulatory approval, envisages selling the portfolios of the takaful business to other takaful companies and, aided partly by the proceeds resulting the sale of the takaful portfolios and partly by other assets, generating enough capital to transform the company into a viable investment firm to safeguard and preserve shareholders' value. The Group has informed the CBUAE of its revised plans and received (in-principle/ no-objection letter) approval to proceed with the above sale negotiations, in addition on 24 May 2023, the Group has received the preliminary approval from the CBUAE on the sale transaction, and on 20 July 2023, the Group has received the final approval from the CBUAE on the transfer of the individual life insurance portfolio to Abu Dhabi National Takaful Company P.S.C.

On 1 August 2024, management received a notice terminating the insurance portfolio transfer agreement between the Group and Abu Dhabi National Takaful Company P.S.C. As a consequence to this, on 8 August, the Group's management has sent a formal objection letter to Abu Dhabi National Takaful Company P.S.C. stating that the Group's management expects the portfolio transfer by 31 August 2024.

22 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

22 Fair value of financial instruments (continued)

Financial assets	Fair value as at 30 June 2024 AED'000 (Unaudited)	Fair value as at 31 December 2023 AED'000 (Audited)	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets at FVOCI						
Quoted equity securities	**16,557**	25,226	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity securities	**3,325**	3,325	Level 3	Net assets valuation method and comparable multiples approach	Net assets value	Higher the net assets value of the investees, higher the fair value
Financial assets at FVTPL						
Quoted equity securities	**435**	21,270	Level 1	Quoted bid prices in an active market	None	Not applicable
Unit linked investments						
Unit linked investments	**623,705**	705,670	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value

There were no transfers between each of the levels during the period/year ended 30 June 2024 and 31 December 2023.

There were no changes in the valuation techniques and key inputs during the period/year ended 30 June 2024 and 31 December 2023.

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

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At beginning of period/year	**3,325**	3,557
Changes in fair value	**-**	(232)
At end of period/year	**3,325**	3,325

Reconciliation of the unit linked investments measured at FVTPL:

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Unit linked investments		
At beginning of period/year	**705,670**	782,291
Net change during the period/year (change in fair value and net investment/withdrawal)	**(81,965)**	(76,621)
At end of period/year	**623,705**	705,670

22 Fair value of financial instruments (continued)

The investments classified under Level 3 category have been fair valued based on information available for each investment. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 (other than unit linked investments), changing one or more of the assumptions by 5% would have an impact of AED 166,261 (2023: AED 166,261).

23 Significant events

The Group also had other assets held by an entity controlled by the former CEO on behalf of the Group which have since been disposed of without the Group's approval. The total value of these assets on the date of purchase was approximately AED 11.3 million (2023: AED 11.3 million). The Group has initiated legal proceedings in regard to the recovery of the said amount. Moreover, the group has taken all the executive legal procedures concerning the recovery of the claim. These assets have been fully provided for in the condensed interim consolidated financial information as of 30 June 2024 and 31 December 2023 and recognition of the contingent asset will only be made once the success of the legal action is certain.

24 Subsequent events

- On 1 August 2024, management received a notice terminating the insurance portfolio transfer agreement between the Group and Abu Dhabi National Takaful Company P.S.C. Consequently, the Group will cease to classify the individual life takaful portfolio as held for sale, as mandated by IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*". As a consequence to this, on 8 August, the Group's management has sent a formal objection letter to Abu Dhabi National Takaful Company P.S.C. stating that the Group's management expects the portfolio transfer by 31 August 2024.

  In addition, due to solvency issues, there is a possibility that Islamic Arab Insurance Co. (SALAMA) PSC may reassess its position on finalising the transaction. The Group is currently seeking legal advice to compensate for its losses.

- Further, the Group's Third-Party Administrator (TPA) and system provider for the individual life portfolio has filed for insolvency and the local court appointed a restructuring expert. The TPA previously made certain investments on behalf of the Group amounting to AED 555,276 thousand which are recorded at fair value through profit or loss. These investments were made in sukuk unit-linked investments, a portion of which were issued by entities related to the TPA Group and which are currently under liquidation. As a result, the valuation of these investments could be adversely affected by the liquidation process, and this could potentially result in the Group's liabilities being over and above the value of the underlying assets.

25 Comparative presentation

Certain comparative presentation in the condensed interim consolidated financial information has been reclassified to conform the current period's presentation. Such reclassifications have no effect on the previously reported loss or equity of the Group.

26 Approval of condensed interim consolidated financial information

The condensed interim consolidated financial information was approved and authorised for issue by the Board of Directors on 15 August 2024.