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

Condensed Interim Consolidated Financial Information
(Unaudited)
For the nine-month period ended 30 September 2024

Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C)
Condensed Interim Consolidated Financial Information (Unaudited)
For the nine-month period ended 30 September 2024

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AMAN
رقم القيد في سجل شركات التأمين: 70 بتاريخ 16/9/2003
Register of Insurance Companies entry: 70 dated 16/9/2003
Commercial License No. CN-1002749 :رخصه تجارية رقم

Board of Directors' report

The Board of Directors have the pleasure in submitting their report and the condensed interim consolidated financial information for the Nine month period ended 30 September 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 Nine month period ended 30 September 2024 are set out in the accompanying condensed interim consolidated financial information.

Directors

The following were the Directors of the Group for the Nine month period ended 30 September 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 nine-month period ended 30 September 2024 has been reviewed by Grant Thornton Audit and Accounting Limited – Abu Dhabi.

The condensed interim consolidated financial information for the nine-month period ended 30 September 2024 were approved by the Board of Directors on 24 December 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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Review report on the condensed interim consolidated financial information

To the Shareholders of Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C)

Introduction

We were engaged to review the accompanying condensed interim consolidated financial information of Dubai Islamic Insurance & Reinsurance Co. (AMAN) (P.J.S.C) (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the condensed interim consolidated statement of financial position as at 30 September 2024, and the related condensed interim consolidated statements of profit or loss, other comprehensive income for the three-month and nine-month periods then ended, changes in equity, and cash flows for the nine-month period then ended, and material accounting policy information and other explanatory notes.

Management's Responsibility for the Condensed Interim Consolidated Financial Information

Management is responsible for the preparation and presentation of condensed interim consolidated financial information in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of condensed interim consolidated financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Condensed Interim Consolidated Financial Information

Our responsibility is to express a conclusion on the accompanying condensed interim consolidated financial information in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". However, because of the matters described in the *Basis for Disclaimer of Conclusion* paragraph, we were not able to obtain sufficient appropriate evidence as a basis for expressing a conclusion on the condensed interim consolidated financial information.

Basis for Disclaimer of Conclusion

- As stated in note 1.1 to this condensed interim consolidated financial information, the accumulated losses of the Group have reached AED 163,840 thousand as of 30 September 2024, which represents 73% of the share capital of the Group. Further, as disclosed in note 25 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 amounts of AED 116,252 thousand, AED 36,588 thousand and AED 37,252 thousand, respectively. Management has not provided an approved viable plan with us or the regulator.

  Further, the Group's Third-Party Administrator (TPA) and system provider for the individual life portfolio has filed for insolvency and the German court appointed a restructuring expert. The TPA previously made certain investments on behalf of the Group 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 insolvent. 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.

Review report on the condensed interim consolidated financial information
To the Shareholders of Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C) (continued)

Basis for Disclaimer of Conclusion (continued)

These events, 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.

- As of 30 September 2024, the Group held unit-linked investments recorded at fair value through profit or loss amounting to AED 571,111 thousand. We were unable to perform any review procedures to confirm the valuation and completeness of the unit-linked investments together with the related unit-linked liabilities of AED 627,199 thousand as included in takaful contract liabilities.

- During the period, the Group has adopted the International Financial Reporting Standard (IFRS) 17 "Insurance contracts" however, we have not been provided with the supporting documents for the transition impact amounts recorded in the condensed interim consolidated statement of changes in equity of AED 37,609 thousand reported on 1 January 2023 and AED 6,763 thousand reported on 1 January 2024 as well as the discount rates applied, Consequently, we were unable to determine whether any adjustments might have been necessary for the assets, liabilities and equity for the period including comparative figures.

Disclaimer of Conclusion

Due to the significance of the matters described in the *Basis for Disclaimer of Conclusion* paragraph and their possible cumulative impact on the condensed interim consolidated financial information, we were unable to perform review and other related procedures necessary to obtain sufficient appropriate evidence to form a conclusion on the accompanying condensed interim consolidated financial information. Accordingly, we do not express a conclusion on this condensed interim consolidated financial information as at 30 September 2024.

Emphasis of Matters

We draw attention to note 13 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.

Grant Thornton

GRANT THORNTON

Farouk Mohamed
Registration No: 86
Abu Dhabi, United Arab Emirates

24 December 2024

Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C)
Condensed Interim Consolidated Financial Information (unaudited)

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

	Notes	(Unaudited) 30 September 2024 AED'000	*Restated* (Unaudited) 31 December 2023 AED'000	*Restated* (Unaudited) 31 December 2022 AED'000
ASSETS				
Takaful operations' assets				
Takaful contract assets	6	**8,283**	8,991	18,289
Retakaful contract assets	6	**150,092**	178,110	203,261
Unit linked investments	9	**571,111**	705,689	782,310
Investment property		**10,830**	10,830	9,352
Due from shareholders		**79,963**	56,184	98,750
Cash and cash equivalents	5	**46,316**	7,605	56,659
Total takaful operations' assets		**866,595**	967,409	1,168,621
Shareholders' assets				
Property and equipment	10	**46**	65	150
Financial assets carried at fair value through other comprehensive income (FVOCI)	9	**20,539**	28,551	31,385
Financial assets carried at fair value through profit or loss (FVPL)	9	**591**	21,270	83
Statutory deposit	7	**10,000**	10,000	10,000
Deferred policy acquisition costs		**-**	589	8,699
Investment property		**47,070**	47,070	40,648
Assets classified as held for sale	13	**1,583**	1,583	1,583
Prepayments and other receivables	8	**5,090**	31,287	48,847
Cash and cash equivalents	5	**60,595**	49,147	76,164
Total shareholders' assets		**145,514**	189,562	217,559
Total assets		**1,012,109**	1,156,971	1,386,180
LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY				
Takaful operations' liabilities				
Trade and other payables	11	**42,506**	11,743	22,946
Takaful contract liabilities	6	**735,410**	885,547	1,065,282
Re-takaful contract liabilities	6	**63,483**	66,705	82,881
Due to shareholders		**21,208**	-	-
Amounts held under re-takaful treaties		**237**	2,275	7,199
Total takaful operations' liabilities		**862,844**	966,270	1,178,308
Takaful operations' surplus				
Deficit in policyholders' fund	14	**(27,844)**	(23,696)	(54,042)
Qard Hassan from shareholders	14	**30,584**	30,489	58,974
Re-takaful default reserve		**3,291**	3,113	2,789
Takaful operations' investments revaluation reserve		**(2,280)**	(2,280)	(2,280)
Total Surplus from takaful operations		**3,751**	7,626	5,441
Total takaful operations' liabilities and surplus		**866,595**	973,896	1,183,749

The accompanying notes from 1 to 30 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of financial position (continued)
As at 30 September 2024

	Notes	(Unaudited) 30 September 2024 AED'000	*Restated* (Unaudited) 31 December 2023 AED'000	*Restated* (Unaudited) 31 December 2022 AED'000
SHAREHOLDERS' LIABILITIES AND EQUITY				
Shareholders' liabilities				
Provision for employees' end of service benefits	12	**2,513**	2,313	5,457
Trade and other payables	11	**24,799**	43,194	45,698
Due to policyholders		**58,755**	56,184	98,750
Liabilities directly associated with assets classified as held for sale	13	**12,947**	12,947	12,947
Total shareholders' liabilities		**99,014**	114,638	162,852
Shareholders' equity				
Share capital	15	**225,750**	225,750	225,750
Legal reserve		**6,421**	6,421	6,310
General reserve		**6,421**	6,421	6,310
Accumulated losses		**(163,840)**	(149,976)	(184,314)
Investments revaluation reserve – FVOCI		**(26,926)**	(18,853)	(13,151)
Equity attributable to shareholders of the Parent		**47,826**	69,763	40,905
Non-controlling interests		**(1,326)**	(1,326)	(1,326)
Total Equity		**46,500**	68,437	39,579
Total shareholders' liabilities and equity		**145,514**	183,075	202,431
Total takaful operations' liabilities and surplus, shareholders' liabilities and equity		**1,012,109**	1,156,971	1,386,180

This condensed interim consolidated financial information was approved by the Board of Directors on **24 December 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 30 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of profit or loss
For the nine-month period 30 September 2024

	Notes	**Three-month period ended 30 September 2024 (Unaudited) AED'000**	Three-month period ended 30 September 2023 *Restated* (Unaudited) AED'000	**Nine-month period ended 30 September 2024 (Unaudited) AED'000**	Nine-month period ended 30 September 2023 *Restated* (Unaudited) AED'000
Attributable to policyholders					
Takaful revenue	16	**14,213**	27,051	**42,543**	121,474
Takaful service income/(expense)	17	**6,822**	2,564	**14,290**	(33,048)
Takaful service results before retakaful contracts held		**21,035**	29,615	**56,833**	88,426
Retakaful expenses		**(22,071)**	(22,328)	**(60,795)**	(52,882)
Net expenses from retakaful contracts held		**(22,071)**	(22,328)	**(60,795)**	(52,882)
Takaful service result		**(1,036)**	7,287	**(3,962)**	35,544
Takaful finance expense for takaful contracts issued		**(1,769)**	(1,950)	**(5,229)**	(5,779)
Retakaful finance income for retakaful contracts held		**1,606**	1,426	**4,747**	4,226
Net takaful (loss)/income		**(1,199)**	6,763	**(4,444)**	33,991
Investment income, net	18	**37**	20	**82**	65
Mudarib's share		**(9)**	(5)	**(20)**	(16)
(Deficit)/surplus of takaful and investment results	22	**(1,171)**	6,778	**(4,382)**	34,040
Other income		**171**	840	**412**	1,057
(Deficit) / surplus from takaful operations for the period		**(1,000)**	7,618	**(3,970)**	35,097

The accompanying notes from 1 to 30 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of profit or loss (continued)
For the nine-month period ended 30 September 2024

	Notes	**Three-month period ended 30 September 2024 (Unaudited) AED'000**	Three-month period ended 30 September 2023 *Restated* (Unaudited) AED'000	**Nine-month period ended 30 September 2024 (Unaudited) AED'000**	Nine-month period ended 30 September 2023 *Restated* (Unaudited) AED'000
Attributable to shareholders					
Income					
Investment income/(loss), net	18	**1,101**	2,031	**(5,755)**	2,354
Wakala fees from policyholders	20	**537**	4,439	**2,418**	26,772
Mudarib's share from policyholders	20	**9**	5	**20**	16
Other operating (expense) /income		**(2,166)**	1,099	**3,740**	318
Total (loss)/ income		**(519)**	7,574	**423**	29,460
Expenses					-
Policy acquisition cost		**(1,258)**	(2,143)	**(2,520)**	(11,263)
General and administrative expenses		**(4,156)**	(1,411)	**(10,850)**	(10,005)
Contribution/(recovery) from Qard Hassan to takaful operations	14	**3,305**	7,062	**(95)**	34,368
Total (expenses)/income		**(2,109)**	3,508	**(13,465)**	13,100
(Loss)/profit for the period before tax		**(2,628)**	11,082	**(13,042)**	42,560
Income tax expense		**-**	-	**-**	-
(Loss)/profit for the period after tax		**(2,628)**	11,082	**(13,042)**	42,560
Basic and diluted (loss) / earnings per share	19	**(0.012)**	0.049	**(0.058)**	0.189

The accompanying notes from 1 to 30 form an integral part of this condensed interim consolidated financial information.

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

	Three-month period ended 30 September 2024 **(Unaudited)** **AED'000**	Three-month period ended 30 September 2023 *Restated* (Unaudited) AED'000	**Nine-month period ended 30 September 2024** **(Unaudited)** **AED'000**	Nine-month period ended 30 September 2023 *Restated* (Unaudited) AED'000
(Loss)/profit for the period attributable to shareholders of the Company	**(2,628)**	11,082	**(13,042)**	42,560
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	**-**	(1,273)	**-**	(3,010)
Changes in fair value of equity investments carried at fair value through other comprehensive income	**596**	(708)	**(8,073)**	2,628
Other comprehensive (loss)/income for the period	**596**	(1,981)	**(8,073)**	(382)
Total comprehensive (loss)/income for the period	**(2,032)**	9,101	**(21,115)**	42,178

The accompanying notes from 1 to 30 form an integral part of this condensed interim consolidated financial information.

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

	Share capital AED'000	Legal reserve AED'000	General reserve AED'000	Accumulated losses AED'000	Investments revaluation reserve-FVOCI AED'000	Equity attributable to shareholders of the Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance as at 1 January 2023, as previously reported	225,750	6,310	6,310	(146,705)	(13,151)	78,514	(1,326)	77,188
Adjustment on initial application of IFRS 17	-	-	-	(37,609)	-	(37,609)	-	(37,609)
Balance as at 1 January 2023 (restated)	225,750	6,310	6,310	(184,314)	(13,151)	40,905	(1,326)	39,579
Net profit for the period	-	-	-	42,560	-	42,560	-	42,560
Changes in fair value of equity investments carried at fair value through other comprehensive income	-	-	-	-	2,628	2,628	-	2,628
Transfer of realised gain on sale of financial assets carried at fair value through other comprehensive income	-	-	-	3,010	(3,010)	-	-	-
Transfer to retakaful default reserve	-	-	-	250	-	250	-	250
Total comprehensive loss for the period	-	-	-	45,820	(382)	45,438	-	45,438
Balance as at 30 September 2023 (Unaudited)	225,750	6,310	6,310	(138,494)	(13,533)	86,343	(1,326)	85,017
Balance as at 1 January 2024 (Unaudited)	**225,750**	**6,421**	**6,421**	**(143,213)**	**(18,853)**	**76,526**	**(1,326)**	**75,200**
Adjustment on initial application of IFRS 17	**-**	**-**	**-**	**(6,763)**	**-**	**(6,763)**	**-**	**(6,763)**
Restated balance as at 1 January 2024	**225,750**	**6,421**	**6,421**	**(149,976)**	**(18,853)**	**69,763**	**(1,326)**	**68,437**
Net loss for the period	**-**	**-**	**-**	**(13,042)**	**-**	**(13,042)**	**-**	**(13,042)**
Changes in fair value of equity investments carried at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**(8,073)**	**(8,073)**	**-**	**(8,073)**
Transfer to retakaful default reserve	**-**	**-**	**-**	**178**	**-**	**178**	**-**	**178**
Directors' fees	**-**	**-**	**-**	**(1,000)**	**-**	**(1,000)**	**-**	**(1,000)**
Total comprehensive loss for the period	**-**	**-**	**-**	**(13,864)**	**(8,073)**	**(21,937)**	**-**	**(21,937)**
Balance as at 30 September 2024 (Unaudited)	**225,750**	**6,421**	**6,421**	**(163,840)**	**(26,926)**	**47,826**	**(1,326)**	**46,500**

The accompanying notes from 1 to 30 form an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statement of cash flows
For the nine-month period ended 30 September 2024

	Nine-month period ended 30 September 2024 AED'000 (Unaudited)	Nine-month period ended 30 September 2023 *Restated* AED'000 (Unaudited)
OPERATING ACTIVITIES		
(Loss)/profit for the period before tax	**(13,042)**	42,560
Adjustments for:		
Depreciation of property and equipment	**30**	64
Realised loss/(gain) on disposal of financial assets carried at fair value through profit or loss profit or loss (FVTPL)	**7,540**	(721)
Unrealized gain on investments in financial assets carried at FVTPL	**(233)**	(1,137)
Provision for employees' end of service benefits	**202**	549
Income from Wakala deposits with banks	**(1,026)**	(64)
Rental income	**(367)**	(345)
Dividend income	**(263)**	(175)
Operating (loss)/profit before working capital changes:	**(7,159)**	40,731
Working capital changes:		
Change in takaful contract assets	**707**	9,685
Change in retakaful contract assets	**28,019**	12,778
Change in due from Shareholders	**3,916**	48,165
Change in takaful contract liabilities	**(150,139)**	(164,195)
Change in retakaful contract liabilities	**(3,223)**	(11,194)
Change in amounts held under retakaful treaties	**(2,034)**	(3,830)
Change in prepayments and other receivables	**26,197**	14,507
Change in trade and other payables	**8,132**	(22,051)
Change in due to policyholders	**(3,916)**	(48,165)
Cash used in operations	**(99,500)**	(123,569)
Employees' end of service benefits paid	**(2)**	(3,720)
Net cash used in operating activities	**(99,502)**	(127,289)
INVESTING ACTIVITIES		
Proceeds from financial assets measured at FVTPL	**13,794**	8,115
Purchase of financial assets carried at fair value through profit or loss (FVPL)	**-**	(39,707)
Purchase of financial assets carried at fair value through other comprehensive income (FVOCI)	**-**	(13,252)
Disposal proceeds from financial assets carried at fair value through other comprehensive income (FVOCI)	**-**	10,533
Change in unit linked Investment	**134,578**	77,342
Dividend income received	**263**	175
Income from wakala deposits with banks	**1,026**	64
Net cash generated from investing activities	**149,661**	43,270
NET CHANGE IN CASH AND CASH EQUIVALENTS	**50,159**	(84,019)
Cash and cash equivalents at the beginning of the period	**57,761**	133,833
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 5)	**107,920**	49,814

The accompanying notes from 1 to 30 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 September 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 September 2024 nor the year ended 31 December 2023.

1 General information (continued)

1.1 Assessment of going concern assumption

As at 30 September 2024, the Group's accumulated losses amounted to AED 163,840 thousand (31 December 2023: AED 149,976 thousand restated unaudited), which represent 73% (31 December 2023: 66%) of the share capital of the Group. Further, as stated in the note 25 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 116,252 thousand, AED 36,588 thousand and AED 37,252 thousand, respectively (31 December 2023: AED 133,724 thousand, AED 59,494 thousand and AED 53,724 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 Group 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, 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.

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 and on 5 September, the Group announced to the Dubai Financial Market that the PTA had not been validly terminated according to its terms and conditions, and that the Group would take all necessary steps to protect its interests.

On 26 September 2024, the Islamic Arab Insurance Co. (SALAMA) PSC declared in DFM the termination of Partial Acquisition Agreement with the Group. Accordingly, on 27 September 2024, the Group declared to DFM that Salama decided to terminate the Acquisition agreement. The Group is currently evaluating alternative strategies to address this development.

Further, the Group's Third-Party Administrator (TPA) and system provider for the individual life portfolio has filed for insolvency and the German court appointed a restructuring expert. The TPA previously made certain investments on behalf of the Group 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 without receiving prior approval of the Group's management and which are currently insolvent. 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.

1 General information (continued)

1.1 Assessment of going concern assumption (continued)

In addition, the accumulated losses as at 30 September 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. The Group's AGM held on 5 May 2023 issued a special resolution to continue the Group's operations.

2 Basis of preparation

2.1 Statement of compliance

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.

The condensed interim consolidated financial information has been presented in United Arab Emirates Dirhams ("AED"), which is the functional currency and the presentation currency of the Group, all values have been rounded to the nearest thousand (AED '000) except when otherwise indicated.

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 classified as held for sale and takaful and retakaful contract liabilities and assets.

2.2 Basis of consolidation

The condensed interim consolidated financial information comprises the financial information of the Company and its subsidiaries 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.

Specifically, the Group controls an investee if and only if the Group has:

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

2 Basis of preparation (continued)

2.2 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the condensed interim consolidated statement of financial position and condensed interim consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate as would be required if the Group had directly disposed of the related assets or liabilities.

The condensed interim consolidated financial information of the Group represents the financial information of the Company, and its subsidiaries mentioned in note 1.

2.3 Application of new and revised IFRS Accounting Standards (IFRS)

Application of new and revised IFRS Accounting 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.

2 Basis of preparation (continued)

2.3 Application of new and revised IFRS Accounting Standards (IFRS) (continued)

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 Material accounting policy information

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2023, except for application of new standards and several amendments and interpretations apply for the first time. However, these amendments and interpretations do not have material impact on the condensed interim consolidated financial information of the Group, except for the adoption of IFRS 17 "Insurance Contracts," effective from 1 January 2023, was initially postponed due to the Group's plan to exit the takaful activities. However, following a change in plans and communication with the regulator, the Group has applied IFRS 17 from Q3 2024. The requirements of IFRS 17 have bought a significant change to the accounting for takaful and retakaful contracts. As a result, the Group has restated certain comparative amounts in opening balances.

Standards, interpretations, and amendments to existing standards – Impact of new IFRS IFRS 17 "Insurance contracts"

IFRS 17 "Insurance contracts"

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of Takaful contracts, retakaful contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

Under IFRS 17, Takaful revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering Takaful acquisition cash flows. In addition, investment components are no longer included in Takaful revenue and Takaful service expenses.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

The Group uses the premium allocation approach (PAA) with short coverage periods, eliminating the need to calculate the Contractual Service Margin (CSM). for contracts exceeding one year, the PAA can only be applied after passing an eligibility test to ensure that the results are materially consistent with those of the General Measurement Model (GMM). Long-term contracts – greater than five-year terms - with Discretionary Participation Features (DPF) are typically assessed under the Variable Fee Approach (VFA), while other long-term contracts are measured using the GMM.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Group has restated comparative information applying the transitional provisions to IFRS 17.

Recognition

Recognition requirements are slightly different for issued contracts and held contracts. For groups of issued contracts, a group should be recognised at the earliest of the following:

- Beginning of the coverage period;
- Date when the first payment from a policyholder becomes due; and
- For a group of onerous contracts, when the group becomes onerous.

Retakaful contracts held by a Group are recognised on the earlier of:
- Beginning of the coverage period of the group of reTakaful contracts held; and
- Date the Group recognises an onerous group of underlying Takaful contracts provided the retakaful contract was in force on or before that date.

Regardless of the first point above, the recognition of proportional retakaful contracts held shall be delayed until the recognition of the first underlying contract issued under that retakaful contract.

Level of Aggregation

Level of aggregation relates to the unit of account under IFRS 17. The unit of account under IFRS 17 is referred to as a 'Group of Contracts' and requirements relating to level of aggregation define how groups of contracts have to be determined.

The standard has set out the following requirements to determine a group of contracts:
- Portfolio – contracts that have similar risks and that are managed together can be grouped.
- Profitability – contracts with similar expected profitability (at inception or initial recognition) can be grouped.

For this purpose, the standard has mandated at least the following three classifications however it is permitted to use more granular classifications:
- Contracts that are onerous at inception;
- Contracts that are not onerous and have no significant possibility of becoming onerous; and
- All other contracts.

3 Material accounting policy information (continued)

IFRS 17 “Insurance contracts” (continued)

Cohorts

Contracts issued more than 12 months apart cannot be grouped together. However, in certain circumstances a one-time simplification upon transition for contracts as at the transition is allowed.
A unique combination of the above three requirements forms a group of contracts i.e., contracts with same portfolio, same expected profitability and issued in the same year can be grouped together. This grouping is permanent and cannot be changed once assigned, regardless of how the actual experience emerges after initial recognition. For instance, as experience emerges a Group may realise that a contract which was thought to be onerous at initial recognition is not onerous, but the grouping will not be changed.

Measurement Models

Measurement model, in rudimentary terms, refers to the basis or a set of methodologies for the computation of Takaful contract assets and liabilities and associated revenues and expenses. IFRS 17 has provided the following three measurement models:

Premium Allocation Approach (“PAA”)

PAA is an optional simplification that a Group can apply to contracts that have a coverage period of up to 12 months or to contracts for which it can demonstrate that the liability for remaining coverage will not be materially different under PAA and GMM. In terms of computations, the major simplification relates to LRC.

Under PAA, it is not required to consider each component of the premium separately instead a single liability can be set up. The components of liability under PAA as at any valuation date can be summarised as follows:

Liability for Remaining Coverage (“LRC”)
- Excluding Loss Component
- Loss Component, if any

Liability for Incurred Claims (“LIC”)
- Estimates of future cashflows
- Risk adjustment
- Discounting of estimates of future cashflows

Some of the Group’s short-term business is eligible for this simplification and the Group has adopted this simplification for the eligible business. Under PAA, loss component and claim reserves requires an explicit provision of risk adjustment this would increase the liabilities whereas discounting will generally decrease the liabilities. The net effect of PAA depends on whether the impact of risk adjustment is greater than the impact of discounting or the impact deferring additional expenses that are currently not deferred.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Measurement Models (continued)

General Measurement Model ("GMM")

GMM is the default measurement model and is applied to all contracts to which Premium Allocation Approach ("PAA") and Variable Fees Approach ("VFA") are not applied. GMM is based on the premise that premiums (or considerations) for Takaful contracts comprises of certain components (such claims, expenses and profits) and that each component needs to be considered according to its nature. The liability under GMM as at any valuation date comprises of the following:

Liability for Remaining Coverage ("LRC")
- Estimates of future cashflows
- Risk adjustment
- Discounting of estimates of future cashflows
- Contractual Service Margin ("CSM")

Liability for Incurred Claims ("LIC")
- Estimates of future cashflows
- Risk adjustment
- Discounting of estimates of future cashflows

Variable Fees Approach ("VFA")

VFA is a mandatory modification to contracts with direct participation features. A contract is a contract with direct participation feature if it meets all three of the following requirements:

- Contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items.
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items.
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in the fair value of the underlying items.

The components of the liability under VFA are same as GMM and their calculations are quite similar too except for the computation of CSM. Under VFA, CSM calculations reflect the variability related to underlying items, but GMM does not reflect this variability. Similarly, there are some other aspects related to financial risk that impact the CSM under VFA but, not under GMM.

The measurement models have been discussed above are in context of Takaful contracts issued and associated liabilities, but same principles are applicable to retakaful contract held and associated assets (except for VFA). Similarly, both LRC and LIC components are mentioned however, at initial recognition only LRC is applicable.

Estimates of future cashflows, risk adjustment and discounting are collectively referred to as the Fulfilment Cashflows ("FCF"). In terms of revenues and expense GMM and VFA are quite similar however, a significant difference exists between GMM/VFA and PAA. The revenues under GMM and VFA show each component of the premium separately (such as expected claims and expenses) whereas under PAA, the revenue shows just an aggregate amount.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Measurement Models (continued)

Variable Fees Approach ("VFA") (continued)

- Group's unit-linked business is measured using VFA, all other long-term business is measured using GMM. There are fundamental differences between GMM / VFA and the current methodologies for the long-term business. The key differences are discussed below:

- Under IFRS 17 assets or liabilities will be determined using gross premium calculations as opposed to risk premium calculations. This implies that under IFRS 17 all components of assets or liabilities such as expenses or profits will be computed explicitly. This also implies that expenses or costs that occur only at the start will be deferred implicitly. The impact of this difference cannot be generalised as it depends on whether the implicit margins within risk-premium based calculations are higher or lower than those required in gross-premium based calculations.

- Similar to PAA, GMM and VFA also require an explicit risk adjustment. Risk adjustment is a new requirement, and it does not exist under the previous standard. Risk adjustment will increase the liabilities for Takaful contracts issued and increases the asset for the retakaful contracts held.

- IFRS 17 also introduces substantial changes to the pattern in which profits are recognised for long-term contracts it requires that the profits to be recognised in relation to the service provided. IFRS 17 introduces a new measure, 'coverage units', to quantify the services provided in any period. Given that single premium contracts recognise all expected profits at the start of the coverage whereas services are provided throughout that coverage period, it is expected that under IFRS 17 profit recognition for single premium contracts will be delayed and therefore the net liabilities will increase because of this requirement. Similarly, for limited-payment plans, all expected profits are recognised by the end of the payment term and therefore the profits for these will also be relatively delayed in IFRS 17. The impact for regular payment plans will depend on how close the service pattern is to the one currently implied under the plans.

- The definition of revenue under GMM and VFA is quite different for long-term contracts. Under IFRS 17 revenue (or consideration) is more direct and separately includes each component of the premium (i.e., expected claims and expenses and the portion of the profits relating to the period).

Estimates of Future Cashflows

The standard requires that future cashflows should be estimated till the end of the contract boundary. End of contract boundary is defined as the point at which a Group can either reassess the risk or consideration i.e., premium. The standard does not provide the methodology for the estimation of future cashflows however, it does provide detailed guidance on the cashflows that are within and beyond the contract boundary. It also provides certain principles in relation to the estimates of future cashflows.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Discounting

The standard requires the estimates of future cashflows should be discounted to reflect the effect of time value of money and financial risks. Similar to other provisions it does not specify a methodology for discounting or the derivation of discount rates however, it sets out certain principles. The standard does recognise the following two approaches for the derivation of the discount rates:

- Bottom-Up: An approach where a risk-free rate or yield curve is used, and an illiquidity premium is added to reflect the characteristics of the cashflows.
- Top-Down: An approach where the expected yield on a reference portfolio is used and adjustments are applied to reflect the differences between the liability cashflow characteristics and the characteristics of the reference portfolio.

For cashflows that are linked to the underlying items for contracts with direct participation features, the discount rates must be consistent with other estimates used to measure Takaful contracts. The above two approaches may have to be adjusted to reflect the variability in the underlying items for such cashflows.

Contractual Service Margin ("CSM")

Contractual Service Margin (CSM) represents the unearned profit the Group will recognise as it provides Takaful contract services in the future. At initial recognition CSM is computed using the fulfillment cash flows (FCF) whereas at subsequent measurement CSM is computed using the opening CSM balance and various adjustments relating to the period. A portion of CSM is released to Profit & Loss as revenue in every period using coverage units.

Onerous Contracts and Loss Components

When a group of contracts, whether at initial recognition or subsequently, is or becomes onerous a loss component liability must be maintained. Under GMM and VFA this liability is implicitly included in the FCFs for LRC but for PAA an explicit loss component over the base LRC must be computed and set aside.

Transition

The default transition approach under IFRS 17 is the Full Retrospective Approach ("FRA") which requires that upon transition IFRS 17 should be applied from inception of the groups of contracts as if IFRS 17 has always been applicable. However, if FRA is impracticable the following methods may be adopted:

- Modified Retrospective Approach ("MRA"): Under this approach the objective is to achieve the closest possible approximation to the FRA using the modifications allowed within the standard and without undue cost and effort.

- Fair Value Approach ("FVA"): Under this approach the fair value of the groups of contracts is computed and compared with the FCF. The CSM or loss component is the difference between the fair value and the FCF. Fair values for this purpose must be computed applying IFRS 13.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each condensed interim consolidated financial information line item and EPS. The effects of adopting IFRS 17 on the condensed interim consolidated financial information at 1 January 2023 are presented in the statement of changes in equity.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Key Accounting Policy Choices

IFRS 17 requires Group to make various accounting policy choices. The key accounting policy choices made by the Group are described below.

Accounting Policy	Group Decision
Level of Aggregation – Adopting more granular profitability classification	The Group has adopted the minimum three classifications provided in the standard and not use more granular classifications.
Level of Aggregation – Adopting more granular cohort classification	The Group is using annual cohorts and not shorter cohorts.
PAA – Deferring Takaful acquisition cashflows	Under PAA, in some circumstances, it is allowed to recognise Takaful acquisition cashflows as expense when incurred however, the Group does not apply this choice instead it defers all Takaful acquisition cashflows.
PAA – Discounting LIC	Under PAA, in some circumstances, it is allowed not to discount the LIC, but the Group is not using this option and discounts all LIC.
Interest Accretion – OCI Option	The standard allows that finance expense to be split between OCI, and P&L. the Group aims to reflect entire finance expense in the P&L and plans not to split between OCI and P&L.
Transition Approach	The Group is using Modified Retrospective Approach.

Revenue recognition

Takaful revenue and retakaful expenses – methods and assumptions used in the determination of the contractual service margin (CSM) to be recognised in condensed interim consolidated statement of profit or loss for the Takaful contract services provided or received in the year.

For contracts measured under the General Measurement Model (GMM) in which the Group has discretion over the cash flows to be paid to the policyholders, judgement might be involved in the determination of what the Group considers its commitment on initial recognition of such contracts. Further, judgement might be required to distinguish subsequent changes in the fulfilment cash flows (FCF) resulting from changes in the Group's commitment and those resulting from changes in assumptions that relate to the financial risk on that commitment.

3 Material accounting policy information (continued)

Finance income or expenses from Takaful contracts issued

Takaful finance income or expenses Takaful finance income or expenses comprise the change in the carrying amount of the group of Takaful contracts arising from:

- Interest accreted on the CSM;
- Interest accreted on the PAA LRC excluding the LC (if adjusted for the financing effect);
- The financing effect on the LC measured under the PAA (if adjusted for the financing effect);
- The effect of changes in FCFs at current rates, when the corresponding CSM unlocking is measured at the locked in rates;
- Any interest charged to or added to Takaful / retakaful asset or liability balances; and
- The effect of changes in interest rates and other financial assumptions.

For all groups of contracts, the Group disaggregates Takaful finance income or expenses for the period between profit or loss and other comprehensive income (that is, the OCI option is applied). The finance income and expenses from Takaful contracts issued recognised in the condensed interim consolidated statement of profit or loss reflects the unwind of the liabilities at the locked-in rates.

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.

Deferred Taxation

Deferred tax is accounted for in respect of all temporary differences at the condensed interim consolidated 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 condensed interim consolidated statement of financial position date. Deferred tax is charged or credited to the condensed interim consolidated statement of profit or loss, except in the case of items credited or charged to the condensed interim consolidated statement of other comprehensive income or equity in which case it is included in the condensed interim consolidated statement of other comprehensive income or equity.

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

4 Significant accounting judgements and estimates

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

In preparing this condensed interim consolidated financial information, the significant judgements made by management in applying the material accounting policy information 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. Except for the below judgements:

Estimates of future cash flows to fulfill takaful contracts

Included in the measurement of each group of contracts within the scope of IFRS 17, are all future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows which includes the expected contribution receipts and ultimate cost of claims.

The ultimate cost of claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development.

In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims. The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

Assessment of significance of takaful risk

The Group applies its judgement in assessing whether a contract transfers to the issuer significant takaful risk. A contract transfers significant takaful risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

4 Significant accounting judgements and estimates (continued)

Risk adjustment

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Onerous groups

The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Discounting

The Group use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity contribution'). The Group applies a published risk-free yield curve (EIOPA RFR) with volatility adjustment and adjusted for country risk premium. Management uses judgment to assess liquidity characteristics of the liability cash flows.

Discount rates applied for discounting of future cash flows are listed below

	1 year		3 years		5 years		10 years	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Personal accident, marine and property contracts issued	**6.25%**	6.25%	**6.25%**	6.25%	**6.25%**	6.25%	6.25%	6.25%
Liability retakaful contracts issued	**6.25%**	6.25%	**6.25%**	6.25%	**6.25%**	6.25%	6.25%	6.25%

5 Cash and cash equivalents

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Unaudited) AED'000
Cash on hand	**20**	65
Bank balances in current accounts	**106,938**	56,704
	106,958	56,769
Less: allowances for expected credit losses	**(47)**	(17)
Total	**106,911**	56,752
Allocated to:		
- Takaful operations assets	**46,316**	7,605
- Shareholder's assets	**60,595**	49,147
	106,911	56,752

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

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Unaudited) AED'000
Cash and cash equivalents	**106,911**	56,752
Cash and cash equivalents included in assets classified as held for sale	**1,009**	1,009
Total cash and cash equivalent	**107,920**	57,761

6 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:

	30 September 2024 (Unaudited)			31 December 2023 (Restated / Unaudited)		
	Assets AED'000	**Liabilities AED'000**	**Net AED'000**	Assets AED'000	Liabilities AED'000	Net AED'000
Takaful contracts issued						
Life	**4,624**	**627,199**	**622,575**	4,390	760,942	756,552
Non-Life	**3,659**	**108,211**	**104,552**	4,601	124,605	120,004
Total takaful contracts issued	**8,283**	**735,410**	**727,127**	8,991	885,547	876,556
Retakaful contracts held						
Life	**87,445**	**51,526**	**35,919**	91,051	61,205	29,846
Non-Life	**62,647**	**11,957**	**50,690**	87,059	5,500	81,559
Total retakaful contracts held	**150,092**	**63,483**	**86,609**	178,110	66,705	111,405

6 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for takaful contracts issued showing the liability for remaining coverage and the liability for incurred claims

Contracts measured under the PAA

30 September 2024 (Unaudited)	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		
	Excluding loss component Unaudited	**Loss component Unaudited**	**Best estimate liability Unaudited**	**Risk adjustment Unaudited**	**Total Unaudited**
	AED'000	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Takaful contracts issued					
Takaful contract assets at 1 January	**(1,457)**	**1**	**(3,006)**	**(140)**	**(4,602)**
Takaful contract liabilities at 1 January	**16,939**	**882**	**105,001**	**10,455**	**133,277**
Net balance as at 1 January	**15,482**	**883**	**101,995**	**10,315**	**128,675**
Takaful revenue	**40,693**	**-**	**-**	**-**	**40,693**
Takaful service expenses	**(2,418)**	**822**	**12,447**	**4,522**	**15,373**
Incurred claims and other expenses	**-**	**-**	**(13,698)**	**-**	**(13,698)**
Changes to liabilities for incurred claims	**-**	**-**	**26,145**	**4,522**	**30,667**
Amortisation of insurance acquisition cash flows	**(2,418)**	**-**	**-**	**-**	**(2,418)**
Reversals of losses on onerous contracts	**-**	**822**	**-**	**-**	**822**
Takaful service result	**38,275**	**822**	**12,447**	**4,522**	**56,066**
Finance expenses from takaful contracts issued	**-**	**-**	**(4,749)**	**(480)**	**(5,229)**
Total amounts recognized in comprehensive income	**38,275**	**822**	**7,698**	**4,042**	**50,837**
Cash flows					
Contributions received	**46,505**	**-**	**-**	**-**	**46,505**
Claims and other expenses paid	**-**	**-**	**(13,698)**	**-**	**(13,698)**
Takaful acquisition cash flows paid	**(985)**	**-**	**-**	**-**	**(985)**
Total cash flows	**45,520**	**-**	**(13,698)**	**-**	**31,822**
Net balance as at 30 September					
Takaful contract assets at 30 September	**(787)**	**-**	**(3,335)**	**(224)**	**(4,346)**
Takaful contract liabilities at 30 September	**23,514**	**61**	**83,934**	**6,497**	**114,006**
Net balance as at 30 September	**22,727**	**61**	**80,599**	**6,273**	**109,660**

6 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for retakaful contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts measured under the PAA (continued)

31 December 2023 (Restated) / (Unaudited)	Liabilities for remaining coverage		Liabilities for incurred Claims		
	Excluding loss component Unaudited	Loss component Unaudited	Best estimate liability Unaudited	Risk adjustment Unaudited	Total Unaudited
	AED'000	AED'000	AED'000	AED'000	AED'000
Takaful contract assets at 1 January	(11,547)	916	-	-	(10,631)
Takaful contract liabilities at 1 January	46,875	36,055	142,944	11,893	237,767
Net balance as at 1 January	35,328	36,971	142,944	11,893	227,136
Takaful revenue	139,828	-	-	-	139,828
Takaful service expenses	(28,601)	36,088	(39,252)	2,173	(29,592)
Changes to liabilities for incurred claims	-	-	(39,252)	2,173	(37,079)
Amortisation of insurance acquisition cash flows	(28,601)	-	-	-	(28,601)
Reversals of losses on onerous contracts	-	36,088	-	-	36,088
Takaful service result	111,227	36,088	(39,252)	2,173	110,236
Finance expenses from takaful contracts issued	-	-	(7,147)	(595)	(7,742)
Total amounts recognised in comprehensive income	111,227	36,088	(46,399)	1,578	102,494
Cash flows					
Contribution s received	97,783	-	-	-	97,783
Claims and other expenses paid	-	-	(87,348)	-	(87,348)
Takaful acquisition cash flows	(6,402)	-	-	-	(6,402)
Total cash flows	91,381	-	(87,348)	-	4,033
Net balance as at 31 December					
Takaful contract assets at 31 December	(1,457)	1	(3,006)	(140)	(4,602)
Takaful contract liabilities at 31 December	16,939	882	105,001	10,455	133,277
Net balance as at 31 December	15,482	883	101,995	10,315	128,675

6 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for retakaful contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts measured under the PAA (continued)

30 September 2024 (Unaudited)	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component Unaudited AED'000	oss recovery component Unaudited AED'000	Estimates of the present value of cashflows Unaudited AED'000	Risk adjustment Unaudited AED'000	Total Unaudited AED'000
Retakaful contracts held					
Retakaful contract assets at 1 January	(8,767)	-	(76,338)	(8,542)	(93,647)
Retakaful contract liabilities at 1 January	15,494	(39)	-	-	15,455
Net balance as at 1 January	6,727	(39)	(76,338)	(8,542)	(78,192)
Net expenses income from retakaful contracts held	(38,729)	-	-	-	(38,729)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable from reinsurers for incurred claims	-	-	11,157	-	11,157
Changes to amounts recoverable for incurred claims	-	-	(28,173)	(4,449)	(32,622)
Amortisation of insurance acquisition cash flows	1,296	-	-	-	1,296
Charging for losses on onerous contracts	-	(31)	-	-	(31)
Net expenses from retakaful contracts held	(37,433)	(31)	(17,016)	(4,449)	(58,929)
Finance income from retakaful contracts held	-	-	3,553	397	3,950
Total amounts recognized in comprehensive income	(37,433)	(31)	(13,463)	(4,052)	(54,979)
Cash flows					
Contributions paid	(39,228)	-	-	-	(39,228)
Actual acquisition costs received	1,238	-	-	-	1,238
Actual claims received	-	-	11,157	-	11,157
Total cash flows	(37,990)	-	11,157	-	(26,833)
Net balance as at 30 September					
Retakaful contract assets at 30 September	(7,993)	-	(52,362)	(4,520)	(64,875)
Retakaful contract liabilities at 30 September	14,163	(8)	644	30	14,829
Net balance as at 30 September	6,170	(8)	(51,718)	(4,490)	(50,046)

6 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for retakaful contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts measured under the PAA (continued)

31 December 2023 (Unaudited) / (Restated)	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component Unaudited AED'000	Loss recovery component Unaudited AED'000	Estimates of the present value of cashflows Unaudited AED'000	Risk adjustment Unaudited AED'000	Total Unaudited AED'000
Retakaful contracts held					
Retakaful contract assets at 1 January	(6,200)	(103)	(101,337)	(9,835)	(117,475)
Retakaful contract liabilities at 1 January	29,893	(261)	-	-	29,632
Net balance as at 1 January	23,693	(364)	(101,337)	(9,835)	(87,843)
Net expenses from retakaful contracts held	(78,979)	-	-	-	(78,979)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable from reinsurers for incurred claims	-	-	25,661	-	25,661
Changes to amounts recoverable for incurred claims	114	-	(30,065)	(1,785)	(31,736)
Amortisation of insurance acquisition cash flows	10,176	-	-	-	10,176
Reversals of losses on onerous contracts	-	(325)	-	-	(325)
Net (expenses)/income from retakaful contracts held	(68,689)	(325)	(4,404)	(1,785)	(75,203)
Finance expenses from retakaful contracts held	-	-	5,066	492	5,558
Total amounts recognized in comprehensive income	(68,689)	(325)	662	(1,293)	(69,645)
Cash flows					
Contributions paid	(90,863)	-	-	-	(90,863)
Actual acquisition costs received	5,208	-	-	-	5,208
Actual claims received	-	-	25,661	-	25,661
Total cash flows	(85,655)	-	25,661	-	(59,994)
Net balance as at 31 December					
Retakaful contract assets at 31 December	(8,767)	-	(76,338)	(8,542)	(93,647)
Retakaful contract liabilities at 30 December	15,494	(39)	-	-	15,455
Net balance as at 31 December	6,727	(39)	(76,338)	(8,542)	(78,192)

6 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for takaful contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Analysis by measurement component – Contracts not measured under the PAA:

30 September 2024 (Unaudited)	Liabilities for remaining coverage			Liabilities for incurred claims		
	Best Estimate Liability Unaudited AED'000	Risk Adjustment Unaudited AED'000	Contractual Service Margin Unaudited AED'000	Best estimate liability Unaudited AED'000	Risk adjustment Unaudited AED'000	Total Unaudited AED'000
Takaful contracts issued						
Takaful contract assets at 1 January	**(4,389)**	-	-	-	-	**(4,389)**
Takaful contract liabilities at 1 January	**723,168**	**2,386**	**26,716**	-	-	**752,270**
Net balance as at 1 January	**718,779**	**2,386**	**26,716**	-	-	**747,881**
Changes related to current service						
CSM recognised for the service provided	-	-	**(311)**	-	-	**(311)**
Risk adjustment recognised for the risk expired	-	**(91)**	-	-	-	**(91)**
Experience adjustment	**(2,801)**	-	-	-	-	**(2,801)**
Changes related to future service						
Changes in estimates reflected in the CSM	**(127,790)**	**4**	**127,786**	-	-	-
Changes in estimates reflected in onerous contract losses	-	-	**2,432**	-	-	**2,432**
Takaful service result	**(130,591)**	**(87)**	**129,907**	-	-	**(771)**
Finance expenses from takaful contracts issued	-	**90**	**(134,642)**	-	-	**(134,552)**
Total amounts recognized in comprehensive income	**(130,591)**	**3**	**(4,735)**	-	-	**(135,323)**
Cash flows						
Contributions received	**6,024**	-	-	-	-	**6,024**
Takaful acquisition cash flows paid	**(1,115)**	-	-	-	-	**(1,115)**
Total cash flows	**4,909**	-	-	-	-	**4,909**
Takaful contract assets at 30 September	**(3,937)**	-	-	-	-	**(3,937)**
Takaful contract liabilities at 30 September	**597,034**	**2,389**	**21,981**	-	-	**621,404**
Net balance as at 30 September	**593,097**	**2,389**	**21,981**	-	-	**617,467**

6 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for takaful contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Contracts measured not under the PAA (continued)

31 December 2023 (Unaudited) / (Restated)	Liabilities for remaining coverage			Liabilities for incurred claims		
	Best Estimate Liability Unaudited AED'000	Risk Adjustment Unaudited AED'000	Contractual Service Margin Unaudited AED'000	Best estimate liability Unaudited AED'000	Risk adjustment Unaudited AED'000	Total Unaudited AED'000
Takaful contracts issued						
Takaful contract assets at 1 January	(7,658)	-	-	-	-	(7,658)
Takaful contract liabilities at 1 January	823,635	3,881	-	-	-	827,516
Net balance as at 1 January	815,977	3,881	-	-	-	819,858
Changes related to current service						
CSM recognised for the service provided	-	-	(864)	-	-	(864)
Risk adjustment recognised for the risk expired	-	(194)	-	-	-	(194)
Experience adjustment	(1,288)	-	-	-	-	(1,288)
Changes related to future service						
Changes in estimates reflected in the CSM	(98,060)	(1,495)	99,555	-	-	-
Changes in estimates that result in onerous contract losses	-	-	4,828	-	-	4,828
Takaful service result	(99,348)	(1,689)	103,519	-	-	2,482
Finance expenses from takaful contracts issued	-	194	(76,803)	-	-	(76,609)
Total amounts recognized in comprehensive income	(99,348)	(1,495)	26,716	-	-	(74,127)
Cash flows						-
Contributions received	2,654	-	-	-	-	2,654
Takaful acquisition cash flows paid	(504)	-	-	-	-	(504)
Total cash flows	2,150	-	-	-	-	2,150
Net balance as at 31 December						-
Takaful contract assets at 31 December	(4,389)	-	-	-	-	(4,389)
Takaful contract liabilities at 31 December	723,168	2,386	26,716	-	-	752,270
Net balance as at 31 December	718,779	2,386	26,716	-	-	747,881

6 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for retakaful contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts measured not under the PAA (continued)

30 September 2024 (Unaudited)	Assets for remaining coverage			Amounts recoverable on incurred claims		
	Best Estimate Liability	Risk Adjustment	Contractual Service Margin	Best estimate liability	Risk adjustment	Total
	Unaudited AED'000	Unaudited AED'000	Unaudited AED'000	Unaudited AED'000	Unaudited AED'000	Unaudited AED'000
Retakaful contracts issued						
Retakaful contract assets at 1 January	**(41,204)**	**(2,155)**	**(41,108)**	**-**	**-**	**(84,467)**
Retakaful contract liabilities at 1 January	**29,415**	**-**	**21,835**	**-**	**-**	**51,250**
Net balance as at 1 January	**(11,789)**	**(2,155)**	**(19,273)**	**-**	**-**	**(33,217)**
Changes related to current service						**-**
CSM recognized for the service provided	**-**	**-**	**(735)**	**-**	**-**	**(735)**
Risk adjustment recognized for the risk expired	**-**	**80**	**-**	**-**	**-**	**80**
Experience adjustment	**2,521**	**-**	**-**	**-**	**-**	**2,521**
Changes related to future service						
Changes in estimates reflected in the CSM	**(1,710)**	**537**	**1,173**	**-**	**-**	**-**
Takaful service result	**811**	**617**	**438**	**-**	**-**	**1,866**
Finance expenses from takaful contracts issued	**-**	**(73)**	**(712)**	**-**	**-**	**(785)**
Total amounts recognized in comprehensive income	**811**	**544**	**(274)**	**-**	**-**	**1,081**
Cash flows						**-**
Contributions received	**(3,673)**	**-**	**-**	**-**	**-**	**(3,673)**
Total cash flows	**(3,673)**	**-**	**-**	**-**	**-**	**(3,673)**
Net balance as at 30 September						**-**
Retakaful contract assets at 30 September	**(33,434)**	**(1,611)**	**(49,418)**	**-**	**-**	**(84,463)**
Retakaful contract liabilities at 30 September	**18,783**	**-**	**29,871**	**-**	**-**	**48,654**
Net balance as at 30 September	**(14,651)**	**(1,611)**	**(19,547)**	**-**	**-**	**(35,809)**

6 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for retakaful contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts measured not under the PAA (continued)

31 December 2023 (Unaudited) / (Restated)	Assets for remaining coverage			Amounts recoverable on incurred claims		
	Best Estimate Liability Unaudited AED'000	Risk Adjustment Unaudited AED'000	Contractual Service Margin Unaudited AED'000	Best estimate liability Unaudited AED'000	Risk adjustment Unaudited AED'000	Total Unaudited AED'000
Retakaful contracts issued						
Retakaful contract assets at 1 January	(72,601)	(3,496)	(9,693)	-	-	(85,790)
Retakaful contract liabilities at 1 January	42,286	-	10,962	-	-	53,248
Net balance as at 1 January	(30,315)	(3,496)	1,269	-	-	(32,542)
Changes related to current service						-
CSM recognized for the service provided	-	-	37	-	-	37
Risk adjustment recognized for the risk expired	-	175	-	-	-	175
Experience adjustment	1,159	-	-	-	-	1,159
Changes related to future service						
Changes in estimates reflected in the CSM	19,454	1,341	(20,640)	-	-	155
Takaful service result	20,613	1,516	(20,603)	-	-	1,526
Finance expenses from takaful contracts issued	-	(175)	64	-	-	(111)
Total amounts recognized in comprehensive income	20,613	1,341	(20,539)	-	-	1,415
Cash flows						-
Contributions received	(2,096)	-	-	-	-	(2,096)
Total cash flows	(2,096)	-		-	-	(2,096)
Net balance as at 31 December						-
Retakaful contract assets at 31 December	(41,213)	(2,155)	(41,105)	-	-	(84,473)
Retakaful contract liabilities at 31 December	29,415	-	21,835	-	-	51,250
Net balance as at 31 December	(11,798)	(2,155)	(19,270)	-	-	(33,223)

6 Takaful and retakaful contracts (continued)

Reconciliation of the measurement components of insurance and reinsurance contract balances measured under both PAA and Non-PAA as at:

30 September 2024 (Unaudited)	**PAA AED'000**	**Non-PAA AED'000**	**Total AED'000**
Takaful contract assets	**(4,346)**	**(3,937)**	**(8,283)**
Takaful contract liabilities	**114,006**	**621,404**	**735,410**
Retakaful contract assets	**(64,875)**	**(85,217)**	**(150,092)**
Retakaful contract liabilities	**14,829**	**48,654**	**63,483**
	59,614	**580,904**	**640,518**
31 December 2023 (Unaudited)			
Takaful contract assets	(4,602)	(4,389)	(8,991)
Takaful contract liabilities	133,277	752,270	885,547
Retakaful contract assets	(93,647)	(84,463)	(178,110)
Retakaful contract liabilities	15,455	51,250	66,705
	50,483	714,668	765,151

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 September 2024 (Unaudited) AED'000	31 December 2023 (Unaudited) AED'000
Advance to suppliers	**1,115**	1,115
Prepayments	**1,118**	973
Staff receivables	**498**	374
Refundable deposits	**71**	71
Other receivables *	**2,288**	28,754
	5,090	31,287
Allocated to:		
- Takaful operations assets	**-**	-
- Shareholder's assets	**5,090**	31,287
	5,090	31,287

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

9 Investments in financial assets

	30 September 2024			31 December 2023 (Restated)		
	Total AED'000 (Unaudited)	**Shareholders AED'000 (Unaudited)**	**Policyholder AED'000 (Unaudited)**	Total AED'000 (Unaudited)	Shareholders AED'000 (Unaudited)	Policyholder AED'000 (Unaudited)
Financial assets carried at fair value through other comprehensive income (FVOCI) (A)						
- Listed	**17,154**	**17,154**	**-**	25,226	25,226	-
- Unlisted	**3,385**	**3,385**	**-**	3,325	3,325	-
	20,539	**20,539**	**-**	28,551	28,551	-
Financial assets measured at fair value through profit or loss (FVTPL) (B)						
- Listed	**591**	**591**	**-**	21,270	21,251	19
- Unit linked investments	**571,111**	**-**	**571,111**	705,689	-	705,689
	571,702	**591**	**571,111**	726,959	21,251	705,708
Total investment in financial assets measured at fair value (A+B)	**592,241**	**21,130**	**571,111**	755,510	49,802	705,708
Investments by geographical concentration are as follows:						
- Within U.A.E.	**17,805**	**17,805**	**-**	46,496	46,477	19
- Outside U.A.E.	**574,436**	**3,325**	**571,111**	709,014	3,325	705,689
	592,241	**21,130**	**571,111**	755,510	49,802	705,708

10 Property and equipment

	Motor vehicles AED'000	**Furniture and fixtures AED'000**	**Office equipment AED'000**	**Total AED'000**
Cost:				
At 1 January 2024 (Unaudited)	129	747	2,691	3,566
Additions	-	-	10	10
30 September 2024 (Unaudited)	129	747	2,701	3,576
Accumulated depreciation:				
At 1 January 2024 (Unaudited)	129	747	2,626	3,501
Charge for the period	-	-	29	29
At 30 September 2024 (Unaudited)	129	747	2,655	3,530
Net carrying amount:				
30 September 2024 (Unaudited)	**-**	**-**	**46**	**46**

10 Property and equipment (continued)

	Motor vehicles AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Total AED'000
Cost:				
At 1 January 2023 (Unaudited)	227	5,406	5,909	11,542
Disposals	(98)	(4,659)	(3,219)	(7,976)
At 31 December 2023 (Unaudited)	129	747	2,690	3,566
Accumulated depreciation:				
At 1 January 2023 (Unaudited)	227	5,400	5,765	11,392
Charge for the year	-	5	75	81
Disposals	(98)	(4,658)	(3,215)	(7,972)
At 31 December 2023 (Unaudited)	129	747	2,625	3,501
Net carrying amount:				
31 December 2023 (Unaudited)	-	-	65	65

11 Trade and other payables

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Unaudited) AED'000
Trade payables and accruals	**66,979**	54,168
Zakat payable	**326**	769
	67,305	54,937
Allocated to:		
- Takaful operations assets	**42,506**	11,743
- Shareholder's assets	**24,799**	43,194
	67,305	54,937

12 Provision for employees' end of service benefits

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Unaudited) AED'000
Balance at beginning of the period/year	**2,313**	5,457
Charged during the period/year	**202**	613
Payments made during the period/year	**(2)**	(3,757)
Balance at end of the period/year	**2,513**	2,313

13 Disposal groups held for sale

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 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)
Assets under discontinued operations	**1,583**	1,583
Liabilities directly associated with assets under discontinued operations	**12,947**	12,947

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 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)
Cash and cash equivalents - note 5	**1,009**	1,009
Other receivables	**574**	574
Assets under discontinued operations	**1,583**	1,583
Trade and other payable	**12,947**	12,947
Liabilities associated with assets under discontinued operations	**12,947**	12,947
Net liabilities associated with assets under discontinued operations	**(11,364)**	(11,364)

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.

14 Surplus/(deficit) in takaful operations' fund

	30 September 2024	**30 September 2024**	**30 September 2024**	*Restated* 31 December 2023	*Restated* 31 December 2023	*Restated* 31 December 2023
	Total	**Non-Life**	**Life**	Total	Non-Life	Life
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
(Deficit)/surplus in policyholders' fund						
At the beginning of the period/year	**(23,696)**	**6,793**	**(30,489)**	(54,042)	(28,810)	(25,232)
Surplus for the period/year attributable to takaful operations	**(3,970)**	**(3,878)**	**(92)**	30,670	35,911	(5,241)
Transfer to retakaful default reserve during the period/year	**(178)**	**(175)**	**(3)**	(324)	(308)	(16)
(Deficit)/surplus in takaful operations' fund as at period/year end	**(27,844)**	**2,740**	**(30,584)**	(23,696)	6,793	(30,489)
Qard Hassan against deficit in takaful operations' fund						
At the beginning of the period/year	**30,489**	**-**	**30,489**	58,974	33,742	25,232
Recovery/(provision) of Qard Hassan to shareholders	**95**	**-**	**95**	(28,485)	(33,742)	5,257
At the end of the period/year	**30,584**	**-**	**30,584**	30,489	-	30,489
Surplus in takaful operations' fund (Net)	**2,740**	**2,740**	**-**	6,793	6,793	-

15 Share capital

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
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**	225,750

16 Insurance revenue

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 30 September 2024 (Unaudited)			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
CSM recognised for services provided	**(260)**	**-**	**(260)**
Change in risk adjustment for non-financial risk for risk expired	**16**	**-**	**16**
Expected incurred claims and other insurance service expenses	**1,182**	**-**	**1,182**
Charge of insurance acquisition cash flows	**(1,448)**	**-**	**(1,448)**
	(510)	**-**	**(510)**
Contracts measured under the PAA	**-**	**14,723**	**14,723**
	(510)	**14,723**	**14,213**
For the three-month period ended 30 September 2023 (Unaudited)			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
CSM recognised for services provided	85	-	85
Change in risk adjustment for non-financial risk for risk expired	44	-	44
Expected incurred claims and other insurance service expenses	553	-	553
Recovery of insurance acquisition cash flows	4,438	-	4,438
	5,120	-	5,120
Contracts measured under the PAA	-	21,930	21,930
	5,120	21,930	27,050
For the nine-month period ended 30 September 2024 (Unaudited)			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
CSM recognised for services provided	**310**	**-**	**310**
Change in risk adjustment for non-financial risk for risk expired	**53**	**-**	**53**
Expected incurred claims and other insurance service expenses	**1,053**	**-**	**1,053**
Recovery of insurance acquisition cash flows	**434**	**-**	**434**
	1,850	**-**	**1,850**
Contracts measured under the PAA	**-**	**40,693**	**40,693**
	1,850	**40,693**	**42,543**
For the nine-month-period ended 30 September 2023 (Unaudited)			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
CSM recognised for services provided	1,001	-	1,001
Change in risk adjustment for non-financial risk for risk expired	110	-	110
Expected incurred claims and other insurance service expenses	(135)	-	(135)
Recovery of insurance acquisition cash flows	29,190	-	29,190
	30,166	-	30,166
Contracts measured under the PAA	-	91,309	91,309
	30,166	91,309	121,475

17 Insurance service income/(expense)

	Life AED'000	General AED'000	Total AED'000
For the three-month period ended 30 September 2024 (Unaudited)			
Incurred claims and other expenses	**254**	**2,648**	**2,902**
Amortisation of insurance acquisition cash flows	**53**	**483**	**536**
Losses on onerous contracts and reversals of those losses	**(2,274)**	**(4,876)**	**(7,150)**
Changes to liabilities for incurred claims	**(315)**	**(2,795)**	**(3,110)**
	(2,282)	**(4,540)**	**(6,822)**
For the three-month period ended 30 September 2023 (Unaudited)			
Incurred claims and other expenses	788	19,865	20,653
Amortisation of insurance acquisition cash flows	225	4,213	4,438
Losses on onerous contracts and reversals of those losses	(866)	(4,445)	(5,311)
Changes to liabilities for incurred claims	(2,737)	(19,608)	(22,345)
	(2,590)	25	(2,565)
For the nine-month period ended 30 September 2024 (Unaudited)			
Incurred claims and other expenses	**2,573**	**11,126**	**13,699**
Amortisation of insurance acquisition cash flows	**219**	**2,199**	**2,418**
Losses on onerous contracts and reversals of those losses	**992**	**(734)**	**258**
Changes to liabilities for incurred claims	**(6,039)**	**(24,626)**	**(30,665)**
	(2,255)	**(12,035)**	**(14,290)**
For the nine-month period ended 30 September 2023 (Unaudited)			
Incurred claims and other expenses	11,548	65,879	77,427
Amortisation of insurance acquisition cash flows	5,479	21,292	26,771
Losses on onerous contracts and reversals of those losses	(3,177)	(32,649)	(35,826)
Changes to liabilities for incurred claims	(1,264)	(34,060)	(35,324)
	12,586	20,462	33,048

18 Investment income/(expenses), net

	Nine-month period ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	AED'000	AED'000
Realized (loss)/gain on investments in financial assets measured at FVTPL	**(7,540)**	721
Unrealized gain on investments in financial assets measured at FVTPL	**233**	1,137
Income from wakala deposits with banks	**1,026**	64
Income on investment properties, net	**367**	345
Dividend Income	**263**	175
Investment expenses	**(22)**	(23)
	(5,673)	2,419
Allocated to:		
- Takaful operations assets	**82**	65
- Shareholder's assets	**(5,755)**	2,354
	(5,673)	2,419

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.

19 Basic and diluted (losses)/earnings per share

(Losses)/earnings per share are calculated by dividing (losses)/profits attributable to the shareholders for the period by the weighted average number of shares outstanding during the period.

	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2023
		Restated
	(unaudited)	(unaudited)
(Loss)/profit for the period (AED '000)	**(13,042)**	42,560
Weighted average number of ordinary issued throughout the period ('000)	**225,750**	225,750
Basic and diluted (loss)/earnings per share (AED)	**(0.058)**	0.189

20 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 2,418 thousand for the period ended 30 September 2024 (30 September 2023: AED 26,772 thousand).

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 20 thousand for the period ended 30 September 2024 (30 September 2023: AED 16 thousand).

21 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.

22 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.
- **Underwriting of takaful business:** incorporating all classes of takaful business. This business is conducted fully within the UAE.

22 Segmental information (continued)

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

	Nine-month period ended 30 September 2024 (Unaudited)			Nine-month period ended 30 September 2023 (Unaudited) *(Restated)*		
	Investments AED'000	**Underwriting AED'000**	**Total AED'000**	Investments AED'000	Underwriting AED'000	Total AED'000
Net takaful (loss)/income	**-**	**(1,614)**	**(1,614)**	-	61,820	61,820
	-					
Wakala fees	**2,418**	**(2,418)**	**-**	26,772	(26,772)	-
Mudarib fees	**20**	**(20)**	**-**	16	(16)	-
Policy acquisition cost	**(2,520)**	**-**	**(2,520)**	(11,263)	-	(11,263)
	(82)	**(4,052)**	**(4,134)**	15,525	35,032	50,557
Investment income	**(5,755)**	**82**	**(5,673)**	2,354	65	2,419
Other operating income	**3,740**	**-**	**3,740**	318	-	318
Other income/(expenses)	**(10,850)**	**-**	**(10,850)**	(10,005)	-	(10,005)
Net (loss)/profit for the period before Qard Hassan	**(12,947)**	**(3,970)**	**(16,917)**	8,192	35,097	43,289
Recovery of Qard Hassan to shareholders	**(95)**	**95**	**-**	34,368	(34,368)	-
Net (loss)/profit for the period	**(13,042)**	**(3,875)**	**(16,917)**	42,560	729	43,289

	Investment		**Underwriting**		**Total**	
	30 September 2024 AED'000 (Unaudited)	31 December 2022 (Restated) AED'000 (Unaudited)	**30 September 2024 AED'000 (Unaudited)**	31 December 2022 (Restated) AED'000 (Unaudited)	**30 September 2024 AED'000 (Unaudited)**	31 December 2022 (Restated) AED'000 (Unaudited)
Segment assets	**145,514**	189,562	**845,386**	967,408	**990,900**	1,156,970
Segment liabilities	**99,014**	114,638	**841,635**	966,269	**940,649**	1,080,907

23 Consolidated Statement of Financial Position – Takaful Operations' Assets and Liabilities (Life and Non-Life)

	30 September 2024 Total AED'000 (Unaudited)	**30 September 2024 Non-life AED'000 (Unaudited)**	**30 September 2024 Life AED'000 (Unaudited)**	*Restated* 31 December 2023 Total AED'000 (Unaudited)	*Restated* 31 December 2023 Non-life AED'000 (Unaudited)	*Restated* 31 December 2023 Life AED'000 (Unaudited)
ASSETS						
Takaful operations' assets						
Takaful contract assets	**8,283**	**3,659**	**4,624**	8,990	4,601	4,389
Retakaful contract assets	**150,091**	**62,646**	**87,445**	178,110	87,058	91,052
Unit linked investments	**571,111**	**-**	**571,111**	705,689	19	705,670
Investment property	**10,830**	**10,830**	**-**	10,830	10,830	-
Due from shareholders	**79,963**	**79,963**	**-**	56,184	43,294	12,890
Cash and cash equivalents	**46,316**	**8,729**	**37,587**	7,605	5,379	2,226
Total takaful operations' assets	**866,594**	**165,827**	**700,767**	967,408	151,181	816,227
LIABILITIES, POLICYHOLDERS' FUND ANDSHAREHOLDERS' EQUITY						
Takaful operations' liabilities						
Trade and other payables	**42,506**	**42,506**	**-**	11,743	11,743	-
Takaful contract liabilities	**735,408**	**108,209**	**627,199**	885,548	124,606	760,942
Re-takaful contract liabilities	**63,483**	**11,957**	**51,526**	66,706	5,499	61,207
Due to shareholders	**21,208**	**-**	**21,208**	-	-	-
Amounts held under re-takaful treaties	**238**	**238**	**-**	2,272	2,272	-
Total takaful operations' liabilities	**862,843**	**162,910**	**699,933**	966,269	144,120	822,149
Takaful operations' surplus						
Deficit in policyholders' fund	**(27,844)**	**2,740**	**(30,584)**	(23,696)	6,793	(30,489)
Qard Hassan from shareholders	**30,584**	**-**	**30,584**	30,489	-	30,489
Re-takaful default reserve	**3,291**	**2,457**	**834**	3,113	2,282	831
Takaful operations' investments revaluation reserve	**(2,280)**	**(2,280)**	**-**	(2,280)	(2,280)	-
Total Surplus from takaful operations	**3,751**	**2,917**	**834**	7,626	6,795	831
Total takaful operations' liabilities and surplus	**866,594**	**165,827**	**700,767**	973,895	150,915	822,980

24 Consolidated Statement of Profit or Loss - Life and Non-Life

	Nine-month			Nine-month		
				Restated	*Restated*	*Restated*
	30 September 2024 Total AED'000 (Unaudited)	**30 September 2024 Non-life AED'000 (Unaudited)**	**30 September 2024 Life AED'000 (Unaudited)**	30 September 2023 Total AED'000 (Unaudited)	30 September 2023 Non-life AED'000 (Unaudited)	30 September 2023 Life AED'000 (Unaudited)
Attributable to policyholders						
Takaful revenue	**42,543**	**40,031**	**2,512**	121,474	101,467	20,007
Takaful service income/(expense)	**14,290**	**12,035**	**2,255**	(33,048)	(20,462)	(12,586)
Takaful service results before retakaful contracts held	**56,833**	**52,066**	**4,767**	88,426	81,005	7,421
Retakaful expenses	**(60,795)**	**(55,232)**	**(5,563)**	(52,882)	(45,398)	(7,484)
Net expenses from retakaful contracts held	**(60,795)**	**(55,232)**	**(5,563)**	(52,882)	(45,398)	(7,484)
Takaful service result	**(3,962)**	**(3,166)**	**(796)**	35,544	35,607	(63)
Takaful finance expense for takaful contracts issued	**(5,229)**	**(4,829)**	**(400)**	(5,779)	(5,400)	(379)
Retakaful finance income for retakaful contracts held	**4,747**	**3,643**	**1,104**	4,226	3,856	370
Net takaful (loss)/income	**(4,444)**	**(4,352)**	**(92)**	33,991	34,063	(72)
Investment income, net	**82**	**82**	**-**	65	65	-
Mudarib's share	**(20)**	**(20)**	**-**	(16)	(16)	-
(Deficit)/surplus of takaful and investment results	**(4,382)**	**(4,290)**	**(92)**	34,040	34,112	(72)
Other income	**412**	**412**	**-**	1,057	305	752
(Deficit) / surplus from takaful operations for the period	**(3,970)**	**(3,878)**	**(92)**	35,097	34,417	680

24 Consolidated Statement of Profit or Loss - Life and Non-Life (continued)

	Three-month			Three-month		
				Restated	*Restated*	*Restated*
	30 September 2024	**30 September 2024**	**30 September 2024**	30 September 2023	30 September 2023	30 September 2023
	Total	**Non-life**	**Life**	Total	Non-life	Life
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
Attributable to policyholders						
Takaful revenue	**14,213**	**12,821**	**1,392**	27,051	25,666	1,385
Takaful service income/(expense)	**6,822**	**3,515**	**3,307**	2,564	(26)	2,590
Takaful service results before retakaful contracts held	**21,035**	**16,336**	**4,699**	29,615	25,640	3,975
Retakaful expenses	**(22,071)**	**(20,440)**	**(1,631)**	(22,328)	(18,708)	(3,620)
Net expenses from retakaful contracts held	**(22,071)**	**(20,440)**	**(1,631)**	(22,328)	(18,708)	(3,620)
Takaful service result	**(1,036)**	**(4,104)**	**3,068**	7,287	6,932	355
Takaful finance expense for takaful contracts issued	**(1,769)**	**(1,634)**	**(135)**	(1,950)	(1,822)	(128)
Retakaful finance income for retakaful contracts held	**1,606**	**1,233**	**373**	1,426	1,301	125
Net takaful (loss)/income	**(1,199)**	**(4,505)**	**3,306**	6,763	6,411	352
Investment income, net	**37**	**37**	**-**	20	20	-
Mudarib's share	**(9)**	**(9)**	**-**	(5)	(5)	-
(Deficit)/surplus of takaful and investment results	**(1,171)**	**(4,477)**	**3,306**	6,778	6,426	352
Other income	**171**	**171**	**-**	840	88	752
(Deficit) / surplus from takaful operations for the period	**(1,000)**	**(4,306)**	**3,306**	7,618	6,514	1,104

25 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 September 2024 and 31 December 2023 is presented below:

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Unaudited) AED'000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**20,336**	25,769
Minimum Guarantee Fund (MGF)	**21,000**	20,000
Total Basic Own Funds	**(16,252)**	(33,724)
MCR Solvency Margin Deficit	**(116,252)**	(133,724)
SCR Solvency Margin Deficit	**(36,588)**	(59,494)
MGF Solvency Margin Deficit	**(37,252)**	(53,724)

25 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.

On 26 September 2024, the Islamic Arab Insurance Co. (SALAMA) PSC declared in DFM the termination of Partial Acquisition Agreement with the Group. Accordingly, on 27 September 2024. The Group declared to DFM that Salama decided to terminate the Acquisition agreement. The Group is currently evaluating alternative strategies to address this development.

The Board of Directors has resolved to continue the Group's takaful activities while exploring other feasible options.

26 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 estimatin
the fair value of an asset or a liability, the Group takes in
o account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liabi
ity 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).

26 Fair value of financial instruments (continued)

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.

Financial assets	Fair value as at 30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)	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	**17,154**	25,226	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity securities	**3,385**	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	**591**	21,270	Level 1	Quoted bid prices in an active market	None	Not applicable
Unit linked investments						
Unit linked investments	**571,111**	705,689	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 September 2024 and 31 December 2023.

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

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

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)
At beginning of period/year	**3,325**	3,325
Changes in fair value	**60**	-
At end of period/year	**3,385**	3,325

26 Fair value of financial instruments (continued)

Reconciliation of the unit linked investments measured at FVTPL:

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Unaudited)
Unit linked investments		
At beginning of period/year	**705,689**	782,291
Net change during the period/year (change in fair value and net investment/withdrawal)	**(134,578)**	(76,702)
At end of period/year	**571,111**	705,689

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 169 thousand (2023: AED 166 thousand).

27 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 September 2024 and 31 December 2023 and recognition of the contingent asset will only be made once the success of the legal action is certain.

28 Subsequent events

There have been no events subsequent to the condensed interim consolidated statement of financial position date that would significantly affect the amounts reported in the condensed interim consolidated financial information as at and for the period ended 30 September 2024.

29 Comparative presentation

Certain comparative presentations in the condensed interim consolidated financial information have been reclassified to conform to the current period's presentation due to the following reasons:

- The Group has adopted IFRS 17 retrospectively. The full retrospective approach was applied to the takaful contracts in force at the transition date.

- Additionally, the termination of the portfolio transfer agreements between the Group, Abu Dhabi National Takaful Company P.S.C., and SALAMA has led to a reassessment of the classification of the Group's takaful operations. Previously, these operations were classified as a "disposable group" and accounted for under IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*" However, this classification is no longer applicable due to the termination of the agreements.

30 Approval of financial information

The interim condensed interim consolidated financial information was approved and authorized for issue by the Board of Directors on 24 December 2024.