INTEGRATED REPORT

2023

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WELCOME

Arabian Scandinavian Insurance Company (PLC) - Takaful - ASCANA Insurance

Financial statements for the year ended
31 December 2023

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023

Dear Shareholders,

We have the pleasure in presenting you the financial results of Arabian Scandinavian Insurance Company - Takaful - Ascana Insurance ("ASCANA") (the "Company") ("Sukoon Takaful") for the year ended 31 December 2023.

Reflecting on the year gone by, May 2023 opened a new chapter in the history of ASCANA, post-acquisition by Oman Insurance Company PJSC ("**Sukoon**"). This acquisition has realigned our strategic vision and has provided us with the necessary resources and support, leveraging Sukoon's strong heritage, market positioning and specialised underwriting capabilities as we embark on this transformative journey.

We immediately initiated a comprehensive assessment of our operations, identifying inefficiencies and devising strategic measures to enhance our operational efficacy. This endeavor led to a significant restructuring, optimising our resources, cost efficiencies and focusing on core competencies. Corrective actions have now been taken on the takaful portfolio along with solvency bolstering steps which includes the divestment of non-core assets. The effects of these actions will start resonating in our results positively in 2024.

In Q3 2023, we have received an 'A' (Stable) rating by S&P. This was followed by a rebrand of our company to **Sukoon Takaful.** aligning ourselves with our parent company's brand identity, further showcasing our Sharia-compliant takaful solutions under the larger Sukoon umbrella. This strategic branding not only bolsters our market presence and positioning but also paves the way for sustainable growth in the years to come as Sukoon Takaful aims to be a reference in the region in the takaful space.

Looking ahead to 2024, the transformation journey we have embarked on will continue with full momentum, where the strategic initiatives implemented this year will fully start delivering results. We are confident that the company is expected to turnaround by end of the financial year 2024 coupled with new product offerings expected to be launched during the same period.

Takaful revenue for the year ended 31 December 2023 has reached AED 126.6 million against AED 128.5 million in the last year.

Net loss attributable to shareholders revenue for the year ended 31 December 2023 has reached AED 76.5 million against the net loss of AED 30.7 million in the last year.

Participants loss for the year ended 31 December 2023 has reached AED 70.2 million against a loss of AED 40.97 million in the last year. This loss is predominantly pertaining to business written prior to 2H 2023. Post 2H 2023, pricing has been adequately adjusted and is now being closely monitored.

We would like to put on record our sincere appreciation and gratitude towards all stakeholders of Sukoon Takaful. We would also like to thank our management and staff of the company for their sincere and dedicated contribution to the successful growth of the Company.

May God; the Almighty; guide our steps.

On behalf of the Board,
Saood Abdulaziz Al Ghurair
Chairman
31 January 2024

Independent Auditor's Report

To the shareholders of Arabian Scandinavian Insurance Company (PLC) – Takaful – ASCANA Insurance

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arabian Scandinavian Insurance Company (PLC) - Takaful - ASCANA Insurance (the "Company"), Dubai, United Arab Emirates which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the shareholders of Arabian Scandinavian Insurance Company (PLC) – Takaful – ASCANA Insurance (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of (Re)takaful Contract Assets and Liabilities	
(Re)takaful contract liabilities and retakaful contract assets involves significant judgements and estimates particularly with respect to the eligibility of the premium allocation approach (PAA) model and estimation of the liabilities for incurred claims. These liabilities primarily include determination of expected premium receipts and expected ultimate cost of claims which are within the contract boundaries. The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows.	Our audit procedures in conjunction with our actuarial specialists, included: - Understood and evaluated the process, the design of controls in place to determine valuation of takaful contract liabilities and retakaful contract assets; - Assessment of the competence, capabilities and objectivity of the management appointed actuary; - Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; - Evaluate and assess the recoverability of takaful receivables; - Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; and - We independently reperformed the calculation to assess the mathematical accuracy of the takaful contract liabilities and retakaful contract assets on selected classes of business, particularly focusing on largest and most uncertain reserves.
Disclosure of transition impact of adopting IFRS 17	
We determined the disclosure of the impact of adopting IFRS 17 to be a key audit matter because of the significant changes introduced by the standard, which includes significant estimates and judgements, and because the impacts will be of particular importance to the readers of these financial statements. In particular, we have focused on the following key judgements that management have taken on implementing IFRS 17: - The determination of the transition approach adopted for each group of takaful contracts;	Our audit procedures, among others, include: - Assessed whether the judgements applied by management in determining their accounting policies are in accordance with IFRS 17; - Using our actuarial specialist team members, evaluated the appropriateness of the methodology used to determine discount rates as at the transition date and historic periods where the fully retrospective approach is adopted;

Independent Auditor's Report

To the shareholders of Arabian Scandinavian Insurance Company (PLC) – Takaful – ASCANA Insurance (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Disclosure of transition impact of adopting IFRS 17 (Continued)	
- The methodology adopted, and key assumptions used to determine the impact and restatement of previously reported numbers in accordance with IFRS 17. - Disclosure of the impact of restatement, in accordance with IFRS 17.	- Evaluation of the appropriateness of significant assumptions including risk adjustment, loss component, level of aggregation, PAA eligibility assessment and expenses included within the fulfilment cashflows; - Evaluation of the completeness, and on sample basis, the accuracy and relevance of the data used to determine the impact of IFRS 17 adoption and restatement; and - Evaluated the reasonableness of the quantitative and qualitative disclosures included in the financial statements in accordance with IFRS 17.
Valuation of investment properties	
The Company holds investment properties under the fair value model as at 31 December 2023 amounting to AED 67.51 million (2022: AED 160.64 million), as detailed in note 12 to the financial statements. The fair value estimate requires significant judgement and estimates by management and independent two external valuers. The Company has involved independent external valuers in order to value the investment properties for the purpose of determining the fair value for inclusion in the financial statements. The existence of significant estimation and judgement coupled with change in valuation assumptions used could result in material change. Therefore, the valuation of these investment properties was significant to our audit.	Our audit procedures, among others, included: - Assessing the competence, capabilities, and objectivity of external valuers; - Evaluating the accuracy and completeness of the source data used in the calculation of fair values; - Assessing the appropriateness of the key assumptions and methodologies used; and - Performing an independent calculation after carrying out enquiries with management and independent valuer, including performing reasonableness computation by using publicly available sources of information to independently corroborate the valuation performed by management experts.

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. 32 of 2021 and Federal Law No 48 of 2023 (previously Federal Law No.6 of 2007), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

To the shareholders of Arabian Scandinavian Insurance Company (PLC) – Takaful – ASCANA Insurance (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

To the shareholders of Arabian Scandinavian Insurance Company (PLC) – Takaful – ASCANA Insurance (continued)

Report on other Legal and Regulatory Requirements

As required by the UAE Federal Law No. 32 of 2021, we report that:

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 32 of 2021;

iii) The Company has maintained proper books of account;

iv) The financial information included in the Boards of Directors' Report, in so far as it relates to these financial statements, is consistent with the books of account of the Company;

v) Note 5 to the financial statements discloses purchase of securities by the Company during the year ended 31 December 2023;

vi) Note 9 to the financial statements discloses material related party transactions, and the terms under which they were conducted;

vii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the Federal Law No. 32 of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023; and

viii) Note 27 to the financial statements discloses the social contributions made during the year ended 31 December 2023.

Further, as required by the UAE Federal Law No 48 of 2023 (previously Federal Law No.6 of 2007), we report that we have obtained all the information and explanation we considered necessary for the purpose of our audit.

GRANT THORNTON

Dr. Osama El Bakry
Registration No: 935
Dubai, United Arab Emirates

31 January 2024

	Notes	31 December 2023 AED'000	Restated 31 December 2022 AED'000	Restated 31 December 2021 AED'000
Assets				
Participants' assets				
Financial assets at fair value through other comprehensive income ("FVTOCI")	5	**1,625**	9,060	3,765
Retakaful contract assets	7	**17,166**	17,227	15,168
Prepayments and other receivables	8	**1,318**	1,140	1,738
Due from shareholders	11	**30,755**	67,756	29,350
Cash and bank balances	6	**107,717**	36,630	43,694
Total participants' assets		**158,581**	131,813	93,715
Shareholders' assets				
Financial assets at fair value through other comprehensive income ("FVTOCI")	5	**28,614**	59,384	54,212
Investments at fair value through profit or loss ("FVTPL")	5	**557**	4,053	11,225
Investment properties	12	**67,510**	160,641	158,715
Property and equipment	13	**1,054**	1,938	2,335
Intangible assets	14	**408**	575	481
Deferred policy acquisition cost		**4,956**	8,983	9,324
Prepayments and other receivables	8	**4,809**	3,538	4,365
Cash and bank balances	6	**96,446**	79,901	101,045
Statutory deposits	10	**10,000**	10,000	10,000
Total shareholders' assets		**214,354**	329,013	351,702
Total assets		**372,935**	460,826	445,417

The accompanying notes 1 to 39 form an integral part of these financial statements.

	Notes	2023 AED'000	Restated 2022 AED'000	Restated 2021 AED'000
Participants' liabilities and deficit				
Participants' liabilities				
Takaful contract liabilities	7	**147,950**	123,314	84,200
Retakaful contract liabilities	7	**1,347**	346	2,052
Other liabilities	15	**9,284**	8,153	7,463
Total participants' liabilities		**158,581**	131,813	93,715
Participants' deficit				
Qard Hassan against deficit in participants' fund	16	**(159,125)**	(88,879)	(47,902)
Less: Provision against Qard Hassan to participants' fund	16	**(159,125)**	88,879	47,902
		-	-	-
Total participants' liabilities and deficit		**158,581**	131,813	93,715
Shareholders' liabilities and equity				
Shareholders' liabilities				
Employees' end of service benefits	17	**1,371**	2,386	2,292
Due to participants	11	**30,755**	67,756	29,350
Other liabilities	15	**6,907**	7,423	9,724
Total shareholders' liabilities		**39,033**	77,565	41,366
Shareholders' equity				
Share capital	18	**154,000**	154,000	154,000
Statutory reserve	19	**77,000**	77,000	77,000
Retakaful reserves	20	**695**	479	309
Cumulative changes in fair value of FVTOCI investments	21	**(4,960)**	(5,363)	(251)
(Accumulated losses)/retained earnings		**(51,414)**	25,332	79,278
Total shareholders' equity		**175,321**	251,448	310,336
Total shareholders' liabilities and equity		**214,354**	329,013	351,702
Total liabilities, participants' fund and equity		**372,935**	460,826	445,417

These financial statements were approved by the Board of Directors on 31 January 2024 and were signed on their behalf by:

Saood Abdulalaziz Al Ghurair	Mr. Ahmed M.A.Abushanab
Chairman	CEO

The accompanying notes 1 to 39 form an integral part of these financial statements.

Statement of profit or loss
For the year ended 31 December 2023

	Notes	2023 AED'000	Restated 2022 AED'000
Attributable to participants'			
Takaful revenue	7	**126,584**	128,469
Takaful service expenses	23	**(152,272)**	(124,703)
Takaful service result before retakaful contracts held		**(25,688)**	3,766
Allocation of retakaful contributions		**(44,486)**	(33,517)
Amounts recoverable from retakaful for incurred claims		**28,402**	26,579
Net expenses from retakaful contracts held		**(16,084)**	(6,938)
Takaful service result		**(41,772)**	(3,157)
Takaful finance expenses for takaful contracts issued	24	**(1,098)**	(257)
Retakaful finance income for retakaful contracts held	24	**274**	272
Net takaful loss		**(42,596)**	(3,193)
Investment income	25	**3,103**	692
Other income		**1,471**	563
Wakala fees	26	**(31,293)**	(38,867)
Mudarib share	26	**(931)**	(208)
Deficit for the year attributable to participants		**(70,246)**	(40,977)

The accompanying notes 1 to 39 form an integral part of these financial statements.

	Notes	2023 AED'000	Restated 2022 AED'000
Attributable to shareholders			
Investment income	25	**1,610**	13,624
Other income		**1,785**	1,956
Total investment income		**3,395**	15,580
Wakala fees	26	**31,293**	38,867
Mudarib share	26	**931**	208
		35,619	54,655
Expenses			
Policy acquisition costs		**(16,857)**	(16,652)
General and administrative expenses	27	**(25,046)**	(27,703)
(Loss)/income for the year before Qard Hassan		**(6,284)**	10,300
Provision against Qard Hassan to participants		**(70,246)**	(40,977)
Loss for the year attributable to shareholders		**(76,530)**	(30,677)
Loss per share (AED)			
Basic and diluted loss per share	29	**(0.497)**	(0.199)

The accompanying notes 1 to 39 form an integral part of these financial statements.

	Notes	2023 AED'000	Restated 2022 AED'000
Attributable to shareholders			
Loss for the year		**(76,530)**	(30,677)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Debt investments designated at FVTOCI re-classified to income statement	25	**3,019**	-
Unrealised loss on debt instruments designated at FVTOCI		**(924)**	(5,112)
Items that will not be reclassified subsequently to profit or loss:			
Unrealised loss in fair value of equity investments designated at FVTOCI		**(1,692)**	-
Other comprehensive income/(loss) for the year attributable to shareholders		**403**	(5,112)
Total comprehensive loss for the year attributable to shareholders		**(76,127)**	(35,789)

The accompanying notes 1 to 39 form an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2023

	Share capital AED'000	Statutory reserve AED'000	Retakaful reserve AED'000	Cumulative changes in fair value of FVTOCI investments AED'000	Retained earnings/ (accumulated losses) AED'000	Total equity AED'000
Balance at 1 January 2022, as previously reported	154,000	77,000	309	(251)	78,693	309,751
Impact on initial application of IFRS 17	-	-	-	-	586	586
Balance as at 1 January 2022 – restated	154,000	77,000	309	(251)	79,279	310,337
Loss for the year (restated)	-	-	-	-	(30,677)	(30,677)
Other comprehensive loss for the year	-	-	-	(5,112)	-	(5,112)
Total comprehensive loss for the year	-	-	-	(5,112)	(30,677)	(35,789)
Retakaful reserve	-	-	170	-	(170)	-
Dividend paid	-	-	-	-	(23,100)	(23,100)
Balance at 31 December 2022 – restated	154,000	77,000	479	(5,363)	25,332	251,448
Balance at 1 January 2023	**154,000**	**77,000**	**479**	**(5,363)**	**25,458**	**251,574**
Impact of initial application of IFRS 17	**-**	**-**	**-**	**-**	**(126)**	**(126)**
Balance at 1 January 2023 - restated	**154,000**	**77,000**	**479**	**(5,363)**	**25,332**	**251,448**
Loss for the year	**-**	**-**	**-**	**-**	**(76,530)**	**(76,530)**
Other comprehensive income for the year	**-**	**-**	**-**	**403**	**-**	**403**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**403**	**(76,530)**	**(76,127)**
Retakaful reserve	**-**	**-**	**216**	**-**	**(216)**	**-**
Balance at 31 December 2023	**154,000**	**77,000**	**695**	**(4,960)**	**(51,414)**	**175,321**

The accompanying notes 1 to 39 form an integral part of these financial statements.

	Notes	2023 AED'000	Restated 2022 AED'000
Cash flows from operating activities			
Loss for the year		**(76,530)**	(30,677)
Adjustments for:			
Depreciation of property and equipment	13	**897**	925
Amortisation of intangible assets	14	**292**	218
Unrealised (gain)/loss on financial assets at FVTPL		**(42)**	201
Realised gain on disposal of financial assets at FVTPL		**(15)**	(1)
Rental income		**(7,798)**	(8,140)
Dividends income from financial assets		**(554)**	(1,171)
Loss on disposal of financial assets at FVTOCI		**3,019**	-
Loss on sale of investment properties		**3,181**	-
Profit on sale of assets		**(68)**	(1)
Loss /(gain) on fair value of investment properties	12	**6,475**	(1,926)
Funding cost on lease liability		**20**	36
Profit on wakala deposits		**(9,299)**	(4,004)
Provision for employees' end of service indemnity	17	**337**	261
Operating cash flows before changes in working capital		**(80,085)**	(44,279)
Change in retakaful contract assets		**61**	(2,059)
Change in prepayments and other receivables		**1,162**	938
Change in deferred acquisition costs		**4,027**	341
Change in takaful contract liabilities		**24,636**	39,114
Change in retakaful contract liabilities		**1,001**	(1,706)
Change in other liabilities		**1,121**	(1,134)
Cash used in operating activities		**(48,077)**	(8,785)
Employees end of service benefits paid	17	**(1,352)**	(153)
Net cash used in operating activities		**(49,429)**	(8,938)
Cash flows from investing activities			
Purchase of property and equipment	13	**(92)**	(528)
Purchase of intangible assets	14	**(125)**	(312)
Proceeds from sale of property and equipment		**147**	1
Purchase of other financial assets		**(2,734)**	(19,054)
Proceeds from sale of other financial assets		**41,876**	10,447
Proceeds from sale of investment properties		**83,475**	-
Rental income received		**7,942**	9,008
Profit received on sukuk and wakala deposit		**6,544**	3,623
Dividend received		**554**	1,171
Change in wakala deposit with maturity more than 3 months		**(145,144)**	9,824
Net cash (used in)/ generated from investing activities		**(7,557)**	14,180
Cash flows from financing activities			
Payment of lease liability		**(526)**	(526)
Dividend paid		**-**	(23,100)
Net cash used in financing activities		**(526)**	(23,626)
Net change in cash and cash equivalents		**(57,512)**	(18,384)
Cash and cash equivalents at the beginning of the year		**71,022**	89,406
Cash and cash equivalents at the end of the year (note 31)		**13,510**	71,022

The accompanying notes 1 to 39 form an integral part of these financial statements.

1 Legal status and activities

Arabian Scandinavian Insurance Company PLC - Takaful - ASCANA Insurance (the "Company") is a public shareholding company and was registered in 1992. The Company is engaged in takaful and retakaful of all classes of business in accordance with the provisions of the United Arab Emirates ("UAE") Federal Law No. 6 of 2007, as amended, concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations.

The Shareholders Extraordinary General Assembly Meeting held on 19 March 2014 approved conversion of the Company's business from conventional insurance to Takaful insurance. The Board of Directors appointed an Internal Sharia Supervision Committee for overseeing the compliance with Sharia.

During the year, Federal Law No. 48 of 2023 has been issued with effective date of 30 November 2023, repealing Federal Law No. 6 of 2007. In accordance with Article 112 of the Federal Law No. 48 of 2023, the Company has 6 months from this date of effect to apply the provisions of new Law.

The Company started issuing short term takaful contracts from 1 February 2015 in connection with life and non-life takaful such as motor, marine, fire, engineering, medical and general accident risks (collectively known as general takaful) and the name of the Company was changed to Arabian Scandinavian Insurance Company PLC - Takaful ASCANA Insurance. The Company only operates in UAE, through its Dubai and Abu Dhabi offices.

During the year ended 31 December 2023, Oman Insurance Company P.S.C. ("Sukoon Insurance") has acquired 93% shareholding of the company from its key shareholders. Now the Company is a subsidiary of Sukoon Insurance which is incorporated in the Emirate of Dubai.

The ultimate parent company is Mashreq Bank (PSC) which is incorporated in the Emirate of Dubai.

This financial statement has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021.

The address of the Company's registered office is P.O. Box 1993, Dubai, United Arab Emirates.

2 Statement of compliance with IFRS and basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of U.A.E Federal Law No. 32 of 2021, relating to commercial companies, and of UAE Federal Law No. 48 of 2023, concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations. These financial statements are prepared in UAE Dirhams ("AED") being the economic, functional and reporting currency, rounded to the nearest thousand.

While applying the requirements of International Financial Reporting Standards 17-Insurance Contracts (IFRS 17), the Company has not considered shareholders' expenses in IFRS 17 assessment in line with Article 3.3 of Section 7 of the Financial Regulations for Takaful Companies (FRTC) and the relevant Shariah Board decisions. Further, in line with requirements of FRTC, the Company has only considered a fixed Wakala fee while applying the requirement of IFRS 17. Policy acquisition cost and general and administrative expenses accounts along with associated balance sheet items are part of the shareholders' accounts and presented separately.

2 Statement of compliance with IFRS and basis of preparation (continued)

New and revised IFRSs and interpretations applied on the financial statements

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

Standard number	Title	Effective date
IAS 1	Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
IAS 8	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023

These standards have been adopted by the Company and did not have a material impact on these financial statements, except for the adoption of "IFRS 17 Insurance contracts", which is detailed in note 3 to the financial statements.

Standards issued but not yet effective

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

3 Significant accounting policies

Standards, interpretations and amendments to existing standards – Impact of new IFRS

IFRS 17 Insurance Contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of takaful contracts, re takaful contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company 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 Company expects to receive consideration and an allocation of contributions that relate to recovering takaful acquisition cash flows. In addition, investment components are no longer included in takaful revenue and takaful service expenses.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company has restated comparative information applying the transitional provisions to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's takaful contracts. The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of takaful contracts issued and retakaful contracts held by the Company.

3 Significant accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Changes to classification and measurement (continued)

Under IFRS 17, the Company's takaful contracts issued, and retakaful contracts held are all eligible to be measured by applying the premium allocation approach (PAA) (called as "contribution allocation approach" (CAA) for takaful company). The CAA simplifies the measurement of takaful contracts in comparison with the general model in IFRS 17.

The Company applies the CAA to simplify the measurement of all of its takaful and retakaful contracts. When measuring liabilities for remaining coverage, the CAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for outstanding claims, the Company now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Income and expenses from retakaful contracts other than takaful finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from Retakaful operators and retakaful expenses were presented separately.

The measurement principles of the CAA differ from the 'earned contribution approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects contributions received less deferred acquisition expenses less amounts recognised in revenue for takaful services provided;
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the contribution due date and the related period of coverage are more than 12 months apart;
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision); and
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk.

Changes to presentation and disclosure

For presentation in the statement of financial position, the Company aggregates takaful and retakaful contracts issued and retakaful contracts held, respectively and presents separately:

- Groups of takaful and retakaful contracts issued that are assets;
- Groups of takaful and retakaful contracts issued that are liabilities;
- Groups of retakaful contracts held that are assets; and
- Groups of retakaful contracts held that are liabilities.

The groups referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

The line item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross written contributions
- Net written contributions
- Changes in contribution reserves
- Gross takaful claims
- Net takaful claims

3 Significant accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Changes to presentation and disclosure (continued)

Instead, IFRS 17 requires separate presentation of:

- Takaful revenue
- Takaful service expenses
- Takaful finance income or expenses
- Income or expenses from retakaful contracts held

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from takaful contracts
- Significant judgements, and changes in those judgements, when applying the standard.

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Company:

- identified, recognised and measured each group of takaful and retakaful contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for takaful acquisition cash flows as if IFRS 17 had always been applied;
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included takaful receivables and payables, and provisions for levies that are attributable to existing takaful contracts. Under IFRS 17, they are included in the measurement of the takaful contracts; and
- recognised any resulting net difference in equity.

The Company has applied the transition provisions in IFRS 17 and has disclosed the impact of the adoption of IFRS 17 on each financial statement line item. The effects of adopting IFRS 17 on the financial statement at 1 January 2022 are presented in the statement of changes in equity.

3 Significant accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Transition (continued)

The table below summarise the impact of initial application of IFRS 17 as at 1 January 2022:

	As previously reported	Effect of application of IFRS 17	Restated
	AED'000	AED'000	AED'000
ASSETS			
Participants' assets			
Takaful and retakaful receivables	32,796	(32,796)	-
Retakaful contract asset	27,373	(12,205)	15,168
Amounts due from related parties	568	(568)	-
LIABILITIES			
Participants' liabilities and deficit			
Participants' liabilities			
Takaful contract liabilities	98,812	(14,612)	84,200
Retakaful contract liabilities	-	2,052	2,052
Takaful and retakaful payables	31,297	(31,297)	-
Amounts due to related parties	8	(8)	-
Deferred discount	2,290	(2,290)	-
EQUITY			
Retained earnings	309,751	586	310,337

3 Significant accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Takaful and retakaful contracts classification

The Company issues takaful contracts in the normal course of business, under which it accepts significant takaful risk from its participants. As a general guideline, the Company determines whether it has significant takaful risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. takaful contracts can also transfer financial risk.

Takaful and retakaful contracts accounting treatment

Separating components from Takaful and retakaful contracts

The Company assesses its takaful and retakaful products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17.

Some retakaful contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the participant will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the component of the retakaful contracts and are, therefore, non-distinct investment components which are not accounted for separately.

Level of aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The Company previously applied aggregation levels under IFRS 4, which were significantly higher than the level of aggregation required by IFRS 17. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into two categories: onerous contracts and others. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has elected to group together those contracts that would fall into different groups only because law, regulation or internal policies specifically constrains its practical ability to set a different price or level of benefits for participants with different characteristics. The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided into groups of contracts by quarter of issue and profitability for recognition and measurement purposes. Hence, within each quarter of issue, portfolios of contracts are divided into two groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of the remaining contracts in the portfolio (if any)

3 Significant accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Takaful and retakaful contracts accounting treatment (continued)

Level of aggregation (continued)

The profitability of groups of contracts is assessed by IFRS 17 committee that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

The Company has a IFRS 17 Committee that meets at regular intervals to determine the profitability groupings of each portfolio of contracts. The committee acts as a forum to collect input from the pricing and underwriting functions and assess the relevant facts and circumstances which indicate that groups of contracts are onerous at initial recognition.

Below are some of the relevant facts and circumstances that the Company considers:

- Evaluation of expected combines ratios;
- Pricing information;
- Results of similar contracts it has recognised; and
- Environment factors, e.g., a change in market experience or regulations.

The Company divides portfolios of retakaful contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of retakaful contracts held, a group can comprise a single contract.

Recognition

The Company recognises groups of takaful contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a participant in the group is due or when the first payment is received if there is no due date;
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous the Company recognises a group of retakaful contracts held:
- If the retakaful contracts provide proportionate coverage at the later of the beginning of the coverage period of the group, or the initial recognition of any underlying contract; and
- In all other cases, from the beginning of the coverage period of the group the Company adds new contracts to the group when they are issued or initiated.

Contract boundary

The Company includes in the measurement of a group of takaful contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a takaful contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the participant to pay the contributions, or in which the Company has a substantive obligation to provide the participant with services. A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or

3 Significant accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Takaful and retakaful contracts accounting treatment (continued)

Contract boundary (continued)

Both of the following criteria are satisfied:

- The Company has the practical ability to reassess the risks of the portfolio of takaful contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
- The pricing of the contributions for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected contributions or claims outside the boundary of the takaful contract is not recognised. Such amounts relate to future takaful contracts.

Measurement - Contribution Allocation Approach

Takaful contracts – initial measurement

The Company applies the contribution allocation approach (CAA) to all the takaful contracts that it issues and retakaful contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including coverage arising from all contributions within the contract boundary.

Or

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the CAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as the contributions, if any, received at initial recognition, minus any takaful acquisition cash flows at that date, there is no allowance for time value of money as the contributions are

mostly received within one year of the coverage period.

The Company measures its retakaful assets for a group of retakaful contracts that it holds on to the same basis as takaful contracts that it issues, however, adapted to reflect the features of retakaful contracts held that differ from takaful contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Takaful contracts – subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus contributions received in the period;
- Minus capitalised takaful acquisition cash flows;
- Plus any amounts relating to the amortisation of the acquisition cash flows recognised as an expense in the reporting period for the group;
- Plus any adjustment to the financing component, where applicable;

3 Significant accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Takaful and retakaful contracts accounting treatment (continued)

Measurement - Contribution Allocation Approach (continued)

Takaful contracts – subsequent measurement **(continued)**

- Minus the amount recognised as takaful revenue for the coverage period; and
- Minus any investment component paid or transferred to the liability for incurred claims.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the entity and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Retakaful contracts

The subsequent measurement of retakaful contracts held follows the same principles as those for takaful contracts issued and has been adapted to reflect the specific features of retakaful held.

Takaful contracts – modification and derecognition

The Company derecognises takaful contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired);

The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of groups of takaful contracts issued that are assets, groups of takaful contracts issued that are liabilities, retakaful contracts held that are assets and groups of retakaful contracts held that are liabilities.

Any assets or liabilities for takaful acquisition cash flows recognised before the corresponding takaful contracts are included in the carrying amount of the related groups of takaful contracts issued.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into a takaful service result, comprising takaful revenue and takaful service expense, and takaful finance income or expenses.

The Company disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion which will be presented in takaful finance income or expenses and in takaful service result respectively.

The Company separately presents income or expenses from retakaful contracts held from the expenses or income from takaful contracts issued.

3 Significant accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Takaful and retakaful contracts accounting treatment (continued)

Takaful revenue

The takaful revenue for the period is the amount of expected contribution receipts (excluding any investment component) allocated to the period. The Company allocates the expected contribution receipts to each period of coverage on the basis of the passage of time; but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred takaful service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. If at any time during the coverage period, the facts and circumstances indicate that a group of takaful contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Takaful finance income and expense

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

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company disaggregates takaful finance income or expenses in the profit or loss. The impact of changes in market profit rates on the value of the takaful assets and liabilities are reflected in the profit or loss.

Net income or expense from retakaful contracts held

The Company presents separately on the face of the statement of profit or loss, the amounts expected to be recovered from retakaful operators, and an allocation of the retakaful contributions paid. The Company treats retakaful cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the retakaful contract held.

3 Significant accounting policies (continued)

Surplus/deficit in participants' fund

If the surplus in the participants' fund at the end of a year is sufficiently large, a percentage of the surplus shall be distributed between participants that have not made a claim, in proportion to their risk contributions to the fund after accounting for reserves. The distributions will be approved by the Company's Internal Sharia Supervision Committee. Any remaining surplus after the distribution will remain in the participants' fund.

A deficiency in participants' fund is made good by a profit free loan (Qard Hasan) from the shareholders' fund. This Qard Hasan is to be repaid from future surpluses arising from takaful operations on a priority basis. This Qard Hasan is tested for impairment annually and the portion of the Qard Hasan that is considered impaired is charged to the statement of income.

On liquidation of the fund, the accumulated surplus in the participants' fund, if any, after meeting all obligations (including repayment of the outstanding amount of Qard Hasan), will be dealt with after consulting with the Company's Internal Sharia Supervision Committee. In case of an accumulated deficit, any Qard Hasan outstanding at the time of liquidation will not be repayable by the participants' fund and the shareholders' fund will forego such outstanding amount.

Any deficit in the participants' fund, except for deficits arising from a decline in the fair value of securities, is financed by the shareholders through a Qard Hasan (loan without any profit). The Company maintains a full provision against the Qard Hasan.

Property and equipment

Property and equipment are carried at cost less any accumulated depreciation and any identified impairment losses.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of income.

The useful life considered in the calculation of depreciation of all the assets is 4 years.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

3 Significant accounting policies (continued)

Investment properties (continued)

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

Fair value is determined by open market values based on valuations performed by independent surveyors.

Leases

The Company recognises a right-to-use asset and a lease liability at the lease commencement date.

The right-to-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus as initial direct costs incurred. The right-to-use is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use or the end of the lease term. The estimated useful life of the right-to-use asset is determined on the same basis as those of property and equipment. In addition, the right-to-use is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental funding rate. Generally, the Company uses its incremental funding rates as the discount rate.

The lease liability is measured at amortised cost using the effective funding cost method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-to-use asset or is recorded in the profit or loss if the carrying amount of the right-to-use asset has been reduced to zero.
The Company presents right-to-use assets that do not meet the definition of investment property in 'Property and equipment' and the lease liabilities as a separate item in the statement of financial position.

Wakala fees

The Company manages the takaful operations on behalf of the participants for a wakala fee which is recognised on an accrual basis. A similar amount is shown as expense statement of income attributable to participants.

Profit income

Profit income is recognised on an accrual basis taking into account effective funding cost rates on the instrument, on a time proportionate basis when it becomes receivable.

Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

Dividend income

Dividend income is recognised when the right to receive payment is established.

3 Significant accounting policies (continued)

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs. Regular way purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset i.e. the trade date. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished.

Classification and subsequent measurement of financial assets

For the purposes of subsequent measurement, the Company classifies its financial assets into the following categories:

i) Financial assets at amortised cost

Financial assets at amortised cost are those financial assets for which:

- the Company's business model is to hold them in order to collect contractual cash flows; and

- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

After initial recognition these are measured at amortised cost using the effective funding cost method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Financial assets at amortised cost comprise statutory deposits, cash and cash equivalents, due from related parties and most other receivables.

ii) Financial assets at fair value through other comprehensive income ('FVTOCI')

Investments in equity securities are classified as FVTOCI. At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity investments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Gain or loss arising from change in fair value of investments at FVTOCI is recognised in other comprehensive income and reported within the fair value reserve for investments at FVTOCI within equity. When the asset is disposed of, the cumulative gain or loss recognised in other comprehensive income is not reclassified from the equity reserve to income statement but is reclassified to retained earnings.

iii) Financial assets at fair value through profit and loss ('FVTPL')

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of income.

Dividend income on investments in equity instruments at FVTPL is recognised in statement of income when the Company's right to receive the dividends is established.

3 Significant accounting policies (continued)

Financial instruments (continued)

Fair value measurement

For investments traded in organised financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date. Investments in unquoted securities are measured at fair value, considering observable market inputs and unobservable financial data of investees.

Classification and subsequent measurement of financial liabilities

Financial liabilities comprise amounts due to related parties and most other payables.
Financial liabilities are measured subsequently at amortised cost using the effective funding cost method.

Impairment and uncollectability of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- financing commitments issued.

The Company measures loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL are measured.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

ECL are probability-weighted estimates of credit losses. They are measured as follows:

Impairment and uncollectability of financial assets (continued)

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3 Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and bonuses) is recognised in the period in which the service is rendered.

Provision for employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item under non-current liabilities. The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

Foreign currency transactions

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognised in the income statement. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Short term operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, current accounts and fixed deposits which have original maturities of less than 3 months and are free from lien.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably.

Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

3 Significant accounting policies (continued)

Provisions, contingent liabilities and contingent assets (continued)

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

Other details for reserves are mentioned in notes 19, 20 and 21 to the financial statements.

Retained earnings include all current and prior period retained profits or losses.

Dividend payable to equity shareholders is included in other liabilities only when the dividend has been approved in a general assembly meeting prior to the reporting date.

Segment reporting

Under IFRS 8 “Operating Segments”, reported segments’ profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The measurement policies used by the Company for segment reporting under IFRS 8 are the same as those used in its financial statements.

4 Critical accounting estimates and judgements in applying accounting policies

Judgements and estimates

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

In preparing this financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited financial statements as at and for the year ended 31 December 2022, except for the below judgements.

Takaful and retakaful contracts

The Company applies the CAA to simplify the measurement of takaful contracts. When measuring liabilities for remaining coverage, the CAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Liability for remaining coverage

For takaful acquisition cash flows, the Company is eligible and chooses to capitalise all takaful acquisition cashflows upon payments.

The effect of recognising takaful acquisition cash flows as an expense on initial recognition of group of takaful contracts is to increase the liability for remaining coverage on initial recognition and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on initial recognition, due to expensing acquisition cash flows, offset by an increase in profit released over the coverage period. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows.

Liability for incurred claims

The ultimate cost of outstanding 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 Company'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. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. 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, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, 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 that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Other key circumstances affecting the reliability of assumptions include variation in profit rates, delays in settlement and changes in foreign currency exchange rates.

4 Critical accounting estimates and judgements in applying accounting policies (continued)

Discount rates

The Company 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 risk-free rate was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a AAA credit rating were used. 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**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	%	%	**%**	%	**%**	%	**%**	%
Takaful contracts issued	**6.11**	5.34	**5.29**	5.13	**5.08**	4.28	**5.10**	3.99
Retakaful contracts issued	**6.11**	5.34	**5.29**	5.13	**5.08**	4.28	**5.10**	3.99

Risk adjustment for non-financial risk

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

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 65th percentile. That is, the Company 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 65th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company 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.

Fair value of unquoted securities

Fair value of unquoted securities has been determined by the management based on Earnings Multiple and Net Assets Value Techniques using observable market data of comparable public entities, certain discount factors and unobservable financial data of respective non-public investees. Actual results may substantially be different.

Investment properties fair value judgement

Fair value of investment property is estimated by two independent professional valuers for disclosure purposes only, considering the rental yield (income approach). This estimate is made on an annual basis considering market rent and average rental yield. Fair value was dependent on market factors and availability of information.

Expected credit losses

Management reviews the provision for expected credit losses (ECL) at each reporting date by assessing the recoverability of takaful and retakaful receivables. For non-takaful receivables the recoverability is assessed, and expected credit losses are created in compliance with the simplified approach under the IFRS 9 methodology.

5 Other financial assets

The Company's other financial assets at the end of reporting year are detailed below:

	2023 AED'000	2022 AED'000
Other financial assets measured at fair value through other comprehensive income (FVTOCI)		
Unquoted U.A.E. equity securities (a)	**247**	1,939
Quoted U.A.E. Sukuk (b)	**21,293**	56,946
Unquoted outside UAE	**8,699**	9,559
	30,239	68,444
Attributable to:		
Participants	**1,625**	9,060
Shareholders	**28,614**	59,384
	30,239	68,444
Other financial assets measured at fair value through profit and loss (FVTPL)		
Quoted U.A.E. equity securities (c)	**-**	3,538
Unquoted U.A.E. equity securities (a)	**557**	515
	557	4,053

All other financial assets measured at fair value through profit and loss (FVTPL) are attributable to Shareholders.

(a) The Company holds investments in unquoted equity securities of three entities as at 31 December 2023 (2022: three entities). Unobservable financial data used in determining the fair values of these unquoted securities has been extracted from their latest available audited financial statements for the year ended 31 December 2022, and current market available information. (2022: financial statements for the year ended 31 December 2021).

(b) Fair values have been determined by reference to quoted prices at the reporting date. During the year, the Company purchased quoted sukuk amounting to AED 2.73 million (2022: AED 10.04 million) while sold quoted sukuk amounting to AED 38.32 million (2022: AED Nil).

(c) Fair values have been determined by reference to quoted prices at the reporting date. During the year, the Company sold quoted equity securities amounting to AED 3.54 million (2022: AED 10.45 million) while no purchase of quoted securities has been made in 2023 (2022: AED 3.48 million).

The movement in other financial assets are as follows:

	FVTOCI		FVTPL	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Fair value, at the beginning of the year	**68,444**	57,977	**4,053**	11,225
Purchased during the year	**2,734**	15,579	**-**	3,475
Sold during the year	**(38,323)**	-	**(3,538)**	(10,446)
Change in fair value	**(2,616)**	(5,112)	**42**	(201)
Fair value, at the end of the year	**30,239**	68,444	**557**	4,053

6 Cash and bank balances

	2023 AED'000	2022 AED'000
Cash on hand	**6**	19
Bank balances:		
Wakala deposits	**193,881**	82,812
Current accounts	**10,276**	33,700
	204,163	116,531
Attributable to:		
Participants	**107,717**	36,630
Shareholders	**96,446**	79,901
	204,163	116,531

The profit rates on the Wakala deposits with banks range from 4.60% to 5.85% (2022: 0.60 % to 5.10%).

Wakala deposits amounting to AED 190.65 million (2022: AED 45.51 million) have maturity more than three months.

All cash and bank balances are maintained within U.A.E.

7 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:

	2023			2022 Restated		
	Assets AED'000	**Liabilities AED'000**	**Net AED'000**	Assets AED'000	Liabilities AED'000	Net AED'000
Takaful contracts issued						
Motor	**-**	**(96,500)**	**(96,500)**	-	(73,578)	(73,578)
Medical & group life	**-**	**(27,465)**	**(27,465)**	-	(30,140)	(30,140)
General	**-**	**(23,985)**	**(23,985)**	-	(19,596)	(19,596)
Total takaful contracts issued	**-**	**(147,950)**	**(147,950)**	-	(123,314)	(123,314)
Retakaful contracts held						
Motor	**1,565**	**(1)**	**1,564**	8,214	-	8,214
Medical & group life	**8,698**	**(556)**	**8,142**	789	(346)	443
General	**6,903**	**(790)**	**6,113**	8,224	-	8,224
Total Retakaful contracts held	**17,166**	**(1,347)**	**15,819**	17,227	(346)	16,881

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

The Company disaggregates information to provide disclosure in respect of major product lines separately: Motor takaful, medical and group life, and general retakaful issued.

This disaggregation has been determined based on how the Company is managed. The roll-forward of the net asset or liability for takaful contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the next page.

7 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 measured under CAA

31 December 2023	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		**Total**
	Excluding loss component AED'000	**Loss component AED'000**	**Estimates of the present value of future cash flows AED'000**	**Risk adjustment AED'000**	**AED'000**
Takaful contract liabilities as at 1 January 2023	**(46,074)**	**(13,800)**	**(62,281)**	**(1,159)**	**(123,314)**
Takaful revenue	**126,584**	**-**	**-**	**-**	**126,584**
Takaful service expenses					
- Incurred claims and other expenses	**-**	**-**	**(190,247)**	**(1,302)**	**(191,549)**
- Losses on onerous contracts and reversals of those losses	**-**	**(6,983)**	**-**	**-**	**(6,983)**
- Changes to liabilities for incurred claims	**-**	**-**	**15,426**	**(459)**	**14,967**
Takaful service expenses	**-**	**(6,983)**	**(174,821)**	**(1,761)**	**(183,565)**
Takaful service result	**126,584**	**(6,983)**	**(174,821)**	**(1,761)**	**(56,981)**
Takaful finance expenses	**-**	**-**	**(1,100)**	**2**	**(1,098)**
Total changes in the statement of comprehensive income	**126,584**	**(6,983)**	**(175,921)**	**(1,759)**	**(58,079)**
Cash flows					
Contributions received	**(111,298)**	**-**	**-**	**-**	**(111,298)**
Claims and other expenses paid	**-**	**-**	**144,741**	**-**	**144,741**
Total cash flows	**(111,298)**	**-**	**144,741**	**-**	**33,443**
Net takaful contract liabilities as at 31 December 2023	**(30,788)**	**(20,783)**	**(93,461)**	**(2,918)**	**(147,950)**

7 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 measured under CAA (continued)

31 December 2022 (Restated)	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	AED'000
Takaful contract liabilities as at 1 January 2022	(38,671)	(3,267)	(41,141)	(1,121)	(84,200)
Takaful revenue	128,469	-	-	-	128,469
Takaful service expenses					
- Incurred claims and other expenses	-	-	(176,358)	(217)	(176,575)
- Losses on onerous contracts and reversals of those losses	-	(10,533)	-	-	(10,533)
- Changes to liabilities for incurred claims	-	-	23,361	177	23,538
Takaful service expenses	-	(10,533)	(152,997)	(40)	(163,570)
Takaful service result	128,469	(10,533)	(152,997)	(40)	(35,101)
Takaful finance expenses	-	-	(259)	2	(257)
Total changes in the statement of comprehensive income	128,469	(10,533)	(153,256)	(38)	(35,358)
Cash flows					
Contributions received	(135,872)	-	-	-	(135,872)
Claims and other expenses paid	-	-	132,116	-	132,116
Total cash flows	(135,872)	-	132,116	-	(3,756)
Net takaful contract liabilities as at 31 December 2022	(46,074)	(13,800)	(62,281)	(1,159)	(123,314)

7 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for retakaful contracts issued showing the assets for remaining coverage and the liability for incurred claims measured under CAA

31 December 2023	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	AED'000	AED'000	AED'000	AED'000	AED'000
Retakaful contract (liabilities)/assets as at 1 January 2023	(1,046)	821	16,945	507	17,227
Retakaful contract (liabilities)/assets as at 1 January 2023	(774)	2	426	-	(346)
Net retakaful contract (liabilities)/assets as at 1 January 2023	(1,820)	823	17,371	507	16,881
Allocation of retakaful contributions	(43,663)	(823)	-	-	(44,486)
Amounts recoverable from retakaful for incurred claims					
- Amounts recoverable incurred claims and other expenses	7,947	-	23,208	11	31,166
- Loss-recovery on onerous underlying contracts and adjustments	-	330	-	-	330
Changes to amounts recoverable for incurred claims	-	-	(3,474)	380	(3,094)
Amounts recoverable from retakaful for incurred claims	7,947	330	19,734	391	28,402
Net income or expense from retakaful contracts held	(35,716)	(493)	19,734	391	(16,084)
Retakaful finance income	-	-	275	(1)	274
Total changes in the statement of comprehensive income	(35,716)	(493)	20,009	390	(15,810)
Cash flows					
Contributions received	33,831	-	-	-	33,831
Claims and other expenses paid	(7,223)	-	(11,860)	-	(19,083)
Total cash flows	26,608	-	(11,860)	-	14,748
Net retakaful contract (liabilities)/assets as at 31 December 2023	(10,928)	330	25,520	897	15,819
Retakaful contract assets as at 31 December 2023	(3,437)	24	19,882	697	17,166
Retakaful contract assets/(liabilities) as at 31 December 2023	(7,491)	306	5,638	200	(1,347)
Net retakaful contract (liabilities)/assets as at 31 December 2023	(10,928)	330	25,520	897	15,819

7 Takaful and retakaful contracts (continued)

Roll-forward of net asset or liability for retakaful contracts issued showing the assets for remaining coverage and the liability for incurred claims measured under CAA (continued)

31 December 2022 (Restated)	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	AED'000	AED'000	AED'000	AED'000	AED'000
Retakaful contract assets as at 1 January 2022	(890)	91	15,459	508	15,168
Retakaful contract liabilities as at 1 January 2022	(5,669)	90	3,457	70	(2,052)
Net retakaful contract (liabilities)/assets as at 1 January 2022	(6,559)	181	18,916	578	13,116
Allocation of retakaful contributions	(33,336)	(181)	-	-	(33,517)
Amounts recoverable from retakaful for incurred claims					
- Amounts recoverable incurred claims and other expenses	6,699	823	19,132	(75)	26,579
Amounts recoverable from retakaful for incurred claims	6,699	823	19,132	(75)	26,579
Net income or expense from retakaful contracts held	(26,637)	642	19,132	(75)	(6,938)
Retakaful finance income	-	-	268	4	272
Total changes in the statement of comprehensive income	(26,637)	642	19,400	(71)	(6,666)
Cash flows					
Contributions received	38,779	-	-	-	38,779
Claims and other expenses paid	(7,403)	-	(20,945)	-	(28,348)
Total cash flows	31,376	-	(20,945)	-	10,431
Net retakaful contract (liabilities)/assets as at 31 December 2022	(1,820)	823	17,371	507	16,881
Retakaful contract assets as at 31 December 2022	(1,046)	821	16,945	507	17,227
Retakaful contract liabilities as at 31 December 2022	(774)	2	426	-	(346)
Net retakaful contract (liabilities)/assets as at 31 December 2022	(1,820)	823	17,371	507	16,881

8 Prepayments and other receivables

	2023 AED'000	2022 AED'000
Accrued profit	**3,844**	1,089
Prepaid expenses	**1,133**	1,047
Rent receivable (net)*	**336**	480
Advances and deposits	**292**	306
Amounts due from broker	**-**	1,105
Other receivables	**522**	651
	6,127	4,678
Attributable to:		
Participants	**1,318**	1,140
Shareholders	**4,809**	3,538
	6,127	4,678

*The rent receivable is net of expected credit losses of AED 700,000 (2022: AED 700,000).

9 Related parties balances and transactions

Amounts due from/to related parties were as follows:

	2023 AED'000	2022 AED'000
Amounts due from related parties:		
Related parties due to common directorship		
Al Redha Insurance Brokers (LLC), Dubai*	**-**	903
Others	**-**	85
	-	988
Amounts due to related parties:		
Related parties due to common ownership		
Others	**2,671**	27

*After the acquisition this is not related party of the Company.

All amount due from/to related parties are attributable to participants.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Investment property amounting to AED Nil (2022: AED 6 million) is registered in the name of related party (refer to note 12).

During the year, the Company entered into the following transactions with related parties till 31 May 2023 (prior to change in ownership):

	2023 AED'000	2022 AED'000
Transactions with related parties:		
Contribution written through a related party broker	**3,363**	7,369
Gross written contribution	**1,107**	1,716
Policy acquisition cost paid	**507**	1,173
Management expenses (net)	**24**	1,626
Claims paid	**27**	20

9 Related parties balances and transactions (continued)

During the year, the Company entered into the following transactions with related parties from 1 June 2023 to 31 December 2023 (subsequent to change in ownership):

	2023 AED'000	2022 AED'000
Transactions with related parties:		
Retakaful share of ceded business	**2,502**	-
Commission on retakaful share of ceded business	**5**	-
Gross written contribution	**3,070**	-
Other transaction	**672**	-
Recovery claims	**642**	-

Key management personnel remuneration:

	2023 AED'000	2022 AED'000
Short-term benefits	**613**	1,155
Long-term benefits	**61**	75
Board of directors' remuneration	**27**	700

10 Statutory deposits

	2023 AED'000	2022 AED'000
Held with a local bank in Dubai, UAE	**10,000**	10,000

Statutory deposit represents a Wakala deposit under lien against the guarantees issued in favour of Central Bank of U.A.E. in accordance with UAE Federal Law No 48 of 2023 (previously Federal Law No.6 of 2007).

11 Due from participants/due to shareholders

The balance consists of the net of Wakala fees balances that are due to the shareholders from the participants amounting to AED 30.76 million (2022: AED 67.76 million).

12 Investment properties

	Land AED'000	Other real estate AED'000	Total AED'000
2023			
At 1 January	**9,500**	**151,141**	**160,641**
Disposal during the year	**(9,500)**	**(77,156)**	**(86,656)**
Change in fair value during the year (note 25)	**-**	**(6,475)**	**(6,475)**
At 31 December	**-**	**67,510**	**67,510**
2022			
At 1 January	9,363	149,352	158,715
Change in fair value during the year (note 25)	137	1,789	1,926
At 31 December	9,500	151,141	160,641

On 31 December 2023, two independent and experienced professional valuers estimated the fair value of investment property at AED 67 million and AED 68 million respectively (31 December 2022: two independent and experienced professional valuers estimated the fair value of investment property at AED 160.71 million and AED 160.58 million respectively).

12 Investment properties (continued)

Company recognises the average of fair value from both valuers. The valuers hold relevant professional qualifications and experience. Investment properties is held for capital appreciation and rental purposes.

Investment property amounting to AED Nil (2022: AED 6 million) is registered in the name of heirs of Mohammad Amin Al Kazim (related party) held for the beneficial interest of the Company. This investment property has been sold during the year.

Details of the investment properties and information about the fair value hierarchy as at 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023			Fair value as at 31 December 2022
	Level 1	**Level 2**	**Level 3**	Level 3
	AED'000	**AED'000**	**AED'000**	AED'000
Investment properties	**-**	**-**	**67,510**	160,641

As the investment properties are valued using income capitalisation approach, a slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

All investment properties are located in U.A.E.

The property rental income earned by the Company from its investment properties, which are leased under operating leases on an annual basis and the direct operating expenses arising in the management of the investment properties are as follows:

	2023	2022
	AED'000	AED'000
Rental income	**8,701**	9,591
Direct operating expenses	**(903)**	(1,451)
Net income from investment properties	**7,798**	8,140

13 Property and equipment

2023	**Furniture and fixtures AED'000**	**Motor vehicles AED'000**	**Right-of-use assets AED'000**	**Total AED'000**
Cost				
At 1 January	**5,698**	**270**	**2,946**	**8,914**
Additions during the year	**92**	**-**	**-**	**92**
Disposal during the year	**-**	**(250)**	**-**	**(250)**
At 31 December	**5,790**	**20**	**2,946**	**8,756**
Accumulated depreciation				
At 1 January	**4,852**	**169**	**1,955**	**6,976**
Charge for the year	**384**	**18**	**495**	**897**
Disposal during the year	**-**	**(171)**	**-**	**(171)**
At 31 December	**5,236**	**16**	**2,450**	**7,702**
Carrying value				
At 31 December 2023	**554**	**4**	**496**	**1,054**

13 Property and equipment (continued)

	Furniture and fixtures AED'000	Motor vehicles AED'000	Right-of-use assets AED'000	Total AED'000
2022				
Cost				
At 1 January	5,233	272	2,946	8,451
Additions during the year	465	63	-	528
Disposal during the year	-	(65)	-	(65)
At 31 December	5,698	270	2,946	8,914
Accumulated depreciation				
At 1 January	4,538	119	1,459	6,116
Charge for the year	314	115	496	925
Disposal during the year	-	(65)	-	(65)
At 31 December	4,852	169	1,955	6,976
Carrying value				
At 31 December 2022	846	101	991	1,938

At 31 December 2023, the cost of fully depreciated property and equipment that was still in use amounted to AED 5.16 million (2022: AED 4.15 million).

14 Intangible assets

	2023 AED'000	2022 AED'000
Software:		
Cost		
At 1 January	**1,127**	815
Additions during the year	**125**	312
At 31 December	**1,252**	1,127
Accumulated amortisation		
At 1 January	**552**	334
Charge for the year	**292**	218
At 31 December	**844**	552
Carrying value at 31 December	**408**	575

15 Other liabilities

	2023 AED'000	2022 AED'000
Contribution reserve withheld	**6,404**	6,527
Accrued expenses	**3,882**	2,996
Deferred rental income	**475**	1,065
Lease liability	**525**	854
Other	**4,905**	4,134
	16,191	15,576
Attributable to:		
Participants	**9,284**	8,153
Shareholders	**6,907**	7,423
	16,191	15,576

16 Qard Hasan

	2023 AED'000	2022 AED'000
(i) Deficit in participants' fund:		
As at 1 January	**(88,168)**	(47,902)
Deficit during the year	**(70,246)**	(40,266)
As at 31 December	**(158,414)**	(88,168)

	2023 AED'000	2022 AED'000
(ii) Qard Hasan from shareholders		
As at 1 January	**88,168**	47,902
Addition during the year	**70,246**	40,266
As at 31 December	**158,414**	88,168

The shareholders have funded the deficit in the participants' fund in accordance with the Company's policy through a Qard Hasan (profit free loan with no repayment terms). During the current year the participants fund reported a deficit amounting to AED 70.25 million (2022: Deficit of AED 40.27 million).

17 Provision for employees' end of service indemnity

	2023 AED'000	2022 AED'000
Balance at the beginning of the year	**2,386**	2,278
Charged during the year	**337**	261
Paid during the year	**(1,352)**	(153)
Balance at the end of the year	**1,371**	2,386

18 Share capital

	2023 AED'000	2022 AED'000
Authorised and issued and fully paid:		
154,000,000 ordinary shares of AED 1 each (2022: 154,000,000)	**154,000**	154,000

19 Statutory reserve

In accordance with the Company's Articles of Association and Article 241 of the Federal Law No. 32 of 2021, a minimum of 10% of the Company's annual net profits must be transferred to a non-distributable legal reserve. As per the Company's Articles of Association, such transfers are required until the balance in the legal reserve equals 50% of the Company's paid-up share capital. No transfer to legal reserve has been made during the year as it has already reached 50% of the paid-up share capital (2022: Nil).

20 Retakaful reserve

In accordance with Central Bank of the United Arab Emirates' Board of Directors' Decision No. 23, Article 34, an amount of AED 215,725 (2022: AED 170,000) based on the retakaful share of contribution at a rate of 0.5% was transferred from retained earnings to retakaful reserve. The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of the UAE.

21 Investments revaluation reserve - FVTOCI

This reserve records gains and losses arising from changes in fair value of other financial assets measured at fair value through other comprehensive income (FVTOCI).

22 Gross written contributions

Details relating to gross written contributions are disclosed below to comply with the requirements of CBUAE and are not calculated as per the requirements of IFRS 17.

2023	**Life insurance AED'000**	**Medical insurance AED'000**	**Motor AED'000**	**Others AED'000**	**Total AED'000**
Direct written contributions	**1,113**	**27,544**	**39,219**	**36,178**	**104,054**
Assumed business					
Foreign	**-**	**-**	**-**	**-**	**-**
Local	**-**	**-**	**-**	**257**	**257**
Total assumed business	**-**	**-**	**-**	**257**	**257**
Total gross written contributions	**1,113**	**27,544**	**39,219**	**36,435**	**104,311**
2022					
Direct written contributions	787	40,988	57,525	29,553	128,853
Assumed business					
Foreign	-	-	-	-	-
Local	-	-	-	705	705
Total assumed business	-	-	-	705	705
Total gross written contributions	787	40,988	57,525	30,258	129,558

23 Takaful service expense

	Motor AED'000	**General AED'000**	**Medical & life AED'000**	**Total AED'000**
2023				
Incurred claims and other expenses	**111,023**	**14,405**	**34,828**	**160,256**
Losses on onerous contracts and reversals of those losses (note 7)	**6,157**	**-**	**826**	**6,983**
Changes to liabilities for incurred claims	**(4,909)**	**(5,537)**	**(4,521)**	**(14,967)**
	112,271	**8,868**	**31,133**	**152,272**
2022 (Restated)				
Incurred claims and other expenses	80,090	8,885	48,733	137,708
Losses on onerous contracts and reversals of those losses (note 7)	9,590	-	943	10,533
Changes to liabilities for incurred claims	(16,317)	4,785	(12,006)	(23,538)
	73,363	13,670	37,670	124,703

24 Net takaful financial result

	Motor AED'000	General AED'000	Medical & life AED'000	Total AED'000
2023				
Due to changes in profit rates and other financial assumptions	**668**	**188**	**242**	**1,098**
Total takaful finance expenses from takaful contracts issued	**668**	**188**	**242**	**1,098**
Due to changes in profit rates and other financial assumptions	**186**	**142**	**(54)**	**274**
Retakaful finance income from retakaful contracts held	**186**	**142**	**(54)**	**274**
2022 (Restated)				
Due to changes in profit rates and other financial assumptions	179	7	71	257
Total takaful finance expenses from takaful contracts issued	179	7	71	257
Due to changes in profit rates and other financial assumptions	256	(1)	17	272
Retakaful finance income from retakaful contracts held	256	(1)	17	272

25 Investment income

	2023 AED'000	2022 AED'000
Profit on disposal of financial investments at FVTPL	**15**	1
Unrealised gain /(loss) on financial investments at FVTPL	**42**	(201)
Dividends from financial investments at FVTPL	**23**	671
Income from investment properties	**7,798**	8,140
Profit on sukuk	**1,488**	2,359
Loss on sale of Sukuk at FVTOCI	**(3,019)**	-
Dividend from other financial assets	**531**	500
Income from wakala deposit	**7,811**	1,645
Loss on sale of investment properties	**(3,181)**	-
Profit on sale of asset	**68**	1
(Loss)/gain on fair value of investment properties (note 12)	**(6,475)**	1,926
Expenses allocated to investment	**(388)**	(726)
	4,713	14,316
Attributable to:		
Participants	**3,103**	692
Shareholders	**1,610**	13,624
	4,713	14,316

26 Wakala fee and Mudarib's share

Wakala fees

Wakala fee for the year ended 31 December 2023 amounted to AED 31.29 million (2022: AED 38.87 million) the fee is calculated at maximum of 30% of gross written contribution of AED 104.31 million (2022: AED 129.56 million) without any deduction of policy acquisition cost. Wakala fee is charged to the statement of income when incurred.

Mudarib's share

The shareholders also manage the participants' investment funds and charge Mudarib's share. Mudarib's share is charged at 30% of realised investment income.

27 General and administrative expenses

	2023	2022
	AED'000	AED'000
Staff cost	**12,868**	13,471
Third party administrators and other related expenses	**4,116**	6,850
Legal and professional fees	**2,053**	1,112
Depreciation and amortisation	**1,190**	1,086
Policy registration fees	**920**	912
Takaful expense	**903**	609
End of service benefits and pension*	**525**	471
Marketing expenses	**327**	244
Bank charges	**387**	506
Short term lease	**239**	290
Board of directors' remuneration (note 9)	**27**	700
Other expenses	**1,491**	1,451
	25,046	27,702

*Social contributions during the year ended 31 December 2023 amounted to AED 226,105 (2022: 261,396 AED).

28 Segmental information

For management purposes the Company is organised into two business segments; general takaful management and investment. The general takaful segment comprises the takaful business undertaken by the Company on behalf of Participants. Investment comprises investment and cash management for the Company's own account. No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated based on profit or loss which in certain respects is measured differently from profit or loss in the financial statements.

Except for Wakala fees, and Qard Hassan, no other inter-segment transactions occurred during the year. If any other transaction were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties.

28 Segment information (continued)

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

	2023			2022		
	Attributable to participants	**Attributable to shareholders**	**Total**	Attributable to participants Restated	Attributable to shareholders Restated	Total Restated
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
Takaful						
Takaful revenue	**126,584**	**-**	**126,584**	128,469	-	128,469
Takaful service expenses	**(152,272)**	**-**	**(152,272)**	(124,703)	-	(124,703)
Allocation of retakaful contributions	**(44,486)**	**-**	**(44,486)**	(33,517)	-	(33,517)
Amounts recoverable from retakaful for incurred claims	**28,402**	**-**	**28,402**	26,579	-	26,579
Takaful finance expenses for takaful contracts issued	**(1,098)**	**-**	**(1,098)**	(257)	-	(257)
Retakaful finance income for retakaful contracts held	**274**	**-**	**274**	272	-	272
Net takaful loss	**(42,596)**	**-**	**(42,596)**	(3,157)	-	(3,157)
Wakala fees	**(31,293)**	**31,293**	**-**	(38,867)	38,867	-
Mudarib share	**(931)**	**931**	**-**	(208)	208	-
Other income	**1,471**	**-**	**1,471**	563	-	563
Investment income	**3,103**	**-**	**3,103**	692	-	692
	(70,246)	**32,224**	**(38,022)**	(40,977)	39,075	(1,902)
Investment						
Investment income	**-**	**1,610**	**1,610**	-	13,624	13,624
Other income	**-**	**1,785**	**1,785**	-	1,956	1,956
Policy acquisition cost	**-**	**(16,857)**	**(16,857)**	-	(16,652)	(16,652)
General and administration expenses	**-**	**(25,046)**	**(25,046)**	-	(27,703)	(27,703)
Loss for the year	**(70,246)**	**(6,284)**	**(76,530)**	(40,977)	10,300	(30,677)

28 Segment information (continued)

Other information

	Takaful		Investment		Total	
		Restated		Restated		Restated
	2023	2022	**2023**	2022	**2023**	2022
	AED'000	AED'000	**AED'000**	AED'000	**AED'000**	AED'000
Segment assets	**158,581**	131,813	**214,354**	329,013	**372,935**	460,826
Segment liabilities	**158,581**	131,813	**39,033**	77,565	**197,614**	209,378

	Takaful		Investment		Total	
	2023	2022	**2023**	2022	**2023**	2022
	AED'000	AED'000	**AED'000**	AED'000	**AED'000**	AED'000
Capital expenditure (including intangibles)	**-**	-	**218**	840	**218**	840
Depreciation and amortisation	**-**	-	**1,189**	1,143	**1,189**	1,143

29 Loss per share

Loss per share are calculated by dividing the loss for the year by the number of ordinary shares outstanding as of the end of the year as follows:

	2023	Restated 2022
Loss for the year (in AED'000)	**(76,530)**	(30,677)
Number of ordinary shares outstanding	**154,000,000**	154,000,000
Basic and diluted loss per share (in AED)	**(0.497)**	(0.199)

Diluted loss per share as of 31 December 2023 and 31 December 2022 are equivalent to basic loss per share as the Company did not issue any new instrument that would impact loss per share when executed.

30 Zakat

For the year ended 31 December 2023, Zakat amounting AED per share will not be borne by the Company on behalf of shareholders AED 0.0029 per share (2022: AED 0.0055 per share).

31 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents include cash and bank balances net of wakala deposits in banks with maturity over three months. Cash and cash equivalents at the end of the year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2023 AED'000	2022 AED'000
Cash and bank balances (note 6)	**204,163**	116,531
Wakala deposits with maturity over 3 months	**(190,653)**	(45,509)
Cash and cash equivalents	**13,510**	71,022

32 Capital risk management

The Company's objectives when managing capital are:

- to comply with the takaful capital requirements required by UAE Federal Law No. 6 of 2007, as amended. The Company manages its capital on a basis of its minimum regulatory capital position presented in the table below:
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing takaful contracts commensurately with the level of risk.

Section 2 of the Financial Regulations for Takaful Companies (the "Regulations") issued by the Central Bank of UAE identifies the required solvency margin to be held in addition to takaful liabilities. The solvency margin must be maintained at all times throughout the year. The Company is subject to the Regulations which has been complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

32 Capital risk management (continued)

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as defined in the Regulations. The Company has disclosed the solvency position for the year ended as at 31 December 2023.

	31 December 2023 AED'000	31 December 2022 AED'000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**29,415**	41,170
Minimum Guarantee Fund (MGF)	**22,723**	25,692
Basic Own Funds	**154,146**	118,818
MCR Solvency Margin - Surplus	**54,146**	18,818
SCR Solvency Margin - Surplus	**124,731**	77,648
MGF Solvency Margin – Surplus	**131,423**	93,126

In accordance with Circular number CBUAE/BIS/2023/6163 of CBUAE dated 15 December 2023, the assets which are not in the Company's name should not be considered as admissible in regulatory statement of financial position. In the reported solvency figures as at 31 December 2023 AED Nil (2022: AED 6 million) as mentioned above, assets are not in the name of the Company and owned by a related party (refer to note 12).

Based on the Central Bank of UAE regulatory requirements, the minimum regulatory capital required is AED 100 million (31 December 2022: AED 100 million) against which the paid up capital of the Company is AED 154 million (31 December 2022: AED 154 million).

The Company and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no changes in the Company's management of capital during the year.

33 Financial instruments

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, retakaful assets and takaful liabilities. In particular, the key financial risk is that the in the long-term its investment proceeds are not sufficient to fund the obligations arising from its takaful contracts. The most important components of this financial risk are profit rate risk, equity price risk, foreign currency risk and credit risk.

These risks arise from open positions in profit rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Company primarily faces due to the nature of its investments and financial liabilities are profit rate risk and equity price risk.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

	2023 **AED'000**	Restated 2022 AED'000
Financial assets		
Other financial assets measured at FVTOCI (note 5)	**30,239**	68,444
Other financial assets measured at FVTPL (note 5)	**557**	4,053
Statutory deposits	**10,000**	10,000
Retakaful contact assets	**17,166**	17,227
Other receivables	**4,994**	3,631
Cash and bank balances (note 6)	**204,163**	116,531
Total financial assets	**267,119**	219,886
Financial liabilities		
Takaful & retakaful contract liabilities)	**149,297**	123,660
Other liabilities	**9,312**	7,987
Total financial liabilities	**158,609**	131,647

Management considers that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

34 Risk management

Takaful risk

The risk under any one takaful contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of takaful contract, this risk is random and therefore unpredictable.

For a portfolio of takaful contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its takaful contracts is that the actual claims and benefit payments exceed the carrying amount of the takaful liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insured events are random, and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

34 Risk management (continued)

Takaful risk (continued)

Experience shows that the larger the portfolio of similar takaful contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its takaful underwriting strategy to diversify the type of takaful risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The Company manages risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

Frequency and severity of claims

The Company has the right not to renew individual policies, re-price the risk, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Takaful contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation).

Property takaful contracts are underwritten by reference to the commercial replacement value of the properties and contents insured and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. Property takaful contracts are subdivided into four risk categories: fire, business interruption, weather damage and theft. The takaful risk arising from these contracts is not concentrated in any of the territories in which the Company operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

The retakaful arrangements include excess and catastrophe coverage. The effect of such retakaful arrangements is that the Company should not suffer net takaful losses of a set limit of AED 500,000 (2022: AED 250,000) AED 30,000 (2022: AED 30,000) and AED 1,000,000 (2022: AED 500,000) in any one claim for motor, medical and other non-motor respectively. The Company has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are reviewed individually every year and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Sources of uncertainty in the estimation of future claim payments

Claims on takaful contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty compared to the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the takaful company until many years after the event that gave rise to the claims. For some takaful contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Company considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

34 Risk management (continued)

Takaful risk (continued)

Sources of uncertainty in the estimation of future claim payments (continued)

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The amount of takaful claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Takaful contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of reporting period.

Where possible, the Company adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before retakaful) are analysed below by type of risk where the insured operates for current and prior year contribution earned.

Type of risk

	2023	2022
Motor	**226%**	143%
Medical	**101%**	90%
General	**16%**	2%

Process used to decide on assumptions

The risks associated with these takaful contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. Internal data is derived mostly from the Company's quarterly claims reports and screening of the actual takaful contracts carried out at the reporting date to derive data for the contracts held. The Company has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combinations of techniques have been selected for individual accident years or groups of accident years within the same class of business.

Concentration of risks

The takaful risk arising from takaful contracts is concentrated mainly in the United Arab Emirates.

The table on next page sets out the concentration of contract liabilities by type of contract:

34 Risk management (continued)

Takaful risk (continued)

Concentration of risks (continued)

2023	**Gross liabilities AED'000**	**Retakaful share of liabilities AED'000**	**Net liabilities AED'000**
Motor	**96,500**	**(1,564)**	**94,936**
Medical & group life	**27,465**	**(8,142)**	**19,323**
General	**23,985**	**(6,113)**	**17,872**
Total	**147,950**	**(15,819)**	**132,131**

2022 (restated)	Gross liabilities AED'000	Retakaful share of liabilities AED'000	Net liabilities AED'000
Motor	73,578	(8,214)	65,364
Medical & group life	30,140	(443)	29,697
General	19,596	(8,224)	11,372
Total	123,314	(16,881)	106,433

Retakaful risk

In common with other takaful companies, in order to minimise financial exposure arising from large takaful claims, the Company, in the normal course of business, enters into arrangement with other parties for retakaful purposes.

To minimise its exposure to significant losses from retakaful insolvencies, the Company evaluates the financial condition of its retakaful companies and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the retakaful. Retakaful ceded contracts do not relieve the Company from its obligations to participants. The Company remains liable to its participants for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the retakaful agreements.

Sensitivities

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross and net liabilities, net profit and equity for reasonably possible movements in key assumptions with all other assumptions held constant.

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non–linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

34 Risk management (continued)

Takaful risk (continued)

Sensitivities (continued)

2023	**Change in assumptions**	**Impact on net profit gross of reinsurance AED'000**	**Impact on net profit net of reinsurance AED'000**	**Impact on equity gross of reinsurance AED'000**	**Impact on equity net of reinsurance AED'000**
Weighted average term to settlement	**+10%**	**273**	**191**	**273**	**191**
Expected loss	**+10%**	**9,619**	**6,985**	**9,619**	**6,985**
Inflation rate	**+1%**	**27**	**19**	**27**	**19**
Weighted average term to settlement	**-10%**	**(273)**	**(191)**	**(273)**	**(191)**
Expected loss	**-10%**	**(9,619)**	**(6,985)**	**(9,619)**	**(6,985)**
Inflation rate	**-1%**	**(27)**	**(19)**	**(27)**	**(19)**

2022 (restated)	Change in assumptions	Impact on net profit gross of reinsurance AED'000	Impact on net profit net of reinsurance AED'000	Impact on equity gross of reinsurance AED'000	Impact on equity net of reinsurance AED'000
Weighted average term to settlement	+10%	136	128	136	128
Expected loss	+10%	6,364	4,619	6,364	4,619
Inflation rate	+1%	14	13	14	13
Weighted average term to settlement	-10%	(136)	(128)	(136)	(128)
Expected loss	-10%	(6,364)	(4,619)	(6,364)	(4,619)
Inflation rate	-1%	(14)	(13)	(14)	(13)

Financial risk

Market risk
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, profit rates and equity price risk.

Foreign currency risk
There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams, other G.C.C. currencies or US Dollars to which the Dirham is fixed.

Credit risk
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

34 Risk management (continued)

Financial risk (continued)

Credit risk (continued)

Key areas where the Company is exposed to credit risk are:

- retakaful' share of takaful liabilities;
- amounts due from retakaful in respect of claims already paid;
- amounts due from takaful contract holders; and
- amounts due from takaful intermediaries.

The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Retakaful is used to manage takaful risk. This does not, however, discharge the Company's liability as primary policyholder. If a retakaful fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of retakaful company is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Company maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the management includes details of provisions for impairment on takaful receivables and subsequent write-offs. Exposures to individual participants and groups of participants are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual participants, or homogenous groups of participants, a financial analysis equivalent to that conducted for retakaful is carried out by the Company.

Takaful receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of takaful receivable.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristic, other than takaful receivables at the end of reporting period. The Company defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 10% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks registered in the United Arab Emirates.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with management, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table on next page summarises the maturity profile of the Company's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the end of the reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

34 Risk management (continued)

Financial risk (continued)

Liquidity risk

The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements is given below:

2023	Less than 90 days AED'000	91-180 days AED'000	181-365 days AED'000	Above 365 days AED'000	Total AED'000
Financial assets					
At FVTOCI (note 5)	-	-	-	30,239	30,239
At FVTPL (note 5)	-	-	-	557	557
Statutory deposits	-	-	-	10,000	10,000
Retakaful contract assets	17,166	-	-	-	17,166
Other receivables	2,979	1,308	234	473	4,994
Cash and bank balances - profit bearing	45,791	49,104	18,500	90,487	203,882
Cash and bank balances - non-profit bearing	281	-	-	-	281
	66,217	50,412	18,734	131,756	267,119
Financial liabilities					
Takaful and retakaful contract liabilities	149,297	-	-	-	149,297
Other liabilities	3,180	1,436	2,604	2,092	9,312
	152,477	1,436	2,604	2,092	158,609

34 Risk management (continued)

Financial risk (continued)

Liquidity risk (continued)

2022 (restated)	Less than 90 days AED'000	91-180 days AED'000	181-365 days AED'000	Above 365 days AED'000	Total AED'000
Financial assets					
At FVTOCI (note 5)	-	-	-	68,444	68,444
At FVTPL (note 5)	-	3,538	-	515	4,053
Statutory deposits	-	-	-	10,000	10,000
Retakaful contract assets	17,227	-	-	-	17,227
Other receivables	3,532	-	-	99	3,631
Cash and bank balances - profit bearing	37,303	35,207	10,302	-	82,812
Cash and bank balances - non-profit bearing	30,605	3,114	-	-	33,719
	88,667	41,859	10,302	79,058	219,886
Financial liabilities					
Takaful and retakaful contract liabilities	123,660	-	-	-	123,660
Other liabilities	5,709	-	-	2,278	7,987
	129,369	-	-	2,278	131,647

Equity price risk

Sensitivity analysis

At the reporting date if the equity prices are 10% higher/lower as per the assumptions mentioned below and all the other variables were held constant the Company's statement of income/comprehensive income would have increased/decreased by AED 0.95 million (2022: AED 1.6 million).

Method and assumptions for sensitivity analysis

The sensitivity analysis has been done based on the exposure to equity price risk as at the end of the reporting period.

- As at the reporting date if equity prices are 10% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on statement of income and other comprehensive income has been shown above.
- A 10% change in equity prices has been used to give a realistic assessment as a plausible event.

35 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

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

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

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2022.

Fair value measurements recognised in the statement of financial position

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

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

	Fair value as at					
Financial assets	**2023 AED'000**	2022 AED'000	**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
Financial assets at FVTOCI						
Unquoted equity securities	**8,698**	9,559	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of investees, higher the fair value.
Unquoted equity securities	**247**	1,939	Level 3	Multiple base approach	Relative value	Higher the multiple based value of investees, higher the fair value.
Quoted debt Securities	**21,293**	56,946	Level 1	Quoted bid prices in an active market.	None	N/A

35 Fair value measurements (continued)

Financial assets	Fair value as at 2023 AED'000	Fair value as at 2022 AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets at FVTPL						
Quoted equity Securities	**-**	3,538	Level 1	Quoted bid prices in an active market.	None	N/A
Unquoted equity Securities	**557**	515	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of investees, higher the fair value.

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

36 Contingent liabilities

	2023 AED'000	2022 AED'000
Letters of guarantees	**10,421**	10,421

The Company is subject to litigation in the normal course of its business. Although the ultimate outcome of these claims cannot presently be determined, adequate provisions have been made for any liability that may result, based on management's best estimates.

37 Corporate Tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 income Taxes, the Company has assessed the deferred tax implications for the year ended 31 December 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not material.

38 Internal Sharia Supervisory Committee

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

According to the Internal Sharia Supervision Committee, the Company is required to identify any income deemed to be derived from transactions not acceptable under Islamic Sharia rules and principles, as interpreted by Internal Sharia Supervision Committee, and to set aside such amount in a separate account for Shareholders who may resolve to pay the same for local charitable causes and activities.

39 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.

CORPORATE GOVERNANCE

2023

SUKOON TAKAFUL

Corporate Governance Report for 2023

Corporate Governance System at The Arabian Scandinavian Insurance Company PLC - Takaful – ASCANA Insurance during 2023

Since the introduction of governance controls, The Arabian Scandinavian Insurance Company PLC - Takaful – ASCANA Insurance, has adopted this targeted and effective system, leading to the development of institutional work, upgrading disclosure and transparency requirements, establishing integrity in dealings, strengthening supervision and preserving shareholders' rights, improving performance, preserving the rights of the Insured, reducing potential risks and separating ownership and management, providing good management and skilled expertise.

The Board of Directors believes in strong corporate governance practices. ASCANA considers Corporate Governance very important to achieve sustainable long-term growth and prosperity for the company as the Board of Directors is committed to enhance the value of shareholders' rights while being aware of the interests of all the concerned parties, including but not limited to employees, clients, suppliers, business partners and the community where ASCANA carries on its business.

Based on this fact, the Board of Directors has continued to improve the corporate governance standards during 2023 in accordance with the "Chairman Resolution of Securities and Commodities Authority's no. (3) of 2020 Concerning approval of Public Joint Stock Companies Governance Guide" and the other relevant resolutions issued from time to time by the Securities and Commodities Authority "Authority". Furthermore during 2022 Central Bank UAE issued the Corporate Governance Regulations for Insurance Companies, to ensure that Companies' approaches to corporate governance are in line with leading international standards.

ASCANA is governed by a corporate governance framework that identifies the responsibilities and accountabilities for the Board of Directors, the Board Committees, the management team and the companies Compliance, Risk Management and Internal Audit Functions.

Statement of ownership and transactions of the Board of Directors

Purchase and Sale of the Company's shares and transactions involving our securities by directors and officers and employees are governed by the Insider Trading Policy. The following table outlines the transactions (sale/purchase) by any of the Board members or their first-degree relatives in relation to ASCANA securities during 2023. Sukoon Insurance acquired 93.043% of the shareholding of the company in May 2023.

Member Name	Position /Relation	Owned shares as on 31/12/2023	Total Sale	Total Purchase
H.H. Sheikh Butti Bin Maktoum Bin Jumaa Al Maktoum	Chairman (Resigned 18 May 2023)	None	28,644,000	None
Majid Mohd Amin Al Kazim	Vice Chairman (Resigned 18 May 2023)	None	39,019,711	None
Faisal Aqil Al Bastaki	Member (Resigned 18 May 2023)	75002	1,998	None
Mahmoud Hadi Hassan	Member (Resigned 18 May 2023)	1,456,143	None	None
Khalid Al Redha	Member (Resigned 18 May 2023)	2,434,326	None	None
H.E. Dr. Mohammad Salim Al Olama	Member (Resigned 18 May 2023)	8,140	None	None
H.E. Abdulla Abdulrahman Al Shaibani	Member (Resigned 18 May 2023)	None	None	None

Board Formation

A new Board of Directors was appointed on 18 May 2023, after the acquisition of 93.043% Shareholding of the company by Sukoon Insurance PJSC.

Name	Category (Executive, Non-Executive, and Independent	Experience	Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies	Their positions in any other important supervisory, governmental, or business entities
Saood Abdulaziz Abdulla Ahmad Al Ghurair	Non-Executive/ Non-Independent	Banking &Financial	Bsc Finance	7 months	1. Al Ghurair Investments Executive Committee and Board of Directors 2. Massar Investments - CEO	1. Masafi LLC - CEO 2.NEDInvestments CEO 3. Hattan Group – News businesses - CEO
Rashed Saif Al-Jarwan	Non-Executive/ Non-Independent	Gas/ Petroleum	Bachelor Degree in in Petroleum and Gas Engineering	7 months	1.Board Member Mashreq Bank 2.Vice Chairman Dana Gas 3.Board Member Sukoon	1.Chairman Al Ghurair Holding 2.Board member Emirates General Petroleum Corporation (EMARAT) 3.Board member Gulf Marine Services
Abdul Aziz Abdulla Al Ghurair	Non-Executive/ Non-Independent	Banking and financial	Bachelor Degree in Industrial Engineering	7 months	1.Chairman of Mashreq Bank PJSC 2.Board Member Sukoon	1.Chairman-Dubai Chamber Commerce & Industry 2. Chairman – UAE Banks Federation 3. Board Member Emirates Foundation 4.Governing Council Member – Global Muslim Philanthropy Fund for Children in partnership with UNICEF and Islamic Development Bank 5.Chairman- AbdulAziz Abdullah Al Ghurair Refugee Education Fund 6. Chairman-Masafi LLC

						7.Vice Chairman of Al Ghurair Investment 8.Chairman of Abdullah Al Ghurair Education Foundation 9. Emiratus Chairman and Board member of Family Business Council-Gulf 10. Vice-Chairman- Al Ghurair Holding Limited. 11. Vice Chairman- Al Ghurair Investment Co. LLC
Badr Al-Ghurair	Non-executive/ Independent	Properties	Bachelor Degree in Economics	7 months	CEO- Carstaxi Chairman Sukoon Insurance PJSC	None
Jean Louis Laurent Josi	Non-executive/ Independent	Financial Services	Bachelor Degree & Master in Administration and Management	7 months	CEO Sukoon Insurance PJSC	None
Hammad Khan	Non-executive/ Independent	Financial Services	Bachelor of Science	7 months	Head of Finance Sukoon Insurance PJSC	Chairman of Oman Insurance Management Services Ltd.
Freeda Diana Rego	Non-executive/ Independent	Financial Services	Bachelor of Science	7 Months	Head of Customer Operations Sukoon Insurance PJSC	None

Statement of the percentage of woman representation in the Board of Directors in 2023

Presently female representation in the Board of Directors is one female out of seven Board Members.

Statement of reasons why no women were nominated for the membership of the Board of Directors

Not Applicable

Board of Directors Remuneration

In 2023, ASCANA shareholders did not approve any remuneration to be paid to the members of the Board of Directors for 2022. It is proposed that there will be no remuneration for the Board of Directors for 2023. This will be presented to the Shareholders at the upcoming Annual General Assembly Meeting for approval. In 2023, no allowances, salaries or additional fees were paid to the Board members.

Number of Board meetings held during the fiscal year 2023 and the relevant details

Board Member	Board Meetings						
	Meeting 1	***Meeting 2***	***Meeting 3***	***Meeting 4***	***Meeting 5***	***Meeting 6***	***Meeting 7***
	24 January 2023	***27 February 2023***	***6 April 2023***	***15 May 2023***	***25 July 2023***	***25 October 2023***	***13 December 2023***
H.H. Sheikh Butti Bin Maktoum Bin Jumaa Al Maktoum	✓	✓	A	✓	N/A	N/A	N/A
Majid Mohd Amin Al Kazim	A	✓	✓	✓	N/A	N/A	N/A
Faisal Aqil Al Bastaki	✓	✓	✓	✓	N/A	N/A	N/A
Mahmoud Hadi Hassan	✓	✓	✓	✓	N/A	N/A	N/A
Khalid Al Redha	✓	✓	✓	✓	N/A	N/A	N/A
H.E. Dr. Mohammad Salim Al Olama	✓	✓	✓	✓	N/A	N/A	N/A
H.E. Abdulla Abdulrahman Al Shaibani	✓	A	✓	✓	N/A	N/A	N/A
Saood Abdulaziz Abdulla Ahmad Al Ghurair	N/A	N/A	N/A	N/A	✓	✓	✓
Rashed Saif Al-Jarwan	N/A	N/A	N/A	N/A	✓	✓	✓
Abdul Aziz Abdulla Al Ghurair	N/A	N/A	N/A	N/A	A	A	✓
Badr Al-Ghurair	N/A	N/A	N/A	N/A	✓	✓	✓
Jean Louis Laurent Josi	N/A	N/A	N/A	N/A	✓	✓	✓
Hammad Khan	N/A	N/A	N/A	N/A	✓	✓	✓
Freeda Diana Rego	N/A	N/A	N/A	N/A	✓	✓	✓

Present in person; A- Absent with valid reason; N/A- Not a Board Member at the date of the Meeting.

Number of the Board resolutions held during the 2023 fiscal year by circulation

- On 30th May 2023 a board resolution by circulation was done to appoint the Chairman, Vice Chairman and Board Secretary.
- On 19th June 2023 a board resolution by circulation was adopted to appoint the CEO
- On the 18th of December to appoint Saood Al Ghurair as Chairman and to retain Rashid Al Jawran board membership

Duties and functions of the Board of Directors carried out by the Executive Management pursuant to authorization from the Board to the Management, including the period and delegation of authority and powers.

The CEO performs his duties pursuant to the authority delegated to him by the Chairman by virtue of a notarized power of Attorney. The CEO shall be supported by the management team who are responsible for managing the day-to-day business of ASCANA, in line with the Annual Action Plan approved by the Board of Directors.

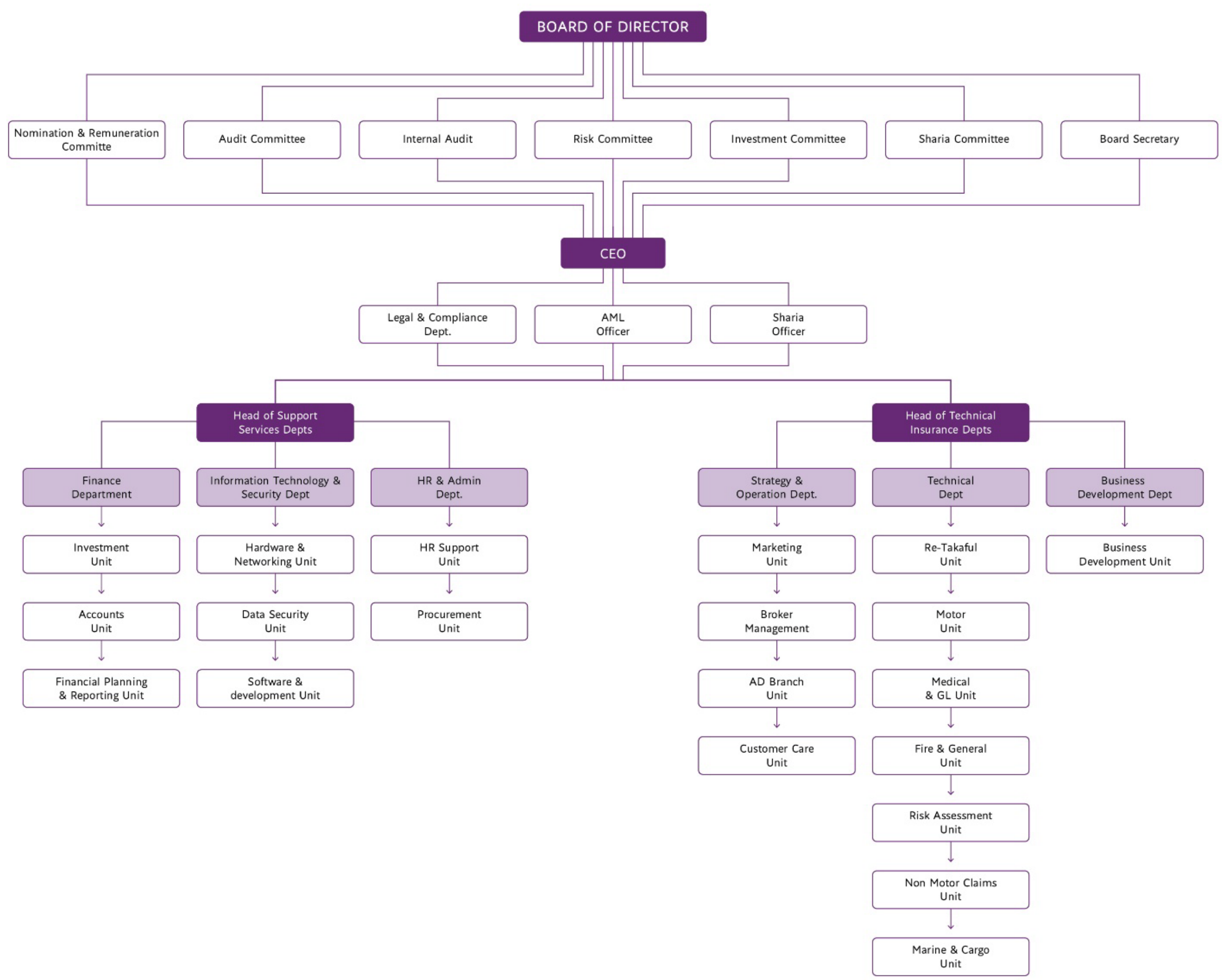
Name	Delegated authorities	Term of delegation
Khalid Ahmad Mohd Amin Al Kazim (Resigned July 2023)	All the management duties that form part of the daily conduct of the Company's Business and the implementation of its purposes including, but not limited to, representation of the Company before governmental, non-governmental entities and third parties, the conclusion of contracts on behalf of the Company and monitoring the annual budget.	Unlimited unless cancelled
Ahmed M.A. Abushanab (Appointed July 2023)	All the management duties that form part of the daily conduct of the Company's Business and the implementation of its purposes including, but not limited to, representation of the Company before governmental, non-governmental entities and third parties, the conclusion of contracts on behalf of the Company and monitoring the annual budget.	Unlimited unless cancelled

Statement of the details of transactions made with the related parties during 2023.

	AED'000
Transactions with related parties:	**Till 31/05/2023**
Contribution written through a related party broker	**3,363**
Gross written contribution	**1,107**
Policy acquisition cost paid	**507**
Management expenses (net)	**24**
Claims paid	**27**

	From 01/06/2023
Transactions with related parties:	**AED'000**
Retakaful share of ceded business	**2,502**
Commission on retakaful share of ceded business	**5**
Gross written contribution	**3,070**
Other transaction	**672**
Recovery claims	**642**

The complete organizational structure of the company



Detailed statement of the senior executives in the first and second levels according to the organization structure

Sr. No.	Position	Appointment Date	Total Salaries and Allowances paid for 2023	Total Bonus Paid for 2023
1	CEO	2018-Aug2023	657,177	0
2	CEO	2023	252,500	0
3	Finance Dept. Manager	2003	363,600	0
4	Operation Manager	2016	396,000	0
		Total_ AED	**1,664,600**	

Company's External Auditor

Overview of the Company Auditor

Grant Thornton (GT) undertakes the external audit of the company, which is one of the international companies accredited in the country and they have been auditing the companies since 2018, when they were selected by the shareholders in General Assembly held on 10/04/2018.

Grant Thornton is an audit firm and their independence from the company and its board of directors has been ascertained, and they perform audit work in accordance with applicable international standards. Their primary work is to ensure the correctness of the financial statements and monitor the company's accounts for the fiscal year.

Statement of fees and costs for the audit or services provided by the external auditor.

Number of years the auditor served as the company's external auditor	Grant Thornton
Number of years the auditor served as the company's external auditor	6 Years
Total Auditor fees of 2023 (AED)	AED 277,000
Fees and costs of other private services other than auditing the financial statements for 2023(AED), if any, and in case of absence of any other fees, this shall be expressly stated	No other services
Details and nature of the other services (if any), if there are no other services, this matter shall be stated expressly	No other services
Statement of the other that an external auditor other than the company accounts auditor provided during 2023(if any), in the absence of another external auditor, this matter is explicitly stated.	No other services

Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for 2023

No reservations or exceptions have been included by the external auditors within the Interim or the Annual Financial Statements of 2023

Audit Committee

The chairman of the Audit Committee acknowledges his responsibility for the committee system in the company, review of its work mechanism and ensuring its effectiveness.

Name of Audit Committee member and their duties and tasks assigned:

Name	Position
Mrs. Freeda Rego	Chairperson
Mr. Badr Al Ghurair	Member
Mr. Hammad Khan	Member

The Audit Committee is formed as a board committee. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, namely (a) reviewing the Internal Controls, Risk Management System, Regulatory Compliance, and integrity of the Financial Statements, (b) the External Auditors' qualifications & Independence; and (c) the performance of the ASCANA Internal Audit Department.

Key Responsibilities: reviewing and monitoring the integrity of the annual and interim financial statements, advising on the appointment of the external auditors, supervising their independency, reviewing the effectiveness of the external audit process, reviewing the effectiveness of internal audit and compliance functions, review the effectiveness of ASCANA's risk management framework, assessment & responses to key business risks and review the effectiveness of internal audit activities. The Audit Committee makes recommendations to the Board of Directors, who retains the ultimate responsibility for reviewing and approving such recommendations.

The Audit Committee is governed by the Audit Committee Charter. The Audit Committee Charter outlines the purpose, roles and responsibilities of the Audit Committee and is reviewed and updated as may be required.

Number of meetings held by the Audit Committee during 2023

Audit Committee	Meeting 1 23 Feb 2023	Meeting 2 15 May 2023	Meeting 3 24 Oct 2023
Faisal Aqil Al Bastaki	Yes	Yes	N/A
Mahmoud Hadi Hassan	Yes	Yes	N/A
Mohammad Salim Al Olama	A	Yes	N/A
Freeda Rego	N/A	N/A	Yes
Badr Al Ghurair	N/A	N/A	Yes
Hammad Khan	N/A	N/A	Yes

Nomination and Remuneration Committee

The Chairman of the Nomination and Remuneration Committee acknowledges his responsibility for the committee system in the company, reviews its work mechanism, and ensures its effectiveness.

Names of Nomination and remuneration Committee member and their duties and tasks assigned.

Name	Position
Mahmoud Mohamed Hadi (Resigned 18 May 2023)	Chairperson
Abdulla Abdulrahman Al Shaibani (Resigned 18 May 2023)	Committee Member
Mohammad Salim Al Olama(Resigned 18 May 2023)	Committee Member
Jean Louis Laurent Josi (Appointed 18 May 2023)	Chairperson
Badr Al Ghurair (Appointed 18 May 2023)	Committee Member
Freeda Rego (Appointed 18 May 2023)	Committee Member

The key tasks and responsibilities of the Nomination and Remuneration Committee are: Develop the policy that is required for applying to the Board and Executive administration's membership. Establish and follow up with the procedures that are to be followed when applying for membership to the Board, according to the applicable laws and regulations, Ensure the availability of the continuity of the membership conditions of the Board members, annually, Examine the Board's structure and make recommendations wherever required, Prepare and review the policy for granting rewards, benefits, incentives, and salaries to the Board members and the employees of the Company, annually. The committee must ensure that the rewards and benefits provided to the senior executive management are reasonable and proportionate to the performance of the Company, Identify the needs of the Company with regard to the competency level of senior executive management and employees, as well as the basis of their selection, Review the policy related to HR and training of employees and monitor its implementation along with reviewing it on an annual basis.

Number of meetings held by the Nomination and Remuneration Committee during 2023

Nomination and Remuneration Committee	Date of the meeting 23 Feb 2023
Mahmoud Mohamed Hadi	Yes
Abdulla Abdulrahman Al Shaibani	Yes
Mohammad Salim Al Olama	Absent

Committee concerned with following up and supervising transactions of the “Insiders” persons

Committee members are as follows

Name	Position
Faisal Aqil Al Bastaki	Chairperson
Mahmoud Hadi Hassan	Member
Sunil Kumar	Member

Mr. Faisal Aqil Al Bastaki , Mr. Mahmoud Hadi Hassan and Mr. Sunil Kumar members of the Insiders Committee within ASCANA, herby acknowledge their responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness**.**

The Insiders Committee oversees the implementation of an effective process to regularly maintain an updated register for Insiders and monitor their adherence to the Insiders’ trading policy and shall have the following duties. Prepare a special and comprehensive register for all Insiders, who are entitled or have access to the Company's internal information prior to publication; Manage, monitor and supervise the transactions of Insiders and their ownerships if any and keep a special register therefor; Notify the Authority and the Market of the updated list of Insiders upon their request and of any amendments thereto during the financial year; Comply with any other requirements as determined by the Authority

During 2023 the Committee conducted a meeting on 28 04 2023 and completed the following tasks:

Reviewed the transactions of related parties with the company and ensure that there are no conflicts of interest and recommend them to the Board of Directors before concluding them, if any.

1. Reviewed the statements of insiders having access to the company’s data and internal information
2. Reviewed the compliance officer’s conclusion on insiders’ transactions
3. Reviewed the risk management conclusions on insiders and uninformed persons
4. The committee continued to maintain the update the register of the insiders.

Committees approved by the Board

Investment Committee

The Chairman of the Committee thereby acknowledges his responsibility for the committee system in the company, review of its work mechanism, and ensuring its effectiveness.

The Investment Committee assists the Board of Directors in supervising, monitoring and evaluating the Company’s investments. The Investment Committee governs and oversees the investment plan and strategy of the Company in the best interest of the Shareholders.

Key Responsibilities: develop the investment strategy and policy for approval by the Board of Directors, set the foundations of investment including the allocation of assets, review and monitor investments, exercise oversight on strategic investment activities related to capital utilization including but not limited to regional expansion.

Names of the members of the Investment Committee

Name	Position
Faisal Aqil Al Bastaki (Resigned 18 May 2023)	Chairperson
Majid Al Kazim (Resigned 18 May 2023)	Member
Khalid Al Kazim (Resigned 18 May 2023)	Member
Hammad Khan (Appointed 18 May 2023)	Chairperson
Jean Louis Laurent Josi (Appointed 18 May 2023)	Member
Badr Al Ghurair (Appointed 18 May 2023)	Member

A statement of the number of meetings held by the Committee during 2023 and the dates of their convening, and a statement of the personal attendance of all members of the Committee.

The Investment Committee has not conducted meetings during the year 2023.

BOD Risk Committee

The chairman of the Risk Committee thereby acknowledges his responsibility for the committee system in the company, review of its work mechanism, and ensuring its effectiveness.

The Board Risk Committee effectively assists the Board of Directors by providing leadership, direction and supervision of the risk acceptance framework, taking the risk and the management of the risk acceptance.

Key Responsibilities: assist to set the tone and develop the risk management program, recommend the risk portfolio that the Company can bear, evaluate and review the effectiveness and design of the risk management framework, its impact on the Company's activities, provide independent and objective advice to develop the policies of the Board of Directors and monitor the activities of the Company.

Name of Risk Management committee transaction member and their duties and tasks assigned:

Name	Position
Mahmoud Hadi Hassan (Resigned 18 May 2023)	Chairperson
Faisal Aqil Al Bastaki (Resigned 18 May 2023)	Member
Khalid Al Redha (Resigned 18 May 2023)	Member
Saood Al Ghurair (Appointed 18 May 2023)	Chairperson
Badr Al Ghurair (Appointed 18 May 2023)	Member
Jean Louis Laurent Josi (Appointed 18 May 2023)	Member

A statement of the number of meetings held by the Committee during 2023 and the dates of their convening, and a statement of the personal attendance of all members of the Committee.

Risk Committee	Date of the meeting 23 Feb 2023
Mahmoud Mohamed Hadi	Yes
Faisal Aqil Al Bastaki	Yes
Khaled Al Redha	Absent

Internal Control System

The Board of Directors is responsible for the internal control system within ASCANA and has established a number of processes and procedures which are designed to ensure the effectiveness of the internal control system. The internal control assesses on an ongoing basis whether the controls are effective or not and whether they are operating as planned and monitors if the Management has taken action to address any deficiencies or weaknesses that are detected. In 2023, the Internal Control has not faced any significant issues in the Company.

Internal Auditor

AJMS Global Consulting are appointed as the internal auditors of the company. They were appointed in January 2021. They provide an outsourced arrangement for the company to provide Internal Audit Services. They produced an internal audit plan which was Risk Based On an ongoing basis, the Board along with Audit Committee and management reviews the internal controls and suggests changes to further enhance and improve the framework.
In 2023, the company didn't face any issues that require the intervention of the internal control Department, which in case of occurrence, the Internal Control Department will deal with them in accordance with the nature of the problem and report to the Board of the facts and solutions.

Details of the violations committed during 2023

ASCANA didn’t commit any violations during 2023 or during the previous years.

Contribution made by the company during 2023 in developing the local community

The company follows an environmental and social policy that stems from its interest in preserving the safety of the local environment by reducing the use of pollution-reducing tools, reducing the amount of waste, recycling, and reusing, as well as the optimal use of resources. The company has also implemented a special system to conserve energy and reduce energy consumption within the office premises.

In addition to the above, the company has several social, charitable, sports, and environmental contributions. In 2023, the company supported and sponsored several activities for governmental, social, educational, and environmental agencies, translating it into the concept of community service.

At the local and sports level, the company is considered one of the main sponsors of equestrian racing events in Dubai under a cash contribution as one of the sponsors and in the form of awarding prizes to the winners.

At the social level Takaful, the company has provided the Zakat legitimacy of charitable organizations.

General Information

A. Statement of the company share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2023

ASCANA		
Month	Open	Close
Jan-23	1.79	1.79
Feb-23	1.79	1.79
Mar-23	1.79	1.79
Apr-23	1.79	1.79
May-23	1.79	2.33
Jun-23	2.33	1.98
Jul-23	1.98	1.97
Aug-23	1.97	1.90
Sep-23	1.90	1.95
Oct-23	1.95	1.76
Nov-23	1.76	1.59
Dec-23	1.59	1.59

Statement of the company comparative performance with the general market index and sector index to which the company belongs during 2023

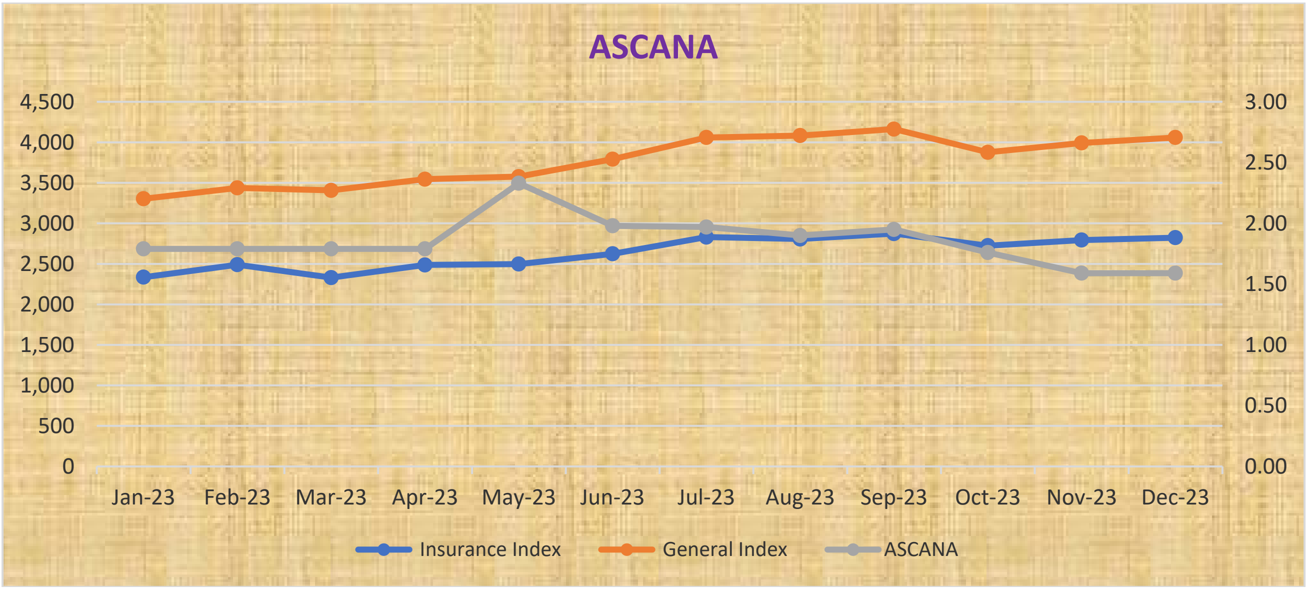
Month	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023
Insurance Index	2,336	2,490	2,331	2,487	2,498	2,624	2,830	2,806	2,874	2,725	2,794	2,824
General Index	3,303	3,438	3,407	3,545	3,577	3,792	4,059	4,083	4,164	3,877	3,992	4,060
ASCANA	1.79	1.79	1.79	1.79	2.33	1.98	1.97	1.90	1.95	1.76	1.59	1.59

Statement of the shareholder's ownership distribution as of 31/12/2023 individual, companies, government) classified as follows: Local, Gulf, and Foreign

Local	No of Shares	Shareholding Ratio %
Company	143,287,655	93.04%
Individual	10,712,345	6.96%
Grand Total	154,000,000	100.00%

Statement of the shareholders owning 5% or more of the company's capital as of 31/12/2023 according to the following schedule

Serial No.	Names of the shareholders	Number of shares Held	% of Shares Held of the Company`s capital
1	Sukoon Insurance	143,286,601	93.043%



Statement of how shareholders as distributed according to the volume of property as on 31/12/2022

Share(s) Owned	No of Shareholders	No. of Share	% Of the shares held of the capital
1-Less than 50,000	31	223,999	0.146%
2-50,000 - 500,000	4	733,000	0.786%
3-500,000-5,000,000	6	9,278,590	6.025%
4-Above 5Million	1	143,286,601	93.043%
Grand Total	42	154,000,000	100.00%

Statement of measures taken regarding the controls of investor relationship and an indication of the following

The Company has updated and modernized its investor relations sections on our website to upload any disclosed information and any other information related to the shareholders rights, such as corporate governance reports, Financials Shareholders Structure, Contact details of the investor relations office in accordance with the requirement and regulation of securities and commodities authority.

Investor relations contact details:

Mr Sunil Kumar: Investor relations.

Email: sunil.kumar@sukoontakaful.com
Contact Number: +971 (04) 282 4403

Statement of the important disclosures that were presented at the AGM held during 2023 and the measures taken in their regards

The following key items were disclosed and presented at the AGM in 2023

Acquisition of 93.043% of Share Capital of Ascana by Sukoon Insurance

Appointment of new Board Members

Name of Corporate Secretary in charge of the Board of Directors Meetings & Date of Appointment:

Miss Rabia Hannachi was the board secretary from 11th July 2017 to 18th May 2023. She held a BA in Economics and was a certified Board of Directors Secretary from Hawkamah since 2018

Miss Lamia Zaouri was appointed the board secretary on the 18th May 2023, she also was certified as a Board of Directors Secretary from Hawkamah in 2023,

Detailed statement of major and important disclosures that the company encountered during 2023

Acquisition of 93.043% of Share Capital of Ascana by Sukoon Insurance PJSC

Statement of Emiratization percentage in the company at the end of 2020, 2021, 2022& 2023

Year	Emiratization Ratio
2020	6%
2021	7%
2022	10%
2023	18%

Statement of innovative projects and initiatives carried out by the company or being developed during 2023

This year has been monumental in particular post-acquisition by Sukoon Insurance. We have initiated a comprehensive assessment of our operations, to identify inefficiencies and support in devising strategic measures to enhance operational efficiencies. Significant measures have been taken on the takaful portfolio and solvency bolstering steps which included the divestment of non-core assets. We also embarked on a rebranding of the company to Sukoon Takaful aligning ourselves with our parent company brand identity. We also received an A (Stable) Rating by S&P

Mr Saood Abdulaziz Abdulla Ahmad Al Ghurair	Mrs. Freeda Rego	Mr. Jean-Louis Laurent Josi	Mr. Biju Verma
Chairman of the Board of Directors	Chairman of Audit Committee	Chairman of Nomination & Remuneration Committee	Internal Audit
Signature:	Signature	Signature	Signature

SUSTAINABILITY REPORT

2023

TAKAFUL

REPORTING SCOPE

This is the fourth Sustainability Report for Arabian Scandinavian Insurance Company PLC – TAKAFUL - Ascana Insurance ("Sukoon Takaful"), which covers the period from January 1 to December 31, 2023, unless stated otherwise.

Arabian Scandinavian Insurance Company PLC – TAKAFUL - Ascana Insurance ("Sukoon Takaful"), is a public joint stock company, registered in the Emirate of Dubai. The Company's headquarters is on the 3rd floor of Al Kazim Group building, in Al Garhoud area, Deira, P.O. Box 1993 in Dubai.

The company is licensed by the Ministry of Economy under License No: 206742 and registered with the CBUAE under number 006.

Arabian Scandinavian Insurance Company PLC – TAKAFUL - Ascana Insurance ("Sukoon Takaful") has been listed on the Dubai Financial Market (DFM) since July 12, 2005.

The Company's principal activities are in the UAE where it operates through its Dubai headquarters along with one branch in Abu Dhabi, as of December 31, 2023.

The Company is a subsidiary Sukoon Insurance PJSC and holds 93.05% of its shares, as a result of an acquisition completed in May 2023.

All monetary values in this report are expressed in UAE dirhams, unless otherwise stated. Wherever feasible, the company has aligned with the reporting ESG disclosures set out in guidelines produced by the Dubai Financial Market (DFM). These guidelines emphasize 31 specific indicators under environmental, social and governance topics which are deemed essential for reporting by the Sustainable Stock Exchanges Initiative and the World Federation of Exchanges. As the company's experience and expertise in sustainability reporting grows, it aims to meet as many as possible relevant to insurance companies.

This report covers Arabian Scandinavian Insurance Company PLC – TAKAFUL - Ascana Insurance and does not cover the holding company or its various subsidiaries. It only reflects the company's UAE operation.

ABOUT US

Dating back to the year 1978, Arabian Scandinavian Insurance Company PLC – TAKAFUL - Ascana Insurance ("Sukoon Takaful") was incorporated under the Amiri Decree by a group of entrepreneurs. By the year 1992, the company became a fully national organization and a Public Listed Company (PLC).

Today, we are a subsidiary of SUKOON Insurance PJSC, and the regulatory authorities that Arabian Scandinavian Insurance Company PLC – TAKAFUL - Ascana Insurance ("Sukoon Takaful") reports to are the Insurance Supervision Department of the UAE Central Bank, Dubai Financial Market (DFM) and Securities and Commodities Authority (SCA). We are one of the prominent insurance companies listed in the Dubai Financial Market and stand as the world's first insurance company that completely transformed from conventional to Takaful operations.

We have the vision to be the leading and trusted Takaful partner by providing the best sharia solutions while promoting innovative and sustainable Takaful solutions to secure our stakeholders' interests while contributing to the UAE's National growth. In pursuit of this Vision Statement, the Company has recently received an exemplary credit rating of 'A' from one of the leading rating agencies, Standard & Poor's.

Our aim is to provide protection for individuals, families, and organizations through our suite of Takaful insurance solutions that include coverage for property, liability, engineering, general accident, motor, medical, marine, and group life insurance. Overall supervision is provided by a seven member Board, including the Chief Executive. Shariah compliance is overseen by a three member Shariah Board. Further, we have a team of highly dedicated and efficient industry professionals with excellent underwriting & risk management capabilities serving across the UAE. We are headquartered in Dubai to serve Dubai & Northern Emirates and have our presence in the national's capital city to cater to the Abu Dhabi & Al Ain regions.

Our ESG Mission

- A clear course for sustained profitable growth and value creation for our stakeholders.
- Operating within our Risk Appetite
- Our entrepreneurial responsibility, with a commitment to transparency, sustainability, and an obligation to society as a whole.
- To operate our national company to international standards

Our Values

Engagement

Thorough understanding and responding to our stakeholder's needs.

Excellence

Through expertise, efficiency and sound decision-making in all we do.

Sustainability

Through balance in economic, societal and environmental development.

Integrity

Through uncompromising commitment to transparency and ethical principles

ABOUT THE REPORT

Arabian Scandinavian Insurance Company PLC – TAKAFUL - Ascana Insurance ("Sukoon Takaful") protects people and enterprises from unforeseen events by providing reliable risk management solutions and quality assistance. This year, we have stepped towards formally establishing its emphasis on conducting business in a manner that is not only beneficial for shareholders but also creates a positive impact on people and the planet. As a part of this increased emphasis, we are proud to present our fourth sustainability report, establishing its commitment to environmental, social, and governance (ESG) based on best industry practices and what we have achieved for the year 2023. This report has been prepared in accordance with GRI Standards: Core option. The GRI Standards is the most widely used framework for ESG reporting. Further, we highlight our alignments with the UAE Vision 2025, in this report.

This Annual report published presents our environmental, social & governance performance, and focuses on our commitment, results, and future goals, enabling us to communicate our sustainable performance to our stakeholders.

Defining The Content

Our 2023 report provides information on our sustainability performance in a reasonable and balanced manner and is addressed to all our stakeholders. We are committed to report our sustainability performance annually, and this report follows the report published in 2022.

External Assurance

We believe that transparency is the result of providing comprehensive, credible, and comparable information. Therefore, we have again submitted the 2023 Sustainability Report for external assurance to an independent assurance provider in accordance with the International Assurance Standards.

THE CEO'S MESSAGE

Putting our management philosophy into action and aiming to become a valuable company for the society.

With the idea that "a company is a public entity of the society" as the basis of our management, we have grown as a company, together with our stakeholders. While conducting business activities, we made contributions to the development of society and solutions to societal issues, utilizing the various management resources entrusted to us by society. This concept has not changed even today, as time passes by, and society continues to develop and so we do. It is evident that various societal issues become more serious on a global scale and the international community aims to build a society with sustainable solutions, thus our mission becomes even more imperative in working towards reaching the SDGs (Sustainable Development Goals).

I believe that evenly addressing various societal issues, including global environmental concerns, and taking up the challenge of making a greater contribution to the development of society; the resolution for pressing issues will also lead to further improvement in competitive advantage in the business. Further, the management decisions to increase corporate sustainability through contributions while achieving a sustainable society can also be described as 'ESG management' from the perspective of the Company and is precisely aligned with the management's philosophy.

This approach enables us to help reach an "sustainable society" for future generations and will pave the way to become a valued company needed by society, therefore it is critical to enhancing corporate values from the perspective of stakeholders as well as enterprise value from financial aspects.

As we align ourselves with the vision of the UAE, where ESG & economic goals go hand in hand; we present our contribution towards achieving sustainability goals by adopting best practices, in this report.

Ahmed M.A. Abushanab
CEO
Sukoon Takaful

SUSTAINABLE DEVELOPMENT GOALS

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Resilient Sourcing	★ Medium			★ Low									★ Medium	★ Medium			★ High
Safe & Sustainable Sites								★ High			★ Medium						
Climate Change & Energy				★ Low							★ Medium				★ High		
Professional Excellence	★ High					★ Low					★ Low				★ High		
Sustainable Profit Portfolio			★ Low			★ Medium			★ High						★ Low		
Business Driven Innovation						★ High					★ High			★ Medium		★ Medium	
Valuing Customer Relations			★ Low														
Total SGD Contribution	★ Low	★ High		★ Low	★ Medium	★ High	★ Low	★ Low	★ Medium	★ Medium		★ High		★ High			★ Medium

Sustainability Highlights

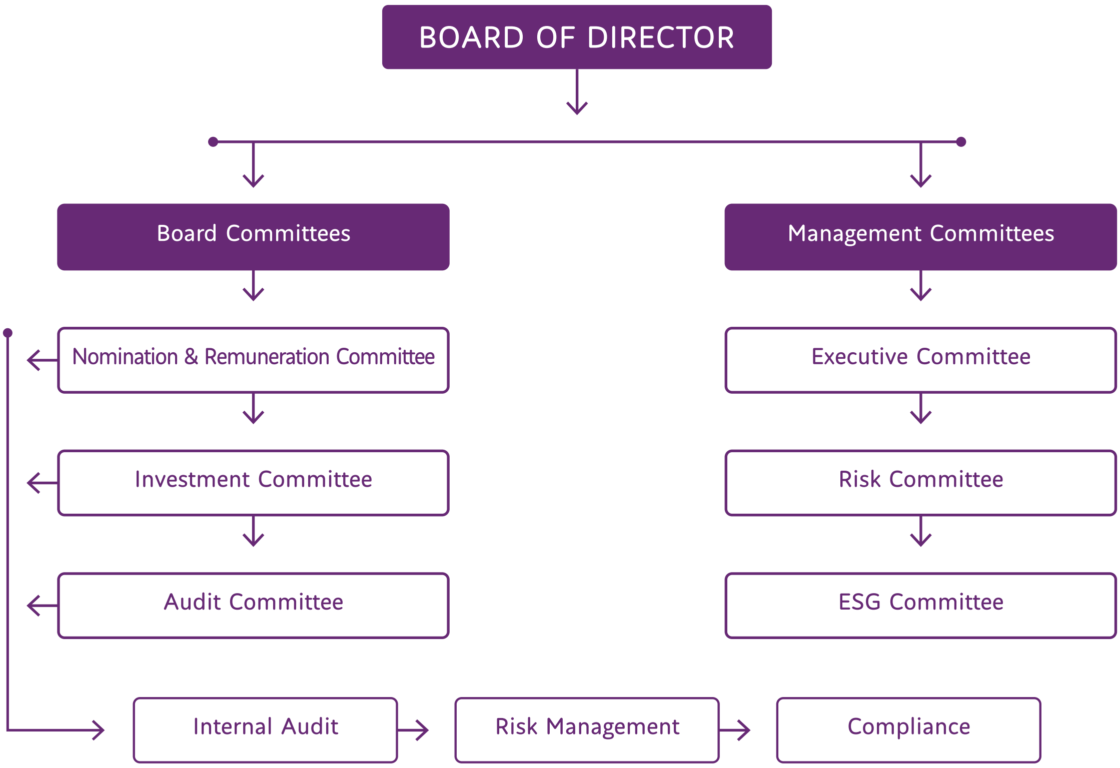
We strive to become a sustainable company by maximizing the positive impact we have on all our stakeholder groups while minimizing our negative impact throughout the value chain. We would like to be identified by our passion, integrity, entrepreneurialism, and innovative spirit, as we progress towards reaching our vision.

In 2023, the Company invested time & efforts to help identify Environmental, Social, and Governance (ESG) best practices across all the functions & activities that are the most impactful to the business activities and • **Low Density** • **Medium Density** • High Density as a Takaful insurance organization. The 2023 sustainability report reflects the first step in our journey to provide a transparent report on the ESG metrics, and practices that define our long-term growth and success. Further, it ensures that we will continue to engage our stakeholders in our ESG conversation.

Business overview

We are a Takaful insurance company that operates UAE wide and provides multi-line insurance products and services, catering to both individuals and Corporates. There are many products and services provided to individuals such as motor, individual & family medical, home, travel, personal accident and marine insurance. With corporate solutions, we offer protection to multiple sectors, including; aviation, engineering and construction, energy, financial lines, group medical, group family takaful, corporate liability, marine cargo, marine hull, motor fleet, property, and corporate travel. We have achieved considerable improvements during the last 3 underwriting years despite the challenges that affected the business activities globally.

Governing structure



The Board of Directors

The Board members have been appointed by the holding company, SUKOON Insurance PJSC and some of them are common members in both the entities. The Board has the authority to approve, review and set new objectives for the company's Sustainability strategy & goals.

Board Committees

The Company Board of Directors and Executive Committees have an active role in the implementation and supervision of the governance framework. The management has formed committees such as Audit, Investment, and Nomination & Remuneration. These committees shall convene at least once in every quarter and a minimum 4 during any financial year. The Committees are governed by defined Terms of References for smooth functioning and effectiveness.

Business Principles, Ethics & Compliance

We strive to continuously uphold the highest standards of ethical conduct and integrity, to ensure the safety and long-term success of the UAE as a country. To achieve this, we established and implemented a robust set of standards, principles, and behavior models, with the goal of creating and sustaining a corporate environment in which the affairs of Sukoon Takaful are conducted in a fair and transparent manner, free from any acts of fraud or misconduct. We require all employees, business partners, contractors, and representatives to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable laws, rules, regulations, Company standards, policies, and procedures.

Whistleblowing

We are committed to creating and sustaining a corporate environment by adopting the highest standards of professionalism, honesty, and integrity, to ensure that our business is conducted in a fair and transparent manner and that it is free from any acts of fraud or misconduct. The Anti-Fraud and Misconduct Procedure (AFMP) provides a framework to promote responsible and secure whistleblowing. It serves to receive and address any concern or complaint regarding fraud and/ or misconduct. It comprises of four global reporting channels for reporting suspected incidents of fraud, fraudulent activity, and misconduct. Whistle-blowers can choose to stay anonymous through reporting via the following channels:

a. Toll free hotline available in multiple languages 24/7
b. Email address for reporting concerns
c. Web Portal – Internal and External;
d. Provision to submit verbal/ written complaints using reporting forms.

The AFMP highlights the significance associated with protection of whistle-blowers. It condemns and addresses any acts of retaliation against whistle-blowers for reporting complaints in good faith. In 2023, 12 awareness sessions and 12 on-boarding sessions were conducted across the company to create AFMP awareness and to maintain honesty and ethical behavior in the company's culture and environment. Incidents reported in 2023 through any of the above reporting channels are being investigated, reported, and closed in accordance with AFMP Procedure.

Compliance

Across the Company, we adopt a zero-tolerance approach to all forms of fraud and misconduct. We strictly follow the legal and regulatory guidelines. Further, we respect and comply with all obligations including agreements, commitments, standards, and code of conduct. There are various, policies, programs, processes, procedures, and controls existing across all the functional areas of the Company to combat various forms of fraud including but not limited to bribery and corruption.

Within the Company, there is a control mechanism and a dedicated department to create, establish and implement required policies, programs, processes, and procedures for an effective legal and regulatory framework and compliance. The Audit function was established and continued to contribute effectively to detect fraud and respond to any cases of fraud and misconduct, that might get reported. The implemented appropriate policies, programs, and procedures ensure robust compliance, upholding the highest levels of business ethics and adherence. In 2023, we have not received any monetary or non-monetary fines for sanctions or non-compliance from any of the regulatory bodies.

Rating And Certifications

Rating

In 2023, we have achieved S&P Rating "A" outlook stable, one of the most critical certifications that support accomplishing our goals and continue to improve our business operation.

Certificates

Also, in 2023, we have obtained the certification for successfully completing the ADHICS audit the and found to be compliant with the Abu Dhabi Healthcare Information Cyber Security Standards (ADHICS), which is confirming our commitment towards the governance.

DIGITAL TRANSFORMATION

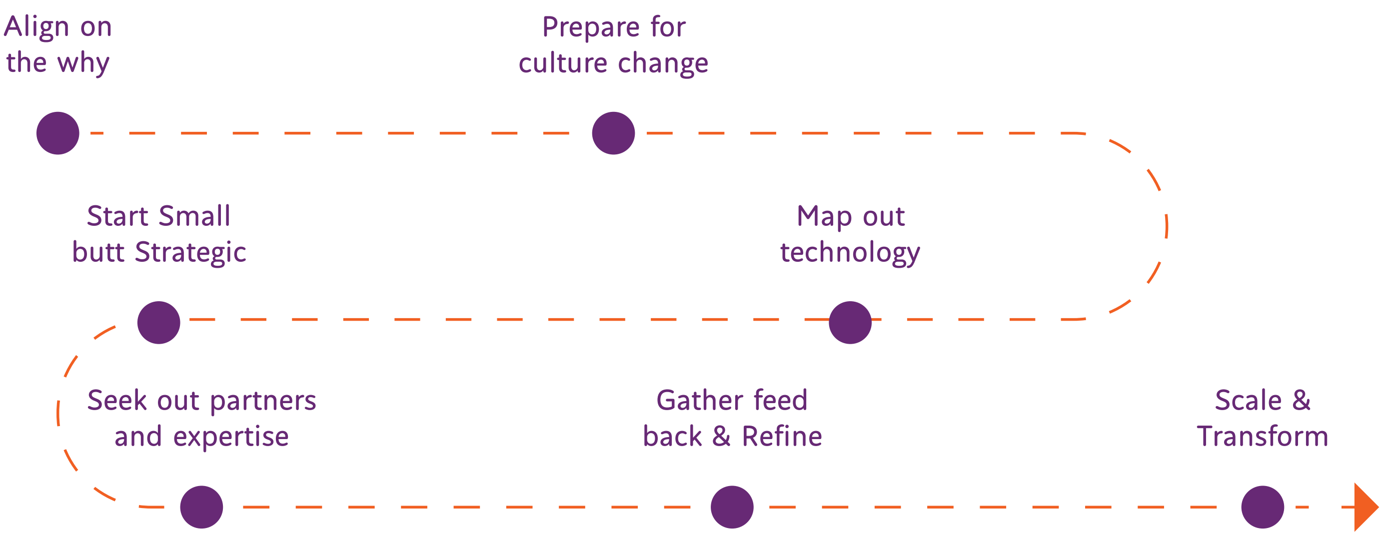
Change is happening faster than ever. The pandemic accelerated the digital transformation strategies around the world and now customers expect innovation to continue at the same pace. In 2023, the Company has set strategies to continue the activities on the digital transformation to shift the focus to maintaining efficient, scalable, sustainable, and secure operations as they innovate.

Understanding the biggest digital trends happening now and in the future is key for us, as it adjust the operating models and technology investments to reduce fraud, waste & impact on the environment, while driving the growth. We've studied & analyzed the latest market information and data to identify the trends shaping the digital transformation strategies of leading businesses.

Here are some of the top trends that we identified and applied on our operation model.

- Investment in automation to optimize the usage of resources and increase the efficiency
- Increase Cybersecurity defenses and integrated to protect from increasing threat complexity
- Invest in total experience strategies to drive greater customer retention and employee loyalty

Our digital transformation strategy



Data Privacy & Security

Safeguarding data through strict information security policy

Our customers, employees, and other stakeholders expect their personal information to be protected with utmost care; and we take this responsibility very seriously. Ensuring data security and respecting the privacy regulations are amongst the top of our priorities. Requirements for data protection laws in different jurisdictions have become much more stringent in recent years. Our privacy framework sets out five privacy principles that all employees must respect, at all times.

- Reasonable care
- Purpose limitation
- Reasonable restriction
- Transparency
- Openness about where personal information is stored, used, choice, consent, and privacy by design.

As the data privacy program transitions from implementation to business operations, we have been monitoring, auditing the activities, following the processes of the privacy governance in all entities.

Target

We consider identifying and managing data protection risks at the processing level to ensure that they are measured, monitored, and risk mitigated in our critical operations. The results of this analysis forms the basis for managing and minimizing risks. They enable us to adopt a risk-based approach to further develop our privacy-related risk management. The acceleration of digitization driven by the pandemic brought new challenges for data protection.

Our approach includes improving transparency regarding the use of personal data and a better understanding of the risks related to the processing of personal data. Further, we will continuously aim to improve to ensure compliance and review updates on our privacy framework, applicable rules, and privacy guidance to respect to the needs of regulatory changes and court decisions.

Progress in 2023

Our data protection management system enables the systematic planning, implementation, and continuous monitoring of measures to comply with data protection regulations. It is based on the applicable data protection laws & regulations. We have conducted computer-based data privacy training for all employees processing personal data, using external training experts. The incidents relating to data protection that occur in the processes are subject to the provisions of the local & federal authority laws and regulations are handled by the Information security team within the IT department, and investigations are supported by the incident reports generated through the system.

As a result, we have commenced the development of Online privacy policy, Terms & conditions and aim to publish before the end of first quarter of 2024. On the other hand, we taken a number of steps to raise the awareness within the employees in relation to the data privacy and related issues.

SUKOON TAKAFUL DATA PROTECTION STRATEGY

BUILDING AND SUSTAINING RELATIONSHIPS

Value to Society
Our business activity is designed to create value for and through our main stakeholders, which include investors, customers, governments and industries.

Global Drivers
We closely monitor and respond to market and society needs and prefer to address those needs prior to them surfacing at a large scale if possible.

Integrated Leadership
Many members of our leadership team have participated in our business operations and understand how sustainability may be best combined with day-to-day business operations.

Business Model
We believe that can ultimately drive better and consistent business growth even though we're financially investing more resources into such initiatives.

Leading Service
We set examples to encourage and enable our customers to make better choices and lead a more productive and sustainable life.

Impact Valuation
We analyse our performance using different techniques, so not only driven by positive financial growth but also a positive impact on the community.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement and collaboration is crucial to understand our impacts and drive progress across our sustainability challenges and opportunities. Understanding stakeholder needs enables us to design products and services that scale our positive contribution to tackling social, environmental, and economic issues We use our materiality analysis, customer surveys and direct engagement with a diverse range of stakeholders to shape our strategy, activities and reporting. Besides engagement with sustainability bodies and initiatives, we focus on seven key stakeholder groups which are most impacted by our business.

Stakeholder Group	How Ascana Engages With This Stakeholder Group	Priority Sustainability Concerns	ASCANA'S Actions
Employees	• Performance reviews Regular dialogue and interaction with employees • Training and educational programmes	• Job satisfaction • Fair compensation • Fair and transparent appraisal system • Staff engagement • Providing a stimulating work environment • Safe and friendly working environment	• Automated HR function Employee engagement events • Learning and career development opportunities Non-discriminatory compensation
Customers	• Call Centres • Company website • Wide network of partners Media and social media channels • Annual report and sustainability report Other publications, including investor presentations	• Information security • Effective and friendly customer service • Innovative and convenient products and services • Enhanced use of technology and improved access to insurance services	• Assurance of customers' data safety through • Cybersecurity and data backup procedures • Dedicated customer service • Customer complaint and communication channels • Digitalising services and innovating based on market research Records of handling customer complaints
Government (Including Regulatory Bodies)	• Investment in the national economy • Supporting initiatives of national importance	Contribution to the national economy Alignment to UAE Vision 2021 Regulatory compliance and transparency	• Annual Report • Corporate Governance Report • Alignment with DFM ESG reporting requirements CSR initiative

Stakeholder Group	How Ascana Engages With This Stakeholder Group	Priority Sustainability Concerns	ASCANA'S Actions
Partners and Vendors	• Company website • Internal communications	Business growth	Internal relationship management
Shareholders/Investors	Investor relations team Shareholder meetings	Creating value-adding products and services for shareholders and investors Steady net income and asset growth	• Annual General Meeting of shareholders • Annual Report • Corporate Governance Report • Investor Relations page on company website
Local Community/Nonprofit And Other Charitable Organisation	Corporate social responsibility activities	Responsibility towards all-round development of society Working closely with social and voluntary associations and non government establishments	CSR programs e.g contributions to health and wellness and cultural development Sustainability reporting
Local, Regional & International Media	Media, social media, and other publications Blogs and publications	Clear and effective communication Transparency	• Media center on the website with press releases • Annual report, Corporate Governance report, and sustainability report

BUSINESS MATERIALITY ASSESSMENT

To make a positive impact on society, we need to understand and respond to the changing context in which we operate. Our materiality assessment enables us to stay on top of trends and align our approach, reporting and strategy with the sustainability issues that are most important to our stakeholders and our business.

Our materiality assessment helps to ensure that we focus on the risks, opportunities and issues that matter the most to our key stakeholders, and which we could influence. Our most recent assessment was carried out in 2023 in line with the 2021 GRI Standard updated requirements. Our assessment approach used a variety of data sources, and we improved our methodology in 2023 by increasing the number of data sources and the number of data points within these sources.

Identification

We identified a list of sustainability topics tailored to our business through a desk-based review of sourcing including our own prior material topics, peers' materiality matrices, a media review and expert opinion from a specialist consultancy.

Prioritization

We engaged with stakeholders including employees and customers through interviews, surveys and workshops to prioritize the list of material topics.

Validation

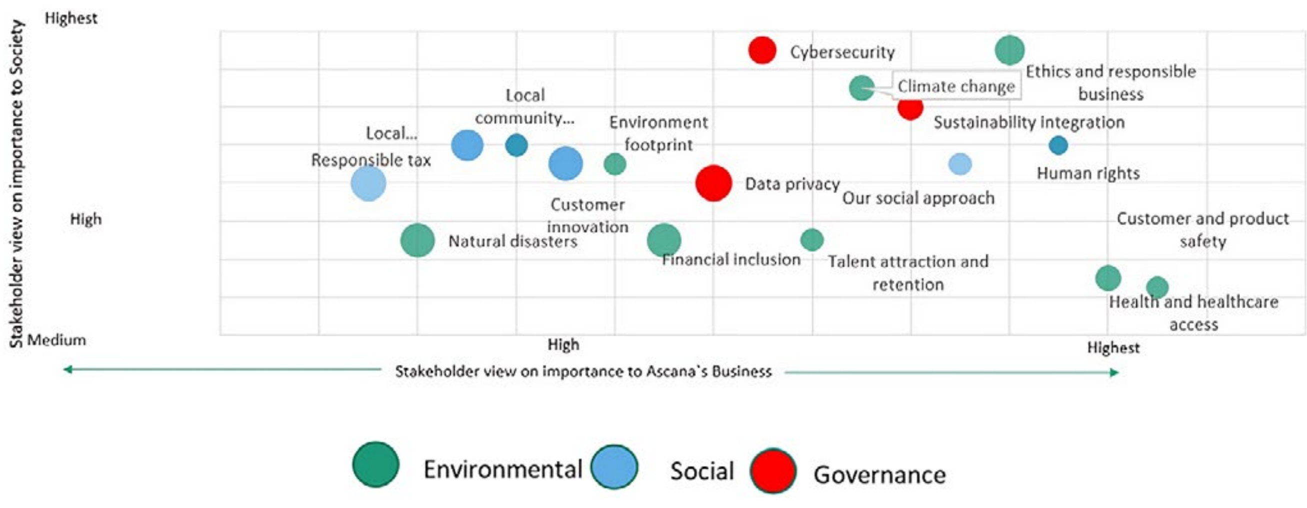
We aggregated and analyzed data, integrating the results into a materiality map, and presented results to the internal expert team of representatives. This group also provided the final judgment of outcomes.

Our assessment identified 19 material issues which were prioritized as either having high or medium importance. Topics are ranked and presented in a materiality matrix along two axes according to stakeholder views on their importance to society and to our business. All topics in the materiality matrix relate to sustainability and several are linked to our sustainability strategy pillars, including:

E: Our climate approach – Climate change, environmental footprint in our operations.
S: Our social approach – Financial inclusion, local community engagement, & human rights.
G: Our sustainability integration approach – Ethics and responsible business, data and AI ethics, data privacy, cybersecurity, and sustainability integration into products.

The top three most material issues for all our key stakeholders and our business are:

1. Climate change
2. Ethics and responsible business
3. Cybersecurity



CUSTOMER STEWARDSHIP

At Sukoon Takaful, we promise our customers ‘a secured tomorrow’. We deliver on this promise by earning their trust through the quality of our products, the level of our services and the expertise of our employees. With ‘Customer Centricity’ we strive to go above and beyond for our customers and aim to outperform the competition.

Our customer experience strategy

As Sukoon Takaful continues to reorganize and evolve, we understand enhancing our customer service is critical to the Company’s success. While we made considerable progress throughout 2023; there are areas, further, to be improved. Providing effective and efficient customer service assumed greater importance given that we operate in a price sensitive market. Service is and will always be a key differentiator. Our long-term growth plans further require us to have a stable servicing platform. To meet the challenges and the service expectations while retaining the customers, we require restructured & enhanced customer service platform. It would also fulfill the clients’ various needs while simultaneously improving our communication and internal efficiencies, which an integral part of the strategy.

The below strategies outline the areas which Customer Care Unit will peruse in 2024 & 2025:

- Reduce 80% manual work in the Customer Care Unit, by digitalization, developing new enhanced systems for the department, and real time reporting.
- Creating omni-channel customer engagement strategy for all our customer interactions/activities.
- Meeting customer expectations, by personalizing the customer journey with us, and building deeper relationships with our new & existing customers.
- Develop “Voice of the Customer - (VoC)” program by creating omni channel feedback tool across all customer communication channels.

Subsequently this will result in encouraging the Sukoon Takaful producers attached to different distribution channels to develop excellent relationship with their clients and grow the customer base, which will eventually assist in achieving the high client retention.

Customer satisfaction and loyalty lead to profitable growth and are key elements in our strategy. Our ambition is to create meaningful solutions and experiences that draw-in & retain customers. We designed our customer experience framework to give customers a direct voice and enable us to use their feedback in shaping better local and global experiences.

2023 Complaints	Number of Complaints per quarter
Q1	28
Q2	32
Q3	82
Q4	57
Total	**199**

2023 Inquiries	Number of Inquiries per quarter
Q1	381
Q2	363
Q3	742
Q4	389
Total	**1875**

TRANSFORMING OUR BUSINESS FOR CUSTOMERS

Transforming Our Business For Customers

We've listened to our customers, and we know that they want us to sell simple products, use easy to-understand insurance language and provide faster claims handling. They also want to be able to access their insurance details whenever they want using different modes of available interaction modes. We have adapted our business in response by simplifying and digitalizing our products, processes, and platforms. As a result, our customers have a better understanding of what they are buying and greater access to advice and support, while more efficient processes are improving our customer service.

Aim for care & concern

- Reach out for support, not only marketing
- Prioritize employees & community
- Showcase company purpose & values

Reach out to customers

- Transform digital models for customer engagement from distance
- Increase home delivery options
- Promote contactless operations

Agile capabilities considering fluid times

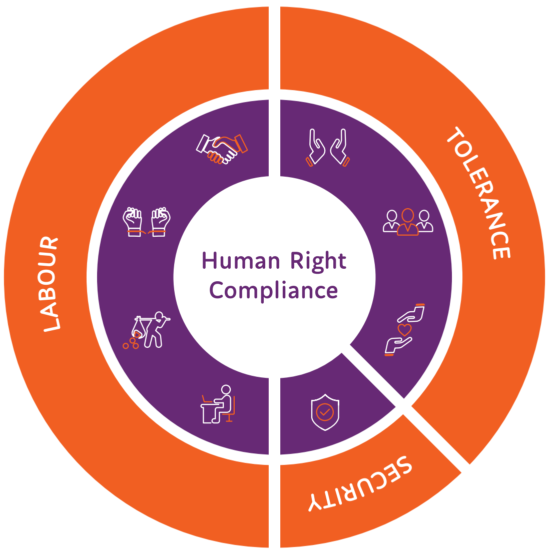
- Unlock social media's potential for quick customer insights
- Attend to 'failure modes', which indicate missed customer signals

OUR COMMITMENT TO HUMAN RIGHTS

Our Commitment To Human Rights

Integrating human rights into our core business as a corporate insurer and investor, our human rights due diligence process forms part of our overall sustainability approach which is integrated into our broader risk management system. We use a combination of sector and country-specific approaches to identify human rights risks. Human rights-related due diligence has been integrated into all 13 sensitive business areas where relevant, to ensure that human rights are part of the overall risk assessment for insurance and investments in listed asset classes.

We maintain a mandatory referral list for sensitive countries where systematic human rights violations occur. For business transactions located in these countries, we carry out explicit due diligence in accordance with our Human Rights Guideline that covers various human rights violations. In terms of our investments, if we identify an issuer in our listed investment portfolio that is flagged for human rights issues by our external sustainability data provider, we take necessary steps to de-list & stop engagement.



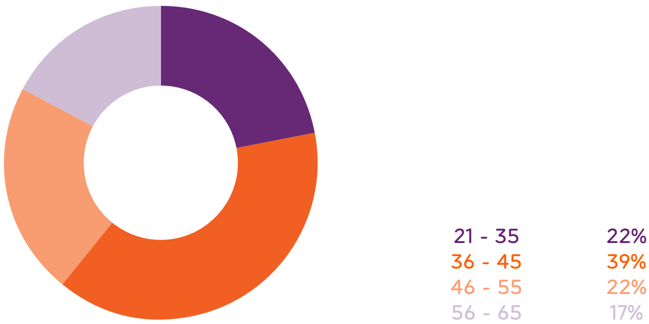
Respect for human rights is a minimum standard for responsible business within and beyond our direct operations. This is an expectation that is reflected by expanding legislation and applied across our company.

OUR EMPLOYEES OUR STRENGTH

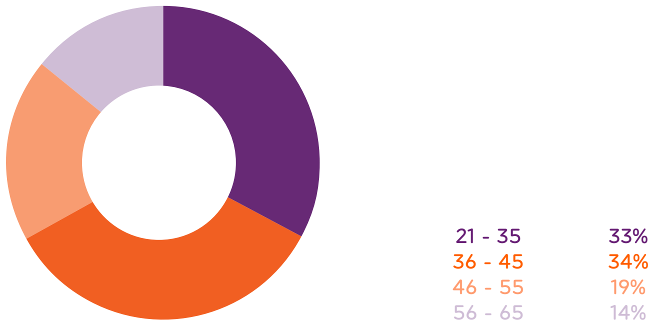
Diversity & Inclusion

We believe that diversity in our workforce enables us to provide the best experience to our customers. Diversity of ideas and backgrounds helps us to be more innovative and creative, which will drive growth and success over the long term. We measure the diversity of our workforce across a number of dimensions, including gender, age, and nationality background. It is important to measure diversity in management and executive positions to help foster that creativity and provide a welcoming environment for all people. In 2023, we implemented programs to recruit more culturally diverse candidates. This resulted in increased diversity at the executive, management, and overall company levels.

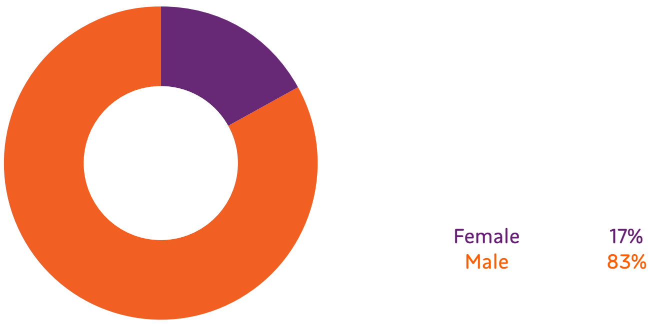
Management demographics by Age



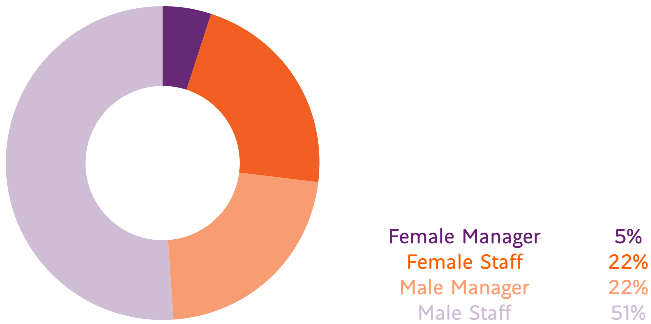
Employees demographics by Age



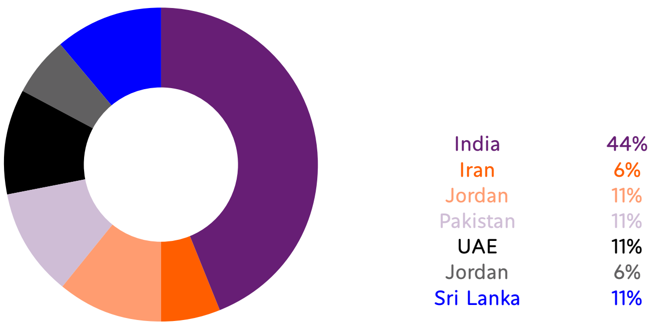
Management demographics by Gender



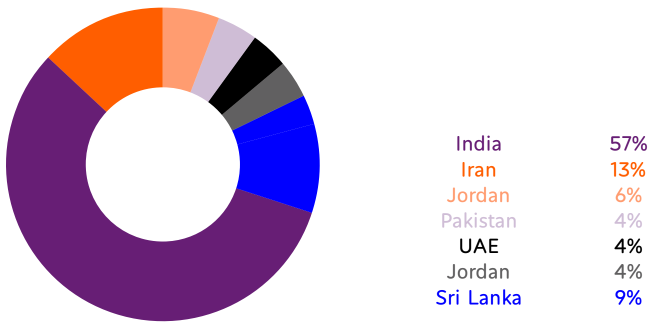
Employee demographics by Gender



Management demographics by Nationality



Employee demographics by Nationality



Training and Development

Employee professional development is critical to the success of any organization. Employees can readily access training & development materials through "Sukoon learning" platform to support their career objectives and grow their skills and capacities through various training programs in the areas of product propositions, management and administrative skills, competencies development, Information Technology, behavioral and supervisory skills, technical knowledge, leadership development programs as well as Health, Safety and Environment. It has both self-learning modules which employees can complete at their own pace and the training program conducted at the training center where employees and the trainers meet for a more interactive form of learning.

Employee Happiness

We place our employee happiness within its key priorities. It learned from His Highness Sheikh Mohammed bin Rashid Al Maktoum, that employee happiness is essential to achieve community happiness. We have put in efforts to promote employee happiness and thus, raise the level of loyalty, belonging, and establish positivity as a fundamental value in the community. This supports the Emirate's leadership's vision to make Dubai the happiest city in the world.

We at Sukoon Takaful is committed to a secure, safe and healthy workplace and environment. All aspects of business are managed in a safe and environmentally responsible manner in accordance with the guidelines set forth in the respective policies. These actions are beneficial for all our stakeholders, both now and for the future, while improving the quality of the environment.

All employees shall be committed to, and accountable for, implementing, maintaining, measuring, and improving the environmental, health and safety programs of the company. Health hazards in the workplace are pervasive and serious. It is the company's responsibility under UAE Federal Law to provide a hazard-free, safe and healthy working environment.

Employee Health and Safety

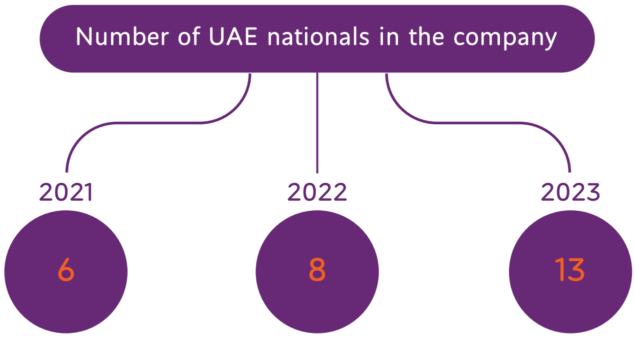
Fire is one of the most deadly, fearsome, and damaging disasters that can occur, but it can be prevented by raising awareness and practice of safety measures. Thus, we trained a group of employees on how to respond and act in such a situation. Also, conducted drills with them to guide their colleagues to safely evacuate the office premises in a fire incident that may happen.

On the other hand, while emphasis is placed on the prevention of accidents and injuries at the workplace, yet there would be unavoidable situations. A prompt reaction and immediate treatment of injured employees could be prevented from developing minor injuries into major ones. First aid kits are placed and maintained in different locations of the workplace and are accessible to everyone.

OUR EMIRATIZATION POLICY

One of our major business objectives in line with the UAE Emiratization policy is to recruit, develop and retain qualified UAE Nationals. To fulfill this objective, Emiratization has been taken as one of the company's main initiatives, special UAE National development policy is developed to ensure every UAE national working at Sukoon Takaful is given progressive career development opportunities while his/her personal status is improved. Sukoon Takaful encourages UAE nationals and creates the right opportunities to attract them. We are committed to hiring UAE Nationals and to offering them the training and support that they need. National Candidates are recruited based on their suitability to meet our requirements and specifications as described in their job description. The goal is to recruit and develop UAE Nationals over the years to incorporate them into management positions. The overall objective is to raise the UAE National recruitment to maximize within the management, supervisory, and staff category.
Therefore, we have attended 2 recruitment programs during 2023, organized by the national universities and high schools to showcase our employment proposition to newly graduating UAE nationals.

Our UAE National employees contribution to the growth of the company over the past 3 years.

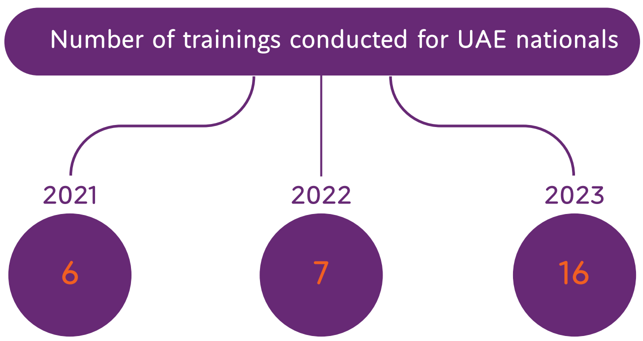


Benefits for UAE Nationals

Sukoon Takaful offers an excellent career opportunity to qualified UAE nationals who would be willing to take the challenge of learning and working at Sukoon Takaful. Our employee benefits package includes outstanding salary, UAE national allowance, and other attractive benefits such as the pension scheme to its UAE national workforce. It is the mandate of Sukoon Takaful to pay special attention to its UAE national employees and is one of the company's main initiatives to have an individual succession plan, and personal career assessment for the Emirati nationals.

UAE National Training

We have a special emphasis on training its employees as an investment and no effort is spared to ensure all UAE national employees receive individual and group training to enhance their careers and add value to their performance. Sukoon Takaful provides a wide range of learning opportunities for its employees. It includes a range of technical, management, and competency development programs as well as on-the-job training courses with a focus on retaining UAE National employees. The Human Resources department develops and implements the Company's training plan that reflects the strategies to assure continuous training & development.



WOMEN EMPOWERMENT

Leveraging diversity and increasing female representation in management

Our target for 2023 was to increase the proportion of women in senior management roles to 25 percent, within our comprehensive diversity and inclusion framework and happy state that we have achieved this goal and women representation in our Executive committee has crossed the 25 percent mark.

For 2024 and beyond, our aim to increase the proportion of women in our middle management roles is part of our broader Global Diversity and Inclusion Strategy 2030, which has the ambition to make Sukoon Takaful a truly diverse, fair, and inclusive place to work for everyone. That strategy is underpinned by a comprehensive diversity and inclusion framework that recognizes diversity in all its dimensions: Ethnicity, Age, Ability, and Gender orientation. The strategy is based on three pillars:

1. Governance
2. Inclusive leadership and culture
3. Partnership

In 2023, we conducted mentoring and leadership development programs across the Company to develop and strengthen our female talent. The program provided promising female employees with mentors for professional guidance, learning, and support, as well as networking opportunities with our senior leadership team. It also helped our female team members become part of a mutually supportive community to enable them to realize their potential and assume more senior leadership positions.

Along with the UAE National objectives for 2030, we have set strategies to increase the representation of women in senior management. Further, we have three additional targets for diversity, equality, and inclusion: to achieve an equal gender balance among our early talent hires, to provide broader access for our people to Employee Resource Groups (ERGs), and to improve employee perceptions of inclusiveness at Sukoon Takaful.

SOCIAL RESPONSIBILITIES

Environmental management as part of our commitment to a sustainable future, we manage the most significant environmental impacts of our operations and aim to continuously improve our environmental performance. We strive to be a role model in delivering our own targets on environmental protection and climate change in order to influence others in our industry and beyond to do the same.

Planning and Protection of the Environment

We will formulate response policies and measures based on our recognition of current environmental conditions, including the impact of climate change on Sukoon Takaful ‘s businesses. In line with the drive towards a paperless and sustainable workplace, we implemented several initiatives to reduce our environmental footprint. Since 2019, we have been recycling up to over 1,500 kg of paper per year through the GreenBox program thanks to the introduction of greener practices (e.g. more responsible printing). Furthermore, Sukoon Takaful ’s energy savings increased from 66% in 2019 to 85% in 2023. We also reduced electricity consumption by using power-saving LED lights and implementing lights-off rules after office hour. Further, we have stopped offering plastic water bottles and initiated a program across the company to offer water bottled in glass bottles and use paper cups for employees as well as the customers, partners, and suppliers who visits us.

Our Objectives For 2024

Environment

Short-term (2024-2025)

- Implement standardized reporting framework measures and report carbon emission.
- Increase facilities’ LEED square footage.

Long-term (2025 and beyond)

- Implement Carbone emissions management program.

Social

- Formalize and uphold the sustainable corporate culture.
- Promote employee development through new leadership training programs.
- Launch Wellness and employee resource group that provides health and wellness support.
- Work towards getting awarded for.

The ‘workplace awards’

- The Best workplace for employement
- The Best Company for women employment
- The Best Company for Diversity

Governance

Short-term (2024-2025)

- Conduct a Stakeholder Materiality Assessment

Long-term (2026 and beyond)

- Increase employee diversity.

بِسمِ الله الرَّحمنِ الرَّحِيمِ

التقرير السنوي للجنة الرقابة الشرعية الداخلية للشركة العربية الإسكندنافية للتأمين (ش.م.ع) تكافل - أسكانا للتأمين ("سكون تكافل") لعام 2023م

الحمد لله رب العالـمين، والصلاة والسلام على أشرف الأنبياء والمرسلين، سيدنا محمد صلى الله عليه وعلى آله وصحابته أجمعين.

إلى مساهمي الشركة العربية الإسكندنافية للتأمين (ش.م.ع) تكافل - أسكانا للتأمين ("سكون تكافل")
السلام عليكم ورحمة الله تعالى وبركاته، وبعد:

نقدم لكم التقرير السنوي الآتي، والمتعلق بمعاملات الشركة المُنفذة خلال عام 2023م.

لقد راقبت لجنة الرقابة الشرعية الداخلية من خلال إدارة الرقابة الشرعية الداخلية العقود المتعلقة بالمعاملات والتطبيقات التي طرحتها الشركة خلال العام 2023م، وقامت بالـمراقبة الواجبة لإبداء الرأي الشرعي عمّا إذا كانت الشركة قد التزمت بـمبادئ وأحكام الشريعة الإسلامية، وكذلك بالفتاوى، والقرارات، والإرشادات الصادرة من قبل لجنة الرقابة الشرعية الداخلية خلال الفترة الـمذكورة.

علماً بأن مسؤولية التأكد من أن الشركة تعمل وفقاً لمبادئ وأحكام الشريعة الإسلامية الغراء تقع على إدارة الشركة، أما مسؤوليتنا فتنحصر في إبداء رأي مستقل بناءً على مراقبتنا لعمليات الشركة، وفي إعداد هذا التقرير.

وقد عقدت لجنة الرقابة الشرعية الداخلية ثلاثة اجتماعات خلال السنة المالية.

وبناءً على هذه المعطيات، فإننا نرى وفق ما اطلعنا عليه:

- أن العقود، والعمليات، والمعاملات التي اطلعنا عليها وأبرمتها الشركة خلال عام 2023م، تمت وفقاً لمبادئ وأحكام الشريعة الإسلامية.
- أن توزيع الأرباح، وتحميل الخسائر يتفق مع الأساس الذي تم اعتماده من قبلنا وفقاً لـمبادئ وأحكام الشريعة الإسلامية.
- تم حساب الزكاة وفقاً للآلية المعتمدة من اللجنة الشرعية ووفقاً للنص الوارد في عقد تأسيس الشركة.

نسأل الله العلي القدير أن يحقق لنا ولكم الرشاد والسداد.
والسلام عليكم ورحمة الله وبركاته.

أ.د يوسف عبد الله الشبيلي	د.عبدالسلام كيلاني	موسى خوري
رئيس اللجنة الشرعية	عضو اللجنة الشرعية	عضو اللجنة الشرعية

SUKOONTAKAFUL.COM
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MOTOR

TRAVEL

HOME

FAMILY TAKAFUL

ACCIDENT

HEALTH

03/2024

Sukoon Takaful PJSC
Paid up Capital AED 154,000,000, C.L. No. 206742
Regulated by the Central Bank of the U.A.E.
No. 006 dated 15/12/1984, TRN 100034316800003
Head Office: P.O. Box 1993, Dubai, UAE
Tel: +971 4 282 4403, SUKOONTAKAFUL.COM

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