# ISLAMIC ARAB INSURANCE CO. (SALAMA) PJSC AND ITS SUBSIDIARIES

## REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

**30 SEPTEMBER 2024**

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# REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ISLAMIC ARAB INSURANCE CO. (SALAMA) PJSC

***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Islamic Arab Insurance Co. (Salama) PSJC (the "Company") and its subsidiaries (together referred to as the "Group") which comprise the interim consolidated statement of financial position as at 30 September 2024 and the related interim consolidated statement of profit or loss and interim consolidated statement of comprehensive income for the nine-month and three-month periods then ended and interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Basis for Qualified Conclusion***

The Group's total assets include investment properties with a carrying amount of AED 141,675 thousand (2023: AED 145,376 thousand), investments carried at AED 409,314 thousand (2023: AED 394,062 thousand) and other assets and receivables which are carried at AED 59,688 thousand (2023: AED 114,033 thousand).

The aforementioned assets include the following assets of which we were unable to complete our review procedures:

- Investment property with a carrying amount of AED 84,957 thousand (2023: AED 84,957 thousand) (note 7);
- Investment at fair value through other comprehensive income of AED 58,244 thousand (2023: AED 58,244 thousand) and investments held at amortised cost of AED 111,627 thousand (2023: AED 111,627 thousand) (note 9); and
- Other receivables with a carrying amount of AED 33,639 thousand (2023: AED 33,639 thousand) (note 17).

Due to the ongoing litigations between the Group and different parties, we were unable to ascertain the recoverability of the aforementioned assets and could not determine if the judgements applied and estimates made in the determination of the ownership and fair value of these assets were appropriate.

This matter is described in note 18 to the interim condensed consolidated financial statements. Had we been able to complete our procedures with regard to the aforementioned assets, matters could have come to our attention indicating that adjustments might have been necessary to the interim condensed consolidated financial statements. The audit opinion on the consolidated financial statements for the year ended 31 December 2023 and the review conclusion on the interim condensed consolidated financial statements for the period ended 30 September 2023 were also qualified in respect to this matter.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ISLAMIC ARAB INSURANCE CO. (SALAMA) PJSC (continued)**

***Qualified Conclusion***

Except for any adjustments to the interim condensed consolidated financial statements that we might have become aware of had it not been for the matters described above, based on our review, nothing has come to our attention that causes us to believe the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young

Ashraf Abu-Sharkh
Registration No. 690

14 November 2024

Dubai, United Arab Emirates

# INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024 (unaudited)

| | *Notes* | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|---|
| **ASSETS** | | | |
| Property and equipment | | **47,568** | 47,382 |
| Goodwill and intangibles | | **67,508** | 68,016 |
| Investment properties | 7 | **141,675** | 145,376 |
| Right-of-use assets | | **2,880** | 4,595 |
| Investment in associate | 8 | **35,151** | 35,352 |
| Statutory deposits | | **289,766** | 283,526 |
| Investments | 9 | **409,314** | 394,062 |
| Participants' investments in unit-linked contracts | 9 | **2,035,617** | 2,020,883 |
| Deposits with takaful and retakaful companies | | **688** | 974 |
| Takaful contract assets | 19 | **6,902** | 6,801 |
| Retakaful contract assets | 19 | **445,299** | 348,462 |
| Other assets and receivables | 17 | **59,688** | 114,033 |
| Bank balances and cash | 16 | **127,764** | 144,179 |
| **TOTAL ASSETS** | | **3,669,820** | 3,613,641 |
| **LIABILITIES** | | | |
| Family takaful reserve | | **88,766** | 77,160 |
| Takaful contract liabilities | 19 | **2,646,952** | 2,543,428 |
| Retakaful contract liabilities | 19 | **134,334** | 162,050 |
| Other payables and accruals | | **144,037** | 169,098 |
| Lease liabilities | | **2,994** | 4,695 |
| **Total liabilities** | | **3,017,083** | 2,956,431 |
| **EQUITY** | | | |
| Share capital | 11 | **939,589** | 939,589 |
| Treasury shares | 12 | **(35,972)** | (35,972) |
| Statutory reserve | 13 | **2,815** | 2,815 |
| Other reserves | 14 | **(169,529)** | (154,533) |
| Accumulated losses | | **(147,848)** | (163,924) |
| **Equity attributable to owners of the Company** | | **589,055** | 587,975 |
| Non-controlling interest | | **63,682** | 69,235 |
| **Total equity** | | **652,737** | 657,210 |
| **TOTAL LIABILITIES AND EQUITY** | | **3,669,820** | 3,613,641 |

Signed by:
Fahad Al Qassim
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Fahad Abdulqader Alqassim
Chairman of the Board of Directors

Walter Jopp
Chief Executive Officer

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

# INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine-month and three-month periods ended 30 September 2024 (unaudited)

| | *Nine-month period ended 30 September (unaudited)* | | *Three-month period ended 30 September (unaudited)* | |
|---|---|---|---|---|
| | ***2024 AED'000*** | *2023 AED'000* | ***2024 AED'000*** | *2023 AED'000* |
| **Underwriting income** | | | | |
| Takaful revenue | **802,830** | 824,344 | **274,243** | 280,167 |
| Takaful service expenses | **(754,431)** | (724,759) | **(210,282)** | (259,473) |
| Net expenses from retakaful contracts held | **(5,173)** | (63,970) | **(39,905)** | (17,947) |
| **TAKAFUL SERVICE RESULT** | **43,226** | 35,615 | **24,056** | 2,747 |
| Policyholders' investment income | **155,166** | 109,925 | **57,736** | (18,645) |
| Shareholders' investment income | **36,285** | 65,862 | **11,369** | 18,849 |
| **INVESTMENT INCOME** | **191,451** | 175,787 | **69,105** | 204 |
| Takaful finance (expense)/ income for takaful contracts issued | **(157,270)** | (129,294) | **(59,283)** | 12,827 |
| Retakaful finance income for retakaful contracts held | **28** | 3,773 | **629** | 728 |
| **NET TAKAFUL FINANCE (EXPENSES)/ INCOME** | **(157,242)** | (125,521) | **(58,654)** | 13,555 |
| **NET TAKAFUL AND INVESTMENT RESULT** | **77,435** | 85,881 | **34,507** | 16,506 |
| Other operating income | **21,586** | 6,854 | **905** | 1,368 |
| Other operating expenses | **(51,630)** | (58,467) | **(18,432)** | (4,828) |
| Provision for expected credit losses | **(4,042)** | - | **(1,909)** | - |
| **PROFIT BEFORE TAX** | **43,349** | 34,268 | **15,071** | 13,046 |
| Income tax for the period | **(12,939)** | (15,701) | **(5,195)** | (6,739) |
| **PROFIT FOR THE PERIOD** | **30,410** | 18,567 | **9,876** | 6,307 |
| **Attributable to:** | | | | |
| Shareholders | **18,879** | 428 | **8,078** | 1,262 |
| Non-controlling interest | **11,531** | 18,139 | **1,798** | 5,045 |
| | **30,410** | 18,567 | **9,876** | 6,307 |
| **Basic and diluted earnings per share (AED) (Note 15)** | **0.021** | 0.001 | **0.01** | 0.001 |

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

# INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine-month and three-month periods ended 30 September 2024 (unaudited)

| | ***Nine-month period ended 30 September** (unaudited)* | | ***Three-month period ended 30 September** (unaudited)* | |
|---|---|---|---|---|
| | ***2024 AED'000*** | *2023 AED'000* | ***2024 AED'000*** | 2023 AED'000 |
| **Profit for the period** | **30,410** | 18,567 | **9,876** | 6,307 |
| **Other comprehensive (loss)/income** | | | | |
| *Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:* | | | | |
| Net changes in fair value of investments at fair value through other comprehensive income | **(271)** | (2,282) | **(208)** | (12) |
| *Other comprehensive income that may be reclassified to profit or loss in subsequent periods:* | | | | |
| Share of other comprehensive (loss)/income of associate | **(145)** | (229) | **(37)** | 87 |
| Foreign currency adjustments from translation of foreign operations | **(33,407)** | (18,686) | **6,655** | (1,660) |
| **Total other comprehensive (loss)/income for the period** | **(33,823)** | (21,197) | **6,410** | (1,585) |
| **Total comprehensive (loss)/income for the period** | **(3,413)** | (2,630) | **16,286** | 4,722 |
| **Attributable to:** | | | | |
| Shareholders | **2,457** | (12,406) | **14,108** | (923) |
| Non-controlling interest | **(5,870)** | 9,776 | **2,178** | 5,645 |
| | **(3,413)** | (2,630) | **16,286** | 4,722 |

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2024 (unaudited)

| | *Share capital AED'000* | *Statutory reserve AED'000* | *Revaluation reserve AED'000* | *Foreign exchange translation reserve AED'000* | *Investment fair value reserve AED'000* | *Treasury shares AED'000* | *Accumulated losses AED'000* | *Regulatory reserve AED '000* | *Total AED'000* | *Non-controlling interest AED'000* | *Total equity AED'000* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| At 1 January 2024 | **939,589** | **2,815** | **34,118** | **(163,767)** | **(30,397)** | **(35,972)** | **(163,924)** | **5,513** | **587,975** | **69,235** | **657,210** |
| Profit for the period | - | - | - | - | - | - | 18,879 | - | 18,879 | 11,531 | 30,410 |
| *Other comprehensive loss:* | | | | | | | | | | | |
| Foreign currency adjustments from translation of foreign operations | - | - | - | (16,006) | - | - | - | - | (16,006) | (17,401) | (33,407) |
| Investments carried at FVTOCI net change in fair value | - | - | - | - | (271) | - | - | - | (271) | - | (271) |
| Share of OCI of associate | - | - | - | - | (145) | - | - | - | (145) | - | (145) |
| Other comprehensive loss for the period | - | - | - | (16,006) | (416) | - | - | - | (16,422) | (17,401) | (33,823) |
| Total comprehensive loss for the period | - | - | - | (16,006) | (416) | - | 18,879 | - | 2,457 | (5,870) | (3,413) |
| *Other movement in equity:* | | | | | | | | | | | |
| Directors' Remuneration (note 10) | - | - | - | - | - | - | (1,377) | - | (1,377) | - | (1,377) |
| Increase in capital | - | - | - | - | - | - | - | - | - | 317 | 317 |
| Transfer to regulatory reserve | - | - | - | - | - | - | (1,426) | 1,426 | - | - | - |
| At 30 September 2024 (unaudited) | **939,589** | **2,815** | **34,118** | **(179,773)** | **(30,813)** | **(35,972)** | **(147,848)** | **6,939** | **589,055** | **63,682** | **652,737** |

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the nine-month period ended 30 September 2024 (unaudited) (continued)

| | Share capital AED'000 | Statutory reserve AED'000 | Revaluation reserve AED'000 | Foreign currency translation reserve AED'000 | Investment fair value reserve AED'000 | Treasury shares AED'000 | Regulatory reserve AED'000 | Accumulated losses AED'000 | Total AED'000 | Non-controlling interests AED'000 | Total AED'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| At 1 January 2023 | 1,210,000 | 104,077 | 20,753 | (157,047) | (27,154) | (35,972) | 3,317 | (372,649) | 745,325 | 70,208 | 815,533 |
| Profit for the period | - | - | - | - | - | - | - | 428 | 428 | 18,139 | 18,567 |
| Other comprehensive loss | | | | | | | | | | | |
| Changes in other comprehensive loss for the period | - | - | - | (10,323) | - | - | - | - | (10,323) | (8,363) | (18,686) |
| Investments carried at FVTOCI net change in fair value | - | - | - | - | (2,282) | - | - | - | (2,282) | - | (2,282) |
| Share of OCI of associate | - | - | - | - | (229) | - | - | - | (229) | - | (229) |
| Total other comprehensive loss for the period | - | - | - | (10,323) | (2,511) | - | - | - | (12,834) | (8,363) | (21,197) |
| Total comprehensive loss for the period | - | - | - | (10,323) | (2,511) | - | - | 428 | (12,406) | 9,776 | (2,630) |
| Other movement in equity | | | | | | | | | | | |
| Directors' Remuneration (note 10) | - | - | - | - | - | - | - | (2,377) | (2,377) | - | (2,377) |
| Transfer to regulatory reserve | - | - | - | - | - | - | 1,607 | (1,607) | - | - | - |
| Offset of losses (note 11, 13) | (270,411) | (101,262) | - | - | - | - | - | 371,673 | - | - | - |
| Balance as at 30 September 2023 (unaudited) | 939,589 | 2,815 | 20,753 | (167,370) | (29,665) | (35,972) | 4,924 | (4,532) | 730,542 | 79,984 | 810,526 |

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

# INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine-months period ended 30 September 2024 (unaudited)

| | Notes | *Nine-month period ended (unaudited)* **30 September 2024 AED'000 (unaudited)** | *30 September 2023 AED'000 (unaudited)* |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Profit before tax | | **43,349** | 34,268 |
| Adjustments for: | | | |
| Depreciation on property and equipment | | **2,419** | 2,096 |
| Depreciation on right of use assets | | **1,375** | 1,881 |
| Amortisation of intangible assets | | **1,341** | 1,361 |
| Share of profit from associate | 8 | **(1,483)** | (1,896) |
| Unrealised gain on investment | 9 | **(146)** | (7,950) |
| Allowance for expected credit losses | | **4,042** | - |
| Operating cash flows before changes in operating assets and liabilities | | **50,897** | 29,760 |
| Decrease in deposits with takaful and retakaful companies | | **286** | 296 |
| Changes in takaful contract assets | | **(101)** | (25,920) |
| Change in retakaful contract assets | | **(96,837)** | (3,587) |
| Changes in takaful contract liabilities | | **103,524** | 42,003 |
| Change in retakaful contract liabilities | | **(27,716)** | (9,315) |
| Change in other assets and receivables | | **54,345** | (10,498) |
| Change in family reserves | | **11,606** | 2,865 |
| Change in other payables | | **(25,061)** | (800) |
| Income tax paid | | **(12,939)** | (15,701) |
| Net foreign exchange difference | | **(33,407)** | (18,686) |
| Net cash generated from/ (used in) operating activities | | **24,597** | (9,583) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of property and equipment - net | | **(2,325)** | (3,237) |
| Purchase of intangible assets – net | | **(839)** | (1,384) |
| Purchase of Investment properties - net | | **(17)** | - |
| Net movement in statutory deposits | | **(6,240)** | 9,204 |
| Repayment of principal and interest on lease liability | | **(1,521)** | (5,601) |
| Dividend income from associate | | **1,539** | 1,230 |
| Change in Investments - net | | **(15,815)** | (8,337) |
| Net movement in Participants' investments in unit-linked contracts | | **(14,734)** | (538) |
| Change in term deposits under lien | | **7,208** | 2,828 |
| Cash used in investing activities | | **(32,744)** | (5,835) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Board of Directors' remuneration | | **(1,377)** | (2,377) |
| Net movement in non-controlling interest | | **317** | - |
| Cash used in financing activities | | **(1,060)** | (2,377) |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | | **(9,207)** | (17,795) |
| Cash and cash equivalents at 1 January | | **125,080** | 124,457 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 16)** | | **115,873** | 106,662 |

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

## 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Islamic Arab Insurance Co. (Salama) PJSC ("the Company") is a public shareholding company, registered in the Emirate of Dubai, United Arab Emirates (UAE) and operates through various branches in the UAE. The registered office of the Company is P.O. Box 10214, Dubai, United Arab Emirates. The Company's shares are listed on the Dubai Financial Market (DFM), United Arab Emirates

The principal activity of the Company is the writing of all classes of general takaful and family takaful business, in accordance with Islamic Shari'ah principles and in accordance with the relevant Articles of the Company, UAE Federal Decree Law No. (32) of 2021 for commercial companies and U.A.E. Federal Law No. 48 of 2023, concerning regulations of insurance activities.

The Company and its subsidiaries are referred to as "the Group". Tariic Holding B.S.C (Tariic), a subsidiary of the Company, is an intermediate holding company in Bahrain and no commercial activities are carried out in the Kingdom of Bahrain. The Group has the following principal subsidiaries which are engaged in insurance and reinsurance under Islamic Shari'ah principles:

| Subsidiaries | Principal activities | Group's ownership *2024* | Group's ownership *2023* | Country of Incorporation |
|---|---|---|---|---|
| *Directly owned* | | | | |
| Tariic Holding Company B.S.C | No takaful operations | **99.40%** | 99.40% | Kingdom of Bahrain |
| Misr Emirates Takaful Life Insurance Co. | Family Takaful | **85.19%** | 85.19% | Egypt |
| Salama Immobilier | No takaful operations | **84.25%** | 84.25% | Senegal |
| Salama Takaful Insurance – Egypt (formerly "Egyptian Saudi Insurance House") | General Takaful | **51.15%** | 51.15% | Egypt |
| *Through Tariic* | | | | |
| Salama Assurances Algeria | General Takaful | **96.98%** | 96.98% | Algeria |

## 2 NEW STANDARDS AND INTERPRETATIONS

***New and revised IFRS adopted in the interim condensed consolidated financial statements***

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current

## 3 BASIS OF PREPARATION

### a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Management consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

## 3 BASIS OF PREPARATION (continued)

### b) Basis of measurement

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

i) Financial assets at fair value through other comprehensive income ("FVOCI"); and
ii) Financial assets at fair value through profit or loss ("FVTPL").

### c) Functional and presentation currency

These interim condensed consolidated financial statements are presented in U.A.E. Dirhams ("AED") rounded to the nearest thousand, since that is the currency in which the majority of the Group's transactions are denominated.

### d) Use of estimates and judgments

The preparation of interim condensed consolidated financial statements is in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and estimation of key sources of uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 31 December 2023.

### e) Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the Group’s consolidated financial statements from the date that control commences until the date that control ceases. The Group maintains control over the subsidiaries as it has power over the investee, exposure or rights to its variable returns and the power to affect the investor's returns.

Non-controlling interest in the equity and results of the entities that are controlled by the Group are shown separately as a part of consolidated statements of changes in equity in the Group’s consolidated financial statements. Any contribution or discounts on subsequent acquisition, after control is obtained, of equity instruments from (or sale of equity instruments to) non-controlling interest is recognised directly in consolidated statement of changes in equity.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

## 5 TAKAFUL AND FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of takaful and financial risks: underwriting risk, market risk (which includes foreign currency risk, profit rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all takaful and financial risk management information and disclosures required in the annual consolidated financial statements; therefore, they should be read in conjunction with the Group's audited annual consolidated financial statements for the year ended 31 December 2023. There have been no changes in the risk management department or in any risk management policies since the year end.

## 6 INTERIM MEASUREMENT

The nature of the Group’s business is such that income and expense are incurred in a manner, which is not materially impacted by any form of seasonality. These interim condensed consolidated financial statements were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the period. However, the results may not represent a proportionate share of the annual profits due to variability in contributions and investment income and uncertainty of claims occurrences.

## 7 INVESTMENT PROPERTIES

The geographic dispersion of investment properties is as follows.

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|
| Within UAE | **12,600** | 12,600 |
| Outside UAE | **129,075** | 132,776 |
| | **141,675** | 145,376 |

The variations in the value of investment properties are due to change in foreign exchange rates resulting in translation impact on investment properties held in foreign locations. The Group has an investment property in Kingdom of Saudi Arabia with carrying amount of AED 84,957 thousand (2023: AED 84,957 thousand) which is subject to an ongoing legal case as described in note 18.

The fair value of plots of land was determined based on the acceptable approach that reflects recent transaction prices for similar properties. The fair value of buildings was determined using investment method. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Movement during the period/year is as follows:

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|
| Balance at 1 January | **145,376** | 143,776 |
| Addition | **17** | - |
| Unrealized gain on investment properties | **-** | 3,599 |
| Currency translation impact | **(3,718)** | (1,999) |
| | **141,675** | 145,376 |

## 8 INVESTMENT IN ASSOCIATE

The associate company engages in several Takaful activities that complies with Islamic regulation including, motor, marine transportation risk, fire insurance, comprehensive householder insurance, engineering and contactor's plant and equipment insurance with accordance with Sharia' Islamic principles and Central Bank of Jordan regulations.

| ***Associates*** | ***Ownership 2024*** | *2023* | ***Country of incorporation*** | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|---|---|---|
| The Islamic Insurance | **20%** | 20% | Jordan | **35,151** | 35,352 |

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (unaudited)* |
|---|---|---|
| **Movement during the period** | | |
| Balance at 1 January | **35,352** | 35,188 |
| Share of profit from associate | **1,483** | 1,805 |
| Dividend received | **(1,539)** | (1,230) |
| Share of other comprehensive loss | **(145)** | (411) |
| | **35,151** | 35,352 |

## 9 INVESTMENTS

| | ***30 September 2024 (unaudited)*** | | | *31 December 2023 (audited)* | | |
|---|---|---|---|---|---|---|
| | ***Domestic investment AED'000*** | ***International investment AED'000*** | ***Total AED'000*** | *Domestic investment AED'000* | *International investment AED'000* | *Total AED'000* |
| **(a) Financial assets at fair value through profit or loss** | | | | | | |
| Shares and securities | **-** | **902** | **902** | - | 323 | 323 |
| **(b) Fair Value through other comprehensive Income** | | | | | | |
| Mutual fund and externally managed portfolios | **-** | **83,792** | **83,792** | - | 85,513 | 85,513 |
| Shares and securities | **-** | **985** | **985** | - | 967 | 967 |
| Less: allowance for expected credit losses | - | **(2,020)** | **(2,020)** | - | (2,020) | (2,020) |
| | **-** | **82,757** | **82,757** | - | 84,460 | 84,460 |
| **(c) At amortized cost** | | | | | | |
| Sukuk and Government bonds | **8,594** | **83,750** | **92,344** | 515 | 82,524 | 83,039 |
| Wakalah certificates | **54,094** | **-** | **54,094** | 54,094 | - | 54,094 |
| Other Mudariba investments | **-** | **65,738** | **65,738** | - | 65,738 | 65,738 |
| Islamic placements | **-** | **174,241** | **174,241** | - | 167,112 | 167,112 |
| Less: allowance for expected credit losses | **(54,609)** | **(6,153)** | **(60,762)** | (54,609) | (6,095) | (60,704) |
| | **8,079** | **317,576** | **325,655** | - | 309,279 | 309,279 |
| | **8,079** | **401,235** | **409,314** | - | 394,062 | 394,062 |
| Quoted | **-** | **902** | **902** | - | 323 | 323 |
| Unquoted | **8,079** | **400,333** | **408,412** | - | 393,739 | 393,739 |
| | **8,079** | **401,235** | **409,314** | - | 394,062 | 394,062 |

## 9 INVESTMENTS (continued)

The following investments are subject to an ongoing legal case as described in note 18:

- Investment held at fair value through other comprehensive income amounting to AED 58,244 thousand (2023: AED 58,244 thousand); and
- Investments at amortised cost of AED 111,627 thousand (2023: AED 111,627 thousand).

### 9.1 Participants' investments in unit-linked contracts

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|
| Financial asset at fair value through P&L | **2,035,617** | 2,020,883 |

### 9.2 Determining fair values

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized. Since the fair value of the Investments at amortised cost is a reasonable approximation of fair value hence the same has not been disclosed here.

***30 September 2024 (unaudited)***

| | ***Level 1 AED'000*** | ***Level 2 AED'000*** | ***Level 3 AED'000*** | ***Total AED'000*** |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Fair value through profit or loss** | | | | |
| Shares and securities | **902** | **-** | **-** | **902** |
| Unit Linked investments | **-** | **2,035,617** | **-** | **2,035,617** |
| | **902** | **2,035,617** | **-** | **2,036,519** |
| **Fair value through other comprehensive income** | | | | |
| Mutual fund | **-** | **-** | **83,792** | **83,792** |
| Shares and securities | **-** | **985** | **-** | **985** |
| Less: provision for credit losses | **-** | **-** | **(2,020)** | **(2,020)** |
| | **-** | **985** | **81,772** | **82,757** |
| **Non-financial assets** | | | | |
| Investment properties | **-** | **-** | **141,675** | **141,675** |

## 9 INVESTMENTS (continued)

### 9.2 Determining fair values (continued)

*As at 31 December 2023 (audited)*

| | ***Level 1 AED'000*** | ***Level 2 AED'000*** | ***Level 3 AED'000*** | ***Total AED'000*** |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Financial asset at fair value through profit or loss** | | | | |
| Shares and securities | 323 | - | - | 323 |
| Unit Linked investments | - | 2,020,883 | - | 2,020,883 |
| | 323 | 2,020,883 | - | 2,021,206 |
| **Financial asset at fair value through OCI** | | | | |
| Mutual fund | - | - | 85,513 | 85,513 |
| Shares and securities | - | 967 | - | 967 |
| Less: provision for credit losses | - | - | (2,020) | (2,020) |
| | - | 967 | 83,493 | 84,460 |
| **Non-financial assets** | | | | |
| Investment properties | - | - | 145,376 | 145,376 |
| | - | - | 145,376 | 145,376 |

### 9.3 Investment income

| | ***30 September 2024 AED'000 (unaudited)*** | *30 September 2023 AED'000 (unaudited)* |
|---|---|---|
| *Policyholders' income* | | |
| Unrealised gain on unit-linked portfolio | **155,112** | 109,771 |
| Income from bank deposits | **54** | 154 |
| | **155,166** | 109,925 |
| *Shareholders' income* | | |
| Unrealised gain on investment at FVTPL | **146** | 7,950 |
| Realised gain on investment | **1,513** | 29,493 |
| Income on deposits and wakala certificates | **32,496** | 25,935 |
| Share of profit from associate (note 8) | **1,483** | 1,896 |
| Others | **647** | 588 |
| | **36,285** | 65,862 |
| | **191,451** | 175,787 |

## 10 RELATED PARTY TRANSACTIONS

The Group, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party as defined by International Accounting Standard 24. The Group's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties. Following are the details of significant transactions with related parties.

| | *Nine-month period ended 30 September (unaudited)* | | *Three-month period ended 30 September (unaudited)* | |
|---|---|---|---|---|
| | ***2024 AED'000*** | *2023 AED'000* | ***2024 AED'000*** | 2023 AED'000 |
| Contribution | **379** | - | **379** | - |
| Claims Paid | **17** | - | **17** | - |
| Investment Expenses | **-** | 1,070 | **-** | 1,070 |
| **Compensation of key management personnel** | | | | |
| Short term benefits | **4,807** | 3,186 | **1,051** | 1,130 |
| Employees end of service benefits | **127** | 37 | **104** | - |
| | **4,934** | 3,223 | **1,155** | 1,130 |
| Directors' renumeration | **1,377** | 2,377 | **-** | - |

In the annual general assembly meeting held on 25 April 2024, the shareholders have approved the Directors' remuneration of AED 1,377 thousand for the year ended 31 December 2023.

**Balances with related parties**

| | *31 December 2023 AED'000 (audited)* |
|---|---|
| Investments held-to-maturity Wakalah certificates* | 56,456 |
| Participants' investments in unit-linked contracts | 1,174,302 |
| Other assets and receivables | 44,764 |

In the current reporting period, an entity previously classified as a related party due to a common directorship with Salama is no longer included. Following recent board directorship changes, the directorship link no longer exists, and the entity no longer meets the criteria for related party classification under IAS 24. Comparative numbers are enclosed for shareholders' reference.

*Group has recorded 100% expected credit losses of AED 56,456 thousand against investments held with a related party and 14,873 thousand against profit receivable on investment from the same party during the year ended December 31, 2023.

## 11 SHARE CAPITAL

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|
| *Issued and fully paid* | | |
| (939,589 thousand (2023: 939,589 thousand) ordinary shares of AED 1 each) | **939,589** | 939,589 |

During the period ended 30 September 2023, the Group has cancelled its 270.4 million AED 1 ordinary shares, and the accumulated losses were adjusted against this cancellation.

## 12 TREASURY SHARES

In 2008, the Company bought back 21,669,790 shares amounting to AED 35.97 million. The treasury shares are debited as a separate category of shareholders' equity at cost. During the prior year ended 31 December 2023 due to the cancellation of share capital the number of treasury shares were reduced to 16,830,489 ordinary shares.

## 13 STATUTORY RESERVES

In accordance with Article 239 of the U.A.E. Federal Law No. (32) of 2021 and the Articles of Association of the Company, 10% of the net profit is required to be transferred to a non-distributable statutory reserve at each year end until this reserve equals 50% of the paid-up share capital. This reserve is not available for distribution other than in circumstances stipulated by law.

During the period ended 30 September 2023, the Group has utilised the AED 101,262 thousand to offset some of the accumulated losses of the Group. This adjustment was approved by the general assembly and the regulators.

## 14 OTHER RESERVES

Other reserves include following:

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|
| Revaluation reserve | **34,118** | 34,118 |
| Foreign exchange translation reserve (note 14.1) | **(179,773)** | (163,767) |
| Investment fair value reserve | **(30,813)** | (30,397) |
| Regulatory reserve – UAE operations | **6,939** | 5,513 |
| | **(169,529)** | (154,533) |

### 14.1 Devaluation of currency

The Group owns two subsidiaries operating in Egypt and their functional currency is Egyptian Pound EGP. The significant devaluation of the Egyptian currency during the period has impacted the Group's interim condensed consolidated financial statements. Group recorded a loss AED 33,407 thousand in the consolidated statement of changes in equity related to translation of foreign operations into functional currency (AED). Out of total AED 33,407 thousand, amount of AED 37,978 thousand pertains to the translation impact from Egyptian Subsidiaries.

Furthermore, this currency devaluation has adversely affected the calculation of revenue, expenses, and profitability of the reporting entities in terms of AED as reflected in interim consolidated statement of profit or loss and other comprehensive income.

## 15 BASIC AND DILUTED EARNINGS PER SHARE

| | *Nine-month period ended 30 September (unaudited)* | | *Three-month period ended 30 September (unaudited)* | |
|---|---|---|---|---|
| | ***2024 AED'000*** | *2023 AED'000* | ***2024 AED'000*** | 2023 AED'000 |
| Profit for the period attributable to shareholders (AED'000) | **18,879** | 428 | **8,078** | 1,262 |
| Average number of shares (in thousands) | **922,759** | 1,002,527 | **922,759** | 922,759 |
| Basic and diluted earnings per share (AED) | **0.021** | 0.001 | **0.01** | 0.001 |

Basic earnings per share are calculated by dividing the profit for the period by the number of weighted average shares outstanding at the end of the reporting period after taking into account the treasury shares held. Diluted earnings per share is equivalent to basic earnings per share as the Group did not issue any new instrument that would impact earnings per share when executed.

## 16 CASH AND CASH EQUIVALENTS

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* | *30 September 2023 AED'000 (unaudited)* |
|---|---|---|---|
| Cash in hand | **53** | 30 | 37 |
| Cash at bank | **118,350** | 134,788 | 84,637 |
| Term deposits | **11,014** | 11,014 | 28,148 |
| Less: provision for expected credit losses | **(1,653)** | (1,653) | - |
| | **127,764** | 144,179 | 112,822 |
| Less: term deposits under lien | **(5,997)** | (8,718) | (6,160) |
| Less: term deposits with maturity after three months | **(5,894)** | (10,381) | - |
| Cash and cash equivalents | **115,873** | 125,080 | 106,662 |

## 17 OTHER ASSETS AND RECEIVABLES

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|
| Profit receivable | **23,648** | 23,728 |
| Receivable against sales of investments | **598** | 52,108 |
| Deferred tax (note 23) | **5,166** | 5,200 |
| Others* | **47,827** | 48,222 |
| Less: provision for credit losses | **(17,551)** | (15,225) |
| | **59,688** | 114,033 |

**17 OTHER ASSETS AND RECEIVABLES (continued)**

*The other assets and receivables include other receivables amounting to AED 13,821 thousand (2023: AED 13,821 thousand) which was previously subjected to a legal case, and on which the Group has won, and the court has issued performance order and is now under execution against the relevant counter parties. The other assets and receivables also include other receivables amounting to AED 19,818 thousand (2023: AED 19,818 thousand) receivable against sale of investment in Best Re Holding Ltd.

The management believes at this stage that these receivables are recoverable and thus, no provision has been made.

**18 COMMITMENTS AND CONTINGENCIES**

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|
| Letter of Guarantees in favor of Central Bank of UAE | **210,000** | 210,000 |
| Other letter of guarantees | **5,914** | 5,969 |
| | **215,914** | 215,969 |

Statutory Deposits of AED 289,766 thousand (31 Dec 2023: AED 283,526 thousand) includes deposits amounting to AED 70,000 thousand (31 December 2023: AED 70,000 thousand) which are held as lien by the bank against the abovementioned letter of guarantee issued by bank in favor of the Central Bank of United Arab Emirates ("CBUAE").

Other letter of guarantee was issued during normal course of business against which term deposit of AED 5,997 thousand (2023: 8,718 thousand) which is held as lien by the bank.

*Ongoing legal case*
The Group's total assets includes Investment property with a carrying amount of AED 84,957 thousand (2023: AED 84,957 thousand) (note 7), Investment at fair value through other comprehensive income of AED 58,244 thousand (2023: AED 58,244 thousand) and investments held at amortised cost of AED 111,627 thousand (2023: AED 111,627 thousand) (note 9) and Other receivables with a carrying amount of AED 33,639 thousand (2023: AED 33,639 thousand) (note 17). Aforementioned assets are under dispute due to litigation between the Group and a Bank (previously a related party).

Group has initiated legal actions, including civil and criminal cases at Dubai Courts, to safeguard rights and reclaim contested assets. Additionally, Group is pursuing legal measures in other jurisdictions against the parties implicated in the criminal case. Legal consultants of the Group express confidence in Group's strong legal position in these disputes, based on the progress of actions taken to date, the positive legal rulings obtained, and those currently in progress.

The Group is exposed to certain claims and litigations, these are subject to legal cases filed by policyholders, cedants and retakaful operators in connection with policies issued. The management believes, based on independent legal counsel opinions that the ascertainment of liabilities and its timing is highly subjective and dependent on outcomes of court's decisions. Furthermore, as per independent legal counsel, the Group has strong grounds to defend the suits successfully. Accordingly, no additional provision for these claims has been made in the interim condensed consolidated financial statements. However, in case where it is probable that the outcome would result in a loss to the Group in terms of an outflow of economic resources and a reliable estimate of the amount of outflow can be made.

There are no significant capital commitments as of 30 September 2024 (2023: nil).

## 19 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES

**Reconciliation of the Takaful liability for remaining coverage (LRC) & liability for incurred claims for takaful contracts (LIC) as on 30 September 2024 (unaudited)**

| | *Liability for remaining coverage* | | *Liability for incurred claims (PAA)* | | | |
|---|---|---|---|---|---|---|
| **Amount in AED'000** | *Excluding loss component* | *Loss component* | *LIC for contracts not under under PAA* | *Present value of future cash flows* | *Risk adjustment for non-financial risk* | *Total* |
| Takaful contracts that are liabilities at beginning of period | (1,972,381) | (10,137) | (118,436) | (425,538) | (16,936) | (2,543,428) |
| Takaful contracts that are assets at beginning of period | 6,801 | - | - | - | - | 6,801 |
| **Takaful contracts liabilities at beginning of period** | (1,965,580) | (10,137) | (118,436) | (425,538) | (16,936) | (2,536,627) |
| **Takaful revenue** | 802,830 | - | - | - | - | 802,830 |
| Incurred claims and other directly attributable expenses | - | (2,403) | (31,102) | (577,822) | (12,024) | (623,351) |
| Changes that relate to past service - changes in the FCF relating to LIC | - | - | - | 19,077 | 9,131 | 28,208 |
| Losses on onerous contracts and reversals of those losses | - | (11,184) | - | - | - | (11,184) |
| Takaful acquisition cash flows amortisations | (148,104) | - | - | - | - | (148,104) |
| **Takaful service expenses** | (148,104) | (13,587) | (31,102) | (558,745) | (2,893) | (754,431) |
| **Takaful service result** | 654,726 | (13,587) | (31,102) | (558,745) | (2,893) | 48,399 |
| Finance expense from takaful contracts issued recognised | (138,547) | (81) | (2,305) | (15,596) | (741) | (157,270) |
| Forex adjustment to comprehensive income | 14,835 | 560 | - | 21,022 | 689 | 37,106 |
| **Total amounts recognised in profit or loss and other comprehensive income** | 531,014 | (13,108) | (33,407) | (553,319) | (2,945) | (71,765) |
| Investment component | 371,667 | - | (371,667) | - | - | - |
| *Cash flows* | | | | | | |
| Contribution received | (1,141,830) | - | - | - | - | (1,141,830) |
| Claims and other directly attributable expenses paid | - | - | 415,074 | 499,468 | - | 914,544 |
| Takaful acquisition cash flows | 195,630 | - | - | - | - | 195,630 |
| **Total cash flows** | (946,200) | - | 415,074 | 499,468 | - | (31,656) |
| **Takaful contracts liabilities at end of period** | (2,009,099) | (23,245) | (108,436) | (479,389) | (19,881) | (2,640,050) |
| Takaful contracts that are liabilities at end of period | (2,016,001) | (23,245) | (108,436) | (479,389) | (19,881) | (2,646,952) |
| Takaful contracts that are assets at end of period | 6,902 | - | - | - | - | 6,902 |
| **Takaful contract net position at end of period** | (2,009,099) | (23,245) | (108,436) | (479,389) | (19,881) | (2,640,050) |

## 19 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)

**Reconciliation of the retakaful asset for remaining coverage (ARC) & asset for incurred claims for takaful contracts (AIC) as on 30 September 2024 (unaudited)**

| | *Remaining Coverage* | | *Incurred claims* | | | |
|---|---|---|---|---|---|---|
| **Amount in AED'000** | *Excluding loss component* | *Loss recovery component* | *LIC for contracts not under under PAA* | *Present value of future cash flows* | *Risk adjustment for non-financial risk* | *Total* |
| Reinsurance contracts held that are liabilities at beginning of period | (162,050) | - | - | - | - | (162,050) |
| Retakaful contracts held that are assets at beginning of period | 13,049 | 1,455 | 68,505 | 255,218 | 10,235 | 348,462 |
| **Retakaful contract net position at beginning of period** | (149,001) | 1,455 | 68,505 | 255,218 | 10,235 | 186,412 |
| Retakaful expenses | (292,734) | - | - | - | - | (292,734) |
| Incurred claims recovery | - | - | 7,321 | 288,861 | 7,642 | 303,824 |
| Changes that relate to past service-changes in the FCF relating to incurred claims recovery | - | - | - | (10,146) | (4,780) | (14,926) |
| Income on initial recognition of onerous underlying contracts | - | 566 | - | - | - | 566 |
| Reversal of a loss-recovery component other than changes in the FCF of retakaful contracts held | 215 | (761) | - | - | - | (546) |
| Effect of changes in risk of reinsurers' non-performance | - | - | (274) | (1,083) | - | (1,357) |
| **Net income/(expenses) from retakaful contracts held** | (292,519) | (195) | 7,047 | 277,632 | 2,862 | (5,173) |
| Finance income from retakaful contracts held | (11,509) | - | 597 | 10,443 | 497 | 28 |
| Forex adjustment to comprehensive income | (3,944) | (206) | - | (8,363) | (402) | (12,915) |
| **Total amounts recognised in profit or loss and other comprehensive income** | (307,972) | (401) | 7,644 | 279,712 | 2,957 | (18,060) |
| *Cash flows* | | | | | | |
| Contribution paid net of ceding commissions and other directly attributable expenses | 333,400 | - | - | - | - | 333,400 |
| Recoveries from retakaful | - | - | (17,943) | (172,844) | - | (190,787) |
| **Total cash flows** | 333,400 | - | (17,943) | (172,844) | - | 142,613 |
| **Retakaful contracts held assets/ (liabilities) at end of period** | (123,573) | 1,054 | 58,206 | 362,086 | 13,192 | 310,965 |
| Retakaful contracts held that are liabilities at end of period | (134,334) | - | - | - | - | (134,334) |
| Retakaful contracts held that are assets at end of period | 10,761 | 1,054 | 58,206 | 362,086 | 13,192 | 445,299 |
| **Retakaful contract net position at end of period** | (123,573) | 1,054 | 58,206 | 362,086 | 13,192 | 310,965 |

## 19 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)

**Reconciliation of the Takaful liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as on 31 December 2023 (audited)**

| **Amount in AED'000** | *Liability for remaining coverage* | | | *Liability for incurred claims (PAA)* | | |
|---|---|---|---|---|---|---|
| | *Excluding loss component* | *Loss component* | *LIC for contracts not under under PAA* | *Present value of future cash flows* | *Risk adjustment for non-financial risk* | *Total* |
| Takaful contracts that are liabilities at beginning of year | (1,873,636) | (3,298) | (119,778) | (356,322) | (13,326) | (2,366,360) |
| Takaful contracts that are assets at beginning of year | - | - | - | - | - | - |
| **Takaful contracts liabilities at beginning of year** | (1,873,636) | (3,298) | (119,778) | (356,322) | (13,326) | (2,366,360) |
| Takaful revenue | 1,111,005 | - | - | - | - | 1,111,005 |
| Incurred claims and other directly attributable expenses | - | - | (70,103) | (728,159) | (8,407) | (806,669) |
| Changes that relate to past service - changes in the FCF relating to LIC | - | - | - | (3,312) | 5,180 | 1,868 |
| Losses on onerous contracts and reversals of those losses | - | (6,844) | - | - | - | (6,844) |
| Insurance acquisition cash flows amortisations | (197,351) | - | - | - | - | (197,351) |
| **Takaful service expenses** | (197,351) | (6,844) | (70,103) | (731,471) | (3,227) | (1,008,996) |
| **Takaful service result** | 913,654 | (6,844) | (70,103) | (731,471) | (3,227) | 102,009 |
| Finance expense from insurance contracts issued recognised | (203,471) | - | (3,922) | (20,318) | (775) | (228,486) |
| Forex adjustment to comprehensive income | (2,030) | 4 | - | 14,944 | 392 | 13,311 |
| **Total amounts recognised in profit or loss and other comprehensive income** | 708,153 | (6,839) | (74,025) | (736,844) | (3,611) | (113,166) |
| Investment component | 440,796 | - | (440,796) | - | - | - |
| Premium received | (1,460,159) | - | - | - | - | (1,460,159) |
| Claims and other directly attributable expenses paid | - | - | 516,163 | 667,629 | - | 1,183,792 |
| Insurance acquisition cash flows | 219,265 | - | - | - | - | 219,265 |
| **Total cash flows** | (1,240,894) | - | 516,163 | 667,629 | - | (57,102) |
| **Takaful contracts liabilities at end of year** | (1,965,580) | (10,137) | (118,436) | (425,538) | (16,936) | (2,536,627) |
| Takaful contracts that are liabilities at end of year | (1,972,381) | (10,137) | (118,436) | (425,538) | (16,936) | (2,543,428) |
| Takaful contracts that are assets at end of year | 6,801 | - | - | - | - | 6,801 |
| **Takaful contract net position at end of year** | (1,965,580) | (10,137) | (118,436) | (425,538) | (16,936) | (2,536,627) |

## 19 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)

**Reconciliation of the retakaful asset for remaining coverage (ARC) & asset for incurred claims for insurance contracts (AIC) as on 31 December 2023 (audited)**

| Amount in AED'000 | *Remaining Coverage* | | *Incurred claims* | | | |
|---|---|---|---|---|---|---|
| | *Excluding loss component* | *Loss recovery component* | *LIC for contracts not under under PAA* | *Present value of future cash flows* | *Risk adjustment for non-financial risk* | *Total* |
| Retakaful contracts held that are liabilities at beginning of year | (185,201) | - | - | - | - | (185,201) |
| Retakaful contracts held that are assets at beginning of year | 25,510 | 1,466 | 59,072 | 188,276 | 7,522 | 281,846 |
| **Retakaful contract net position at beginning of year** | (159,691) | 1,466 | 59,072 | 188,276 | 7,522 | 96,645 |
| Retakaful expenses | (376,567) | - | - | - | - | (376,567) |
| Amortisation of Insurance acquisition cash flows- | - | - | - | - | - | - |
| Incurred claims recovery | - | - | 21,310 | 266,650 | 4,513 | 292,472 |
| Changes that relate to past service-changes in the FCF relating to incurred claims recovery- | - | - | - | 30,702 | (2,106) | 28,597 |
| Income on initial recognition of onerous underlying contracts | - | 1,437 | - | - | - | 1,437 |
| Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held | - | (1,449) | - | - | - | (1,449) |
| Effect of changes in risk of reinsurers' non-performance | - | - | (388) | 14 | - | (374) |
| **Net income/(expenses) from reinsurance contracts held** | (376,567) | (13) | 20,922 | 297,366 | 2,407 | (55,885) |
| Finance income from reinsurance contracts held | (6,790) | - | 1,114 | 11,845 | 560 | 6,729 |
| Forex adjustment to comprehensive income | (1,421) | 2 | - | (5,086) | (255) | (6,759) |
| **Total amounts recognised in profit or loss and Other comprehensive income** | (384,778) | (10) | 22,036 | 304,125 | 2,713 | (55,915) |
| Cash flows | | | | | | |
| Premiums paid net of ceding commissions and other directly attributable expenses | 395,469 | - | - | - | - | 395,469 |
| Recoveries from retakaful | - | - | (12,603) | (237,183) | - | (249,786) |
| **Total cash flows** | 395,469 | - | (12,603) | (237,183) | - | 145,683 |
| **Retakaful contracts held assets/ (liabilities) at end of year** | (149,000) | 1,455 | 68,505 | 255,218 | 10,235 | 186,413 |
| Retakaful contracts held that are liabilities at end of year | (162,050) | - | - | - | - | (162,050) |
| Retakaful contracts held that are assets at end of year | 13,049 | 1,455 | 68,505 | 255,218 | 10,235 | 348,462 |
| **Reinsurance contract net position at end of year** | (149,000) | 1,455 | 68,505 | 255,218 | 10,235 | 186,413 |

**19 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)**

**Takaful Contract Liabilities reconciliation of the best estimate liability, risk adjustment and contractual service margin as at 30 September 2024 (unaudited)**

| | ***Best estimate liability*** | ***Risk adjustment*** | ***Contractual service margin*** | ***Total*** |
|---|---|---|---|---|
| Opening takaful contract assets | - | - | - | - |
| Opening takaful contract liabilities | (1,579,229) | (43,722) | (438,733) | (2,061,684) |
| **Takaful contracts liabilities at beginning of period** | **(1,579,229)** | **(43,722)** | **(438,733)** | **(2,061,684)** |
| **Changes related to current services** | | | | |
| CSM recognized in profit or loss | - | - | 43,055 | 43,055 |
| Risk Adjustment recognized in profit or loss | - | 14,541 | - | 14,541 |
| Experience adjustments | 16,555 | 514 | - | 17,069 |
| **Changes related to future services** | | | | |
| Contracts initially recognized in the period | 19,833 | (1,922) | (18,645) | (734) |
| Changes in estimates that adjust CSM | (106,199) | (7,731) | 113,930 | - |
| Changes in estimates that result in onerous contracts or reversal of losses | (13,405) | - | - | (13,405) |
| Takaful finance expenses through profit or loss | (12,312) | (3,747) | (124,874) | (140,933) |
| Takaful finance expenses through OCI | 7,192 | 934 | 4,737 | 12,863 |
| **Total changes in statement of profit or loss and OCI** | **(88,336)** | **2,589** | **18,203** | **(67,544)** |
| Contribution received | (356,401) | - | - | (356,401) |
| Claims paid | 415,074 | - | - | 415,074 |
| Acquisition cost paid | 20,061 | - | - | 20,061 |
| **Total cash flows** | **78,734** | **-** | **-** | **78,734** |
| Closing takaful contract assets | - | - | - | - |
| Closing takaful contract liabilities | (1,588,831) | (41,133) | (420,530) | (2,050,494) |
| **Takaful contract net position at end of period** | **(1,588,831)** | **(41,133)** | **(420,530)** | **(2,050,494)** |

**19 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)**

**Reinsurance Contract Assets reconciliation of the best estimate liability, risk adjustment and contractual service margin (non PAA) as at 30 September 2024 (unaudited)**

| | ***Best estimate liability*** | ***Risk adjustment*** | ***Contractual service margin*** | ***Total*** |
|---|---|---|---|---|
| Opening retakaful contract assets | - | - | - | - |
| Opening retakaful contract liabilities | (159,600) | 37,277 | 33,606 | (88,717) |
| **Retakaful contracts held assets/(liabilities) at beginning of period** | **(159,600)** | **37,277** | **33,606** | **(88,717)** |
| **Changes related to current services** | | | | |
| CSM recognized in profit or loss | - | - | (3,407) | (3,407) |
| Risk Adjustment recognized in profit or loss | - | (3,567) | - | (3,567) |
| Experience adjustments | (14,873) | - | - | (14,873) |
| Contracts initially recognized in the period | (10,095) | 1,053 | 9,776 | 734 |
| Changes in estimates that adjust CSM | 10,991 | (1,483) | (9,508) | - |
| Changes in the FCF that do not adjust the CSM for the group of underlying takaful contracts | - | - | (519) | (519) |
| Effect of changes in the risk of retakaful non-performance | (274) | - | - | (274) |
| Takaful finance expenses through profit or loss | (16,759) | 3,155 | 2,692 | (10,912) |
| Takaful finance expenses through OCI | (8,335) | (4,567) | 11,174 | (1,728) |
| **Total changes in statement of profit or loss and OCI** | **(39,345)** | **(5,409)** | **10,208** | **(34,546)** |
| Contribution paid to retakaful net of commission | 65,082 | - | - | 65,082 |
| Recoveries from retakaful | (17,943) | - | - | (17,943) |
| **Total cash flows** | 47,139 | - | - | 47,139 |
| Closing retakaful contract assets | 51,773 | 5,611 | 826 | 58,210 |
| Closing retakaful contract liabilities | (203,579) | 26,257 | 42,988 | (134,334) |
| **Retakaful contract net position at end of period** | **(151,806)** | **31,868** | **43,814** | **(76,124)** |

## 19 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)

**Takaful Contract Liabilities reconciliation of the best estimate liability, risk adjustment and contractual service margin as at 31 December 2023 (audited)**

| Amounts in AED'000 | *Best estimate liability* | *Risk adjustment* | *Contractual service margin* | *Total* |
|---|---|---|---|---|
| Opening takaful contract assets | 337,544 | (25,714) | (320,779) | (8,948) |
| Opening takaful contract liabilities | (1,729,481) | (24,560) | (206,910) | (1,960,951) |
| **Takaful contracts liabilities at beginning of year** | (1,391,936) | (50,274) | (527,689) | (1,969,899) |
| Changes related to current services | | | | |
| CSM recognized in profit and loss | - | - | 65,935 | 65,935 |
| Risk Adjustment recognized in profit and loss | - | 8,137 | - | 8,137 |
| Experience adjustments | 7,355 | (1,721) | - | 5,634 |
| Changes related to future services | | | | |
| Contracts initially recognized in the period | 7,162 | (552) | (6,678) | (67) |
| Changes in estimates that adjust CSM | (180,460) | 3,145 | 177,314 | - |
| Changes in estimates that result in onerous contracts or reversal of losses | (3,244) | - | - | (3,244) |
| Takaful finance expenses through profit and loss | (56,988) | (2,789) | (147,615) | (207,393) |
| Takaful finance expenses through OCI | - | 332 | - | 332 |
| **Total changes in statement of profit or loss and OCI** | (226,175) | 6,552 | 88,956 | (130,667) |
| Premiums received | (506,195) | - | - | (506,195) |
| Claims paid | 509,277 | - | - | 509,277 |
| Directly attributable expenses paid | 2,195 | - | - | 2,195 |
| Acquisition cost paid | 33,606 | - | - | 33,606 |
| **Total cash flows** | 38,883 | - | - | 38,883 |
| Closing takaful contract assets | - | - | - | - |
| Closing takaful contract liabilities | (1,579,229) | (43,722) | (438,733) | (2,061,684) |
| **Takaful contract net position at end of year** | (1,579,229) | (43,722) | (438,733) | (2,061,684) |

## 19 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)

**Retakaful Contract Assets reconciliation of the best estimate liability, risk adjustment and contractual service margin (non PAA) as at 31 December 2023 (audited)**

| **Amounts in AED'000** | ***Best estimate liability*** | ***Risk adjustment*** | ***Contractual service margin*** | ***Total*** |
|---|---|---|---|---|
| Opening retakaful contract assets | 56,817 | 2,256 | - | 59,073 |
| Opening retakaful contract liabilities | (236,045) | 29,628 | 43,056 | (163,361) |
| **Retakaful contracts held assets/(liabilities) at beginning of year** | (179,228) | 31,884 | 43,056 | (104,288) |
| Changes related to current services | | | | |
| CSM recognized in profit or loss | - | - | (3,717) | (3,717) |
| Risk Adjustment recognized in profit or loss | - | (1,105) | - | (1,105) |
| Experience adjustments | (14,928) | - | - | (14,928) |
| Changes in estimates that adjust CSM | 4,028 | 4,557 | (8,620) | (35) |
| Effect of changes in the risk of reinsurers non-performance | (388) | - | - | (388) |
| Insurance finance expenses through profit or loss | (10,504) | 1,941 | 2,887 | (5,676) |
| **Total changes in statement of profit or loss and OCI** | (21,793) | 5,393 | (9,450) | (25,849) |
| Contribution paid to retakaful net of commission | 54,024 | - | - | 54,024 |
| Recoveries from retakaful | (12,603) | - | - | (12,603) |
| **Total cash flows** | 41,421 | - | - | 41,421 |
| Closing retakaful contract assets | 68,794 | 10,120 | (10,409) | 68,505 |
| Closing retakaful contract liabilities | (228,394) | 27,157 | 44,015 | (157,222) |
| **Retakaful contract net position at end of year** | (159,600) | 37,277 | 33,606 | (88,717) |

## 20 OPERATING SEGMENT

For operating purposes, the Group is organised into two main business segments:

- Underwriting of general takaful business incorporating all classes of general takaful including fire, marine, motor, general accident, engineering, medical. This business is conducted in the UAE, Egypt and Algeria.
- Underwriting of life takaful business incorporating individual and group life takaful. This business is conducted in UAE and Egypt.

***Interim Consolidated statement of profit or loss by business***

| | ***Nine-month period ended 30 September 2024 (unaudited)*** | | | ***Three-months period ended 30 September 2024 (unaudited)*** | | |
|---|---|---|---|---|---|---|
| | ***General Takaful AED'000*** | ***Family takaful AED'000*** | ***Total AED'000*** | ***General Takaful AED'000*** | ***Family takaful AED'000*** | ***Total AED'000*** |
| Takaful revenue | **623,360** | **179,470** | **802,830** | **206,539** | **67,704** | **274,243** |
| Takaful service expenses | **(653,301)** | **(101,130)** | **(754,431)** | **(170,057)** | **(40,225)** | **(210,282)** |
| Net expenses from retakaful contracts held | **27,823** | **(32,996)** | **(5,173)** | **(27,611)** | **(12,294)** | **(39,905)** |
| **TAKAFUL SERVICE RESULT** | **(2,118)** | **45,344** | **43,226** | **8,871** | **15,185** | **24,056** |
| Investment and other income | | | **213,037** | | | **70,010** |
| Net takaful expenses | | | **(157,242)** | | | **(58,654)** |
| Other operational expenses and tax | | | **(68,611)** | | | **(25,536)** |
| **Profit after tax** | | | **30,410** | | | **9,876** |

| | *Nine-month period ended 30 September 2023 (unaudited)* | | | *Three-month period ended 30 September 2023 (unaudited)* | | |
|---|---|---|---|---|---|---|
| | *General Takaful AED'000* | *Family takaful AED'000* | *Total AED'000* | *General Takaful AED'000* | *Family takaful AED'000* | *Total AED'000* |
| Takaful revenue | 625,003 | 199,341 | 824,344 | 195,491 | 84,676 | 280,167 |
| Takaful service expenses | (600,467) | (124,292) | (724,759) | (185,615) | (73,858) | (259,473) |
| Net expenses from retakaful contracts held | (40,632) | (23,338) | (63,970) | (15,336) | (2,611) | (17,947) |
| TAKAFUL SERVICE RESULT | (16,096) | 51,711 | 35,615 | (5,460) | 8,207 | 2,747 |
| Investment and other income | | | 182,641 | | | 1,572 |
| Net Insurance finance (expenses) / income | | | (125,521) | | | 13,555 |
| Other operational expenses and tax | | | (74,168) | | | (11,567) |
| Profit after tax | | | 18,567 | | | 6,307 |

## 20 OPERATING SEGMENT (continued)

***By geography***

| | ***Nine-month period ended 30 September 2024 (unaudited)*** | | | ***Three-month period ended 30 September 2024 (unaudited)*** | | |
|---|---|---|---|---|---|---|
| | ***Africa AED'000*** | ***Asia AED'000*** | ***Total AED'000*** | ***Africa AED'000*** | ***Asia AED'000*** | ***Total AED'000*** |
| Takaful revenue | **154,549** | **648,281** | **802,830** | **54,519** | **219,724** | **274,243** |
| Takaful service expenses | **(133,443)** | **(620,988)** | **(754,431)** | **(39,630)** | **(170,652)** | **(210,282)** |
| Net expenses from retakaful contracts held | **(8,984)** | **3,811** | **(5,173)** | **(8,226)** | **(31,679)** | **(39,905)** |
| **TAKAFUL SERVICE RESULT** | **12,122** | **31,104** | **43,226** | **6,663** | **17,393** | **24,056** |
| Investment and other income | | | **213,037** | | | **70,010** |
| Net takaful expenses | | | **(157,242)** | | | **(58,654)** |
| Other operational expenses and tax | | | **(68,611)** | | | **(25,536)** |
| **Profit after tax** | | | **30,410** | | | **9,876** |

| | *Nine-month period ended 30 September 2023 (unaudited)* | | | *Three month period ended 30 September 2023 (unaudited)* | | |
|---|---|---|---|---|---|---|
| | *Africa AED'000* | *Asia AED'000* | *Total AED'000* | *Africa AED'000* | *Asia AED'000* | *Total AED'000* |
| Takaful revenue | 151,129 | 673,215 | 824,344 | 54,607 | 225,560 | 280,167 |
| Takaful service expenses | (142,717) | (582,042) | (724,759) | (44,940) | (214,533) | (259,473) |
| Net expenses from retakaful contracts held | 6,109) | (57,861) | (63,970) | (4,705) | (13,242) | (17,947) |
| TAKAFUL SERVICE RESULT | 2,303 | 33,312 | 35,615 | 4,962 | (2,215) | 2,747 |
| Investment and other income | | | 182,641 | | | 1,572 |
| Net Insurance finance (expenses) / income | | | (125,521) | | | 13,555 |
| Other operational expenses and tax | | | (74,168) | | | (11,567) |
| Profit after tax | | | 18,567 | | | 6,307 |

**20 OPERATING SEGMENT (continued)**

***Interim Consolidated Statement of financial position by business as at 30 September 2024 (unaudited)***

| | *General takaful AED'000 (unaudited)* | *Family takaful AED'000 (unaudited)* | *Total AED'000 (unaudited)* |
|---|---|---|---|
| **Assets** | | | |
| Property and equipment | **45,415** | **2,153** | **47,568** |
| Goodwill and intangibles | **67,426** | **82** | **67,508** |
| Investment properties | **141,675** | **-** | **141,675** |
| Right-of-use assets | **2,799** | **81** | **2,880** |
| Investments in associate | **35,151** | **-** | **35,151** |
| Statutory deposits | **270,548** | **19,218** | **289,766** |
| Investments | **353,604** | **55,710** | **409,314** |
| Participants' investments in unit-linked contracts | **-** | **2,035,617** | **2,035,617** |
| Deposits with takaful and retakaful companies | **688** | **-** | **688** |
| Takaful contract assets | **6,897** | **5** | **6,902** |
| Retakaful contract assets | **378,483** | **66,816** | **445,299** |
| Other assets and receivables | **29,247** | **30,441** | **59,688** |
| Bank balances and cash | **87,108** | **40,656** | **127,764** |
| | **1,419,041** | **2,250,779** | **3,669,820** |
| **Liabilities and equity** | | | |
| Technical reserves | **-** | **88,766** | **88,766** |
| Takaful contract liabilities | **568,503** | **2,078,449** | **2,646,952** |
| Retakaful contract liabilities | **-** | **134,334** | **134,334** |
| Other payables and accruals | **51,542** | **92,495** | **144,037** |
| Lease liabilities | **2,916** | **78** | **2,994** |
| Total liabilities | **622,961** | **2,394,122** | **3,017,083** |
| Total equity – (i) | **796,080** | **(143,343)** | **652,737** |
| **Total Liabilities and equity** | **1,419,041** | **2,250,779** | **3,669,820** |

| | |
|---|---|
| **Total equity – (i)** | |
| Equity attributable to the owners of the Company | **589,055** |
| Non-controlling interest | **63,682** |
| | **652,737** |

## 20 OPERATING SEGMENT (continued)

***Consolidated Statement of financial position by business as at 31 December 2023 (audited)***

| | *General takaful AED'000 (audited)* | *Family takaful AED'000 (audited)* | *Total AED'000 (audited)* |
|---|---|---|---|
| **Assets** | | | |
| Property and equipment | 45,653 | 1,729 | 47,382 |
| Goodwill and intangibles | 67,410 | 606 | 68,016 |
| Investment properties | 145,376 | - | 145,376 |
| Right-of-use assets | 4,223 | 372 | 4,595 |
| Investments in associate | 35,352 | - | 35,352 |
| Statutory deposits | 191,704 | 91,822 | 283,526 |
| Investments | 347,584 | 46,478 | 394,062 |
| Participants' investments in unit-linked contracts | - | 2,020,883 | 2,020,883 |
| Deposits with takaful and retakaful companies | 974 | - | 974 |
| Takaful contract assets | 6,801 | - | 6,801 |
| Retakaful contract assets | 269,639 | 78,823 | 348,462 |
| Other assets and receivables | 55,900 | 58,133 | 114,033 |
| Bank balances and cash | 95,857 | 48,322 | 144,179 |
| | 1,266,473 | 2,347,168 | 3,613,641 |
| **Liabilities and equity** | | | |
| Technical reserves | - | 77,160 | 77,160 |
| Takaful contract Liabilities | 466,339 | 2,077,089 | 2,543,428 |
| Retakaful contract Liabilities | 4,828 | 157,222 | 162,050 |
| Other payables and accruals | 63,952 | 105,146 | 169,098 |
| Lease liabilities | 4,313 | 382 | 4,695 |
| Total liabilities | 539,432 | 2,416,999 | 2,956,431 |
| Total equity – (i) | 727,041 | (69,831) | 657,210 |
| **Total Liabilities and equity** | 1,266,473 | 2,347,168 | 3,613,641 |

| | |
|---|---|
| **Total equity – (i)** | |
| Equity attributable to the owners of the Company | 587,975 |
| Non-controlling interest | 69,235 |
| Total Equity | 657,210 |

## 21 CLASSES AND CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below sets out the classification of each class of financial assets and liabilities and their fair values. For instruments carried at amortised cost, management believes that their carrying values approximates to their fair values.

***30 September 2024 (unaudited)***

| | ***FVTPL AED'000*** | ***FVOCI AED'000*** | ***Amortised cost AED'000*** | ***Total AED'000*** |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | **902** | **82,757** | **325,655** | **409,314** |
| Statutory deposits | **-** | **-** | **289,766** | **289,766** |
| Deposits with takaful and retakaful companies | **-** | **-** | **688** | **688** |
| Other assets and receivables | **-** | **-** | **48,434** | **48,434** |
| Bank balances and cash | **-** | **-** | **127,764** | **127,764** |
| | **902** | **82,757** | **792,307** | **875,966** |
| **Financial liabilities** | | | | |
| Other payables and accruals | **-** | **-** | **77,920** | **77,920** |
| Lease liabilities | **-** | **-** | **2,994** | **2,994** |
| | **-** | **-** | **80,914** | **80,914** |

*31 December 2023 (audited)*

| | *FVTPL AED'000* | *FVOCI AED'000* | *Amortised cost AED'000* | *Total AED'000* |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | 323 | 84,460 | 309,279 | 394,062 |
| Statutory deposits | - | - | 283,526 | 283,526 |
| Deposits with takaful and retakaful companies | - | - | 974 | 974 |
| Other assets and receivables | - | - | 62,179 | 62,179 |
| Bank balances and cash | - | - | 145,807 | 145,807 |
| | 323 | 84,460 | 801,765 | 886,548 |
| **Financial liabilities** | | | | |
| Other payables and accruals | - | - | 91,226 | 91,226 |
| Lease liabilities | - | - | 4,695 | 4,695 |
| | - | - | 95,921 | 95,921 |

## 22 CAPITAL RISK MANAGEMENT

The solvency regulations identify the required Solvency Margin to be held on consolidated basis in addition to insurance liabilities.

The Solvency Margin (presented in the table below on consolidated basis) must be maintained at all times throughout the year/period. The Group is subject to solvency regulations which it has not complied with during the period. The Company has incorporated in its policies and procedures the necessary procedures to ensure continuous and full compliance with such regulations.

The table below summarises the consolidated Minimum Capital Requirement ("MCR"), Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held at the Company level to meet the required Solvency Margins in line with the requirements of the Central Bank of UAE. The Group has disclosed the solvency position as of 30 September 2024 as following:

| | ***30 September 2024 AED'000*** | *31 December 2023 AED'000* |
|---|---|---|
| Minimum Capital Requirement (MCR) | **100,000** | 100,000 |
| Solvency Capital Requirement (SCR) | **249,163** | 277,592 |
| Minimum Guarantee Fund (MGF) | **156,722** | 156,485 |
| Basic Own Funds | **59,780** | 111,248 |
| Ancillary Own Funds | **140,000** | 140,000 |
| MCR Solvency Margin - surplus/(deficit) | **-** | 11,248 |
| SCR Solvency Margin - surplus/(deficit) | **(99,273)** | (96,344) |
| MGF Solvency Margin - surplus/(deficit) | **(6,832)** | 24,763 |
| Subordinated liabilities (limited) | **40,220** | - |

## 23 INCOME TAXES

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 September 2023. As the Group's accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. It is not currently foreseen that the Group's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in FY2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Group operates and the enactment of Pillar Two rules by the UAE MoF.

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected annual earnings. The Group entities operate in the Egypt and Algeria and are subject to income tax in these countries. Tax charge for UAE operations is nil for the nine months period ended 30 September 2024.

## 23 INCOME TAXES (continued)

The component of income tax arising from foreign operations recognised in the consolidated statement of profit or loss is as follows.

| | ***30 September 2024 AED'000 (unaudited)*** | *30 September 2023 AED'000 (unaudited)* |
|---|---|---|
| Current income tax expense | **8,926** | 9,470 |
| Deferred taxes | **4,013** | 6,231 |
| | **12,939** | 15,701 |

| | ***30 September 2024 AED'000 (unaudited)*** | *31 December 2023 AED'000 (audited)* |
|---|---|---|
| ***Current Tax payable*** | | |
| As at 1 January | **16,038** | 6,146 |
| Provisions during the period/year | **8,926** | 15,360 |
| Less: payments | **-** | (5,100) |
| Exchange differences | **(1,827)** | (368) |
| **Balance as at the end of the period/year** | **23,137** | 16,038 |
| ***Deferred Tax Assets*** | | |
| As at 1 January | **5,200** | 4,980 |
| Provisions during the period/year | **-** | 100 |
| Exchange differences | **(34)** | 120 |
| **Balance as at the end of the period/year** | **5,166** | 5,200 |
| ***Deferred Tax Liabilities*** | | |
| As at 1 January | **121** | 102 |
| Provisions during the period/year | **4,013** | 37 |
| Exchange differences | **(43)** | (18) |
| **Balance as at the end of the period/year** | **4,091** | 121 |

## 24 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 November 2024.