TAKAFUL EMARAT - INSURANCE (PSC) AND ITS SUBSIDIARY

Interim condensed consolidated financial information (Unaudited)
For the three-month period ended 31 March 2024

Grant Thornton Audit and Accounting Limited (Dubai Branch)

The Offices 5
Level 3
Office 302, 303, 308
One Central, DWTC
Dubai, UAE

P.O. Box 1620
T +971 4 388 9925
F +971 4 388 9915
www.grantthornton.ae

Review report of the Independent Auditor

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Takaful Emarat - Insurance (PSC) (the "Company") and its subsidiary (collectively referred to as the "Group") as at 31 March 2024, and the related interim condensed consolidated statement of income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows for the three-month period then ended and material accounting policy information. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Material Uncertainty due to Going Concern

We draw attention to Note 3 to the interim condensed consolidated financial information, which indicates that the Group's incurred a loss for the three-month period ended 31 March 2024 of AED 8.9 million, and as at that date, the accumulated losses amounted to AED 190.2 million and a shareholders' deficit of AED 48.6 million. Further, as stated in Note 25, the Group did not meet the Minimum Capital Requirements. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 25 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The interim condensed consolidated financial information has been prepared on a going concern basis as the Group's shareholders have committed to provide financial support to the Group to enable it to meet its obligations as they fall due. Our opinion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "*Interim Financial Reporting*".

Grant Thornton P.O. Box: 1620 DUBAI-U.A.E. Public Accountants

GRANT THORNTON UAE

Farouk Mohamed
Registration No: 86
Dubai, United Arab Emirates

15 May 2024

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

Interim condensed consolidated statement of financial position
As at 31 March 2024

	Notes	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Assets			
Participants' assets			
Investment properties	6	**88,084**	83,984
Investments carried at FVTPL	7	**370,503**	343,196
Retakaful contract assets	8	**38,777**	33,700
Other receivables	9	**7,080**	5,648
Due from shareholders		**100,708**	106,471
Cash and bank balances	11	**67,379**	50,791
Total participants' assets		**672,531**	623,790
Shareholders' assets			
Property and equipment		**704**	715
Intangible assets		**355**	490
Investments carried at FVTPL	7	**4,829**	4,829
Other receivables	9	**4,434**	4,800
Statutory deposit	10	**4,000**	4,000
Cash and bank balances	11	**46,973**	25,450
Deferred tax assets		**646**	-
Total shareholders' assets		**61,941**	40,284
Total assets		**734,472**	664,074

The notes from 1 to 27 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position (continued)
As at 31 March 2024

	Notes	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Participants' liabilities and deficit			
Participants' liabilities			
Takaful contract liabilities	8	584,573	536,243
Retakaful contract liabilities	8	8,794	3,453
Other payables	14	18,357	18,370
Total participants' liabilities		611,724	558,066
Deficit in participants funds and Qard Hassan from shareholder's			
Deficit in participants funds	15	(65,241)	(65,724)
Qard Hassan from Shareholder's	15	65,241	65,724
Deficit in participants funds and Qard Hassan from shareholder's		-	-
Total participants' liabilities and deficit		611,724	558,066
Shareholder's liability and deficit			
Shareholder's liabilities			
Employees' end of service benefits		3,610	3,636
Other payables	14	67,010	35,553
Due to participants		100,708	106,471
Total shareholder's liabilities		171,328	145,660
Shareholder's deficit			
Share capital	12	150,000	150,000
Statutory reserve	13	6,568	6,568
Retakaful reserves		1,966	1,966
Cumulative changes in fair value of FVTOCI investments		(16,922)	(16,922)
Accumulated losses		(190,192)	(181,264)
Total shareholder's deficit		(48,580)	(39,652)
Total shareholder's deficit and liabilities		122,748	106,008
Total liabilities, participants' fund and equity		734,472	664,074

This interim condensed consolidated financial information was authorised for issue on 15 May 2024 by the Board of Directors and signed on their behalf by:

Ms. Fatima Hussain Ali Ahmed
Chairman

Mr. Mohd Amin Abu Quora
Chief Executive officer

The notes from 1 to 27 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated income statement
For the period ended 31 March 2024

	Notes	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Attributable to participants			
Takaful revenue	16	**84,054**	47,401
Takaful service expense	17	**(59,862)**	(38,405)
Takaful service result before retakaful contracts held		**24,192**	8,996
Net expenses from retakaful contracts held		**(4,412)**	3,143
Takaful service result		**19,780**	12,139
Takaful finance expenses	18	**(24,666)**	(29,008)
Retakaful finance (expense)/income	18	**(25)**	160
Net change in fair value of participants' investment		**20,539**	28,872
Net takaful income		**15,628**	12,163
Investment income–net		**825**	651
Wakala fees		**(15,970)**	(11,806)
Surplus for the period attributable to participants		**483**	1,008
Attributable to shareholders			
Investment income		**272**	48
Other income		**57**	125
Wakala fees		**15,970**	11,806
Policy acquisition cost		**(12,939)**	(6,466)
General and administrative expenses	19	**(13,417)**	(7,576)
Loss for the period before Qard Hassan		**(10,057)**	(2,063)
Recovery against Qard Hassan to participants		**483**	1,008
Loss before tax attributable to shareholders		**(9,574)**	(1,055)
Income tax credit for the period		**646**	-
Loss after tax attributable to shareholders		**(8,928)**	(1,055)
Basic and diluted loss per share		**(0.06)**	(0.01)

The notes from 1 to 27 form an integral part of this interim condensed consolidated financial information.

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

Interim condensed consolidated statement of comprehensive income
For the period ended 31 March 2024

	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Net loss for the period	**(8,928)**	(1,055)
Other comprehensive income	-	-
Total other comprehensive loss for the period	**(8,928)**	(1,055)

The notes from 1 to 27 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity
For the period ended 31 March 2024

	Share capital AED'000	Statutory reserve AED'000	Retakaful reserve AED'000	Cumulative changes in fair value of investments (FVTOCI) AED'000	Accumulated losses AED'000	Total deficit AED'000
At 1 January 2023	150,000	6,568	1,268	(16,922)	(168,140)	(27,226)
Loss for the period	-	-	-	-	(1,055)	(1,055)
Total comprehensive loss for the period	-	-	-	-	(1,055)	(1,055)
Balance at 31 March 2023 (Unaudited)	150,000	6,568	1,268	(16,922)	(169,195)	(28,281)
At 1 January 2024 (audited)	**150,000**	**6,568**	**1,966**	**(16,922)**	**(181,264)**	**(39,652)**
Loss for the period	-	-	-	-	**(8,928)**	**(8,928)**
Total comprehensive loss for the period	-	-	-	-	**(8,928)**	**(8,928)**
At 31 March 2024 (Unaudited)	**150,000**	**6,568**	**1,966**	**(16,922)**	**(190,192)**	**(48,580)**

The notes from 1 to 27 from an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows
For the period ended 31 March 2024

	Notes	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Cash flows from operating activities			
Loss before tax for the period		**(9,574)**	(1,055)
Adjustments for:			
Depreciation and amortisation	19	**204**	241
Unrealised gain on investments carried at FVTPL	7	**(20,539)**	(71,890)
Provision for expected credit loss		**63**	4
Provision/(reversal) for employees' end of service benefits		**244**	(237)
Operating cash flows before changes in working capital		**(29,602)**	(72,937)
Changes in working capital:			
Changes in takaful contract assets		**-**	(228)
Changes in retakaful contract assets		**(5,077)**	(4,335)
Change in other receivables		**(1,066)**	10,469
Changes in takaful contract liabilities		**48,330**	20,230
Changes in retakaful contract liabilities		**5,341**	583
Change in other payables		**31,429**	34,735
Cash generated from/(used in) operating activities		**49,355**	(11,483)
Employees end of service benefits paid		**(270)**	(3,910)
Net cash generated from/(used in) operating activities		**49,085**	(15,393)
Cash flows from investing activities			
Change in deposits with maturity of more than three months		**(15,000)**	17,000
Net (purchase)/proceeds from investments at FVTPL		**(6,768)**	38,584
Purchase of property and equipment		**(58)**	-
Addition to investments properties		**(4,100)**	(1,238)
Net cash (used in)/generated from investing activities		**(25,926)**	54,346
Cash flows from financing activity			
Repayment of ijarah financing		**-**	(17,500)
Net cash used in financing activity		**-**	(17,500)
Net change in cash and cash equivalents		**23,159**	21,453
Cash and cash equivalents at beginning of the period		**62,701**	62,828
Cash and cash equivalents at end of the period	11	**85,860**	84,281

The notes from 1 to 27 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2024

1 Legal status and activities

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

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

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

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

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

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

Subsidiary	Principal activity	Country of incorporation	Ownership	
Directly owned			**2024**	2023
Modern Tech Investment	Investment	United Arab Emirates	**100%**	100%

2 Application of new and revised international financial reporting standards ("IFRS")

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

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

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

3 Basis of preparation

Statement of compliance

This interim condensed consolidated financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of U.A.E Federal Law No. 32 of 2021, relating to commercial companies, and of UAE Federal Law No. 48 of 2023 concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations. The interim condensed consolidated financial information is prepared in UAE Dirhams ("AED") being the economic, functional and reporting currency, rounded to the nearest thousand.

3 Basis of preparation (continued)

Statement of compliance (continued)

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

Fundamental accounting concept

As at 31 March 2024, the Group did not meet the Minimum Capital Requirements of AED 100 million, Solvency Capital Requirements of AED 56.1 million and Minimum Guarantee Fund of AED 34.6 million as at 31 March 2024 as disclosed in Note 25. Further, the Group has a shareholders' deficit of AED 48.6 million and net current liabilities of AED 265 million. The Group has made a business plan to meet the solvency requirements which is submitted to the regulatory authorities. A material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Further, as at 31 March 2024, the Group's accumulated losses represent 127% of the share capital of the Company (31 December 2023: 121 %). Article 309 of the Federal Decree Law No. 32 of 2021 requires a Company to conduct a meeting of general assembly in case the accumulated losses exceed 50% of a Company's share capital. Accordingly, the Group conducted a general assembly meeting on 27 February 2024 and passed a resolution for continuity of the Group's operations. Further, , the shareholders passed the following resolutions:

- offset the accumulated losses by AED 132 million through reducing the Group's share capital; and
- Increase the share capital of the Parent Company by AED 125 million, subject to pending approval from the regulators. However, the Group has received a non-objection letter from the concerned regulated authorities to proceed with the capital restructuring.

Basis of measurement

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

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

The Group's interim condensed consolidated statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: Cash and cash equivalents, Takaful and other receivables and Takaful and other payables. The following balances would generally be classified as non-current: property and equipment and statutory deposit. The following balances are of mixed nature (including both current and non-current portions), retakaful contract assets, takaful contract liabilities, bank balances and fixed deposits and provision for employees' end of service indemnity.

Functional and presentation currency

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

3 Basis of preparation (continued)

Basis of consolidation

The interim condensed consolidated financial information comprises the financial information of the Group and its investees that are considered subsidiary as at 31 March 2024. Subsidiary is investees that the Group has control over. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

4 Material accounting policies

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

5 Critical accounting estimates and judgements in applying accounting policies

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

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

Insurance and financial risk management

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

6 Investment properties

Investment properties include plot of land, rented out apartments and apartments that are still under construction. All investment properties are located in the U.A.E.

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

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Residential apartments*	**20,834**	20,834
Land**	**23,275**	23,275
Properties under development**	**43,975**	39,875
	88,084	83,984

* Residential apartments are classified as Level 3 in the fair value hierarchy as at 31 December 2023. Management believes there is no change in fair value of investment properties as at 31 March 2024. This includes rented apartments with a fair value of AED 8.5 million and apartments under construction with a fair value of AED 12.3 million.

** Land, on which construction is under progress, and the work in progress as at 31 March 2024 amounting to AED 67.3 million (31 December 2023 AED 63.2 million) are stated at its fair value. This includes land with fair value of AED 23.3 million and work in progress with an amount of AED 44 million. (31 December 2023 land with fair value of AED 23.3 million and work in progress with an amount of AED 39.9 million).

31 March 2024 (unaudited)	**Apartments AED'000**	**Land AED'000**	**Properties under development AED'000**	**Total AED'000**
As at 1 January	**20,834**	**23,275**	**39,875**	**83,984**
Addition in WIP	**-**	**-**	**4,100**	**4,100**
As at 31 March 2024	**20,834**	**23,275**	**43,975**	**88,084**
31 December 2023 (Audited)				
As at 1 January	13,266	15,402	29,037	57,705
Change in fair value during the period	7,568	7,873	-	15,441
Addition in WIP	-	-	10,838	10,838
As at 31 December 2023	20,834	23,275	39,875	83,984

The rental income earned by the Group from its investment properties which are leased under operating leases and the direct operating expenses arising in the management of investments properties were as given on the next page:

6 Investment properties (continued)

	(Unaudited)	(Unaudited)
	For the three-month period ended 31 March	
	2024	2023
	AED'000	AED'000
Rental income	**137**	125
Direct operating expenses	**(34)**	(35)
Income from investment property	**103**	90

7 Investments carried at FVTPL

	(Unaudited)	(Audited)
	31 March	31 December
	2024	2023
	AED'000	AED'000
Mutual funds	**370,546**	343,239
Equity investments – Unquoted	**4,786**	4,786
	375,332	348,025
Attributable to:		
Participants	**370,503**	343,196
Shareholders	**4,829**	4,829
	375,332	348,025
Within UAE	**72,130**	79,748
Outside UAE	**303,202**	268,277
	375,332	348,025

The movement in other financial assets are as follows:

	(Unaudited)	(Audited)
	31 March	31 December
	2024	2023
	AED'000	AED'000
As at 1 January	**348,025**	265,658
Purchased during the period	**118,846**	538,977
Sold during the period	**(112,078)**	(511,816)
Change in fair value	**20,539**	55,206
	375,332	348,025

8 Takaful and retakaful contracts

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

	(Unaudited) 31 March 2024			(Audited) 31 December 2023		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
Takaful contracts issued						
Group life and medical	-	**(237,467)**	**(237,467)**	-	(206,651)	(206,651)
Individual life	-	**(347,106)**	**(347,106)**	-	(329,592)	(329,592)
Total takaful contracts issued	-	**(584,573)**	**(584,573)**	-	(536,243)	(536,243)
Retakaful contracts held						
Group life and medical	**38,777**	-	**38,777**	33,700	-	33,700
Individual life	-	**(8,794)**	**(8,794)**	-	(3,453)	(3,453)
Total retakaful contracts held	**38,777**	**(8,794)**	**29,983**	33,700	(3,453)	30,247

8 Takaful and retakaful contracts (continued)

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

31 March 2024 (Unaudited)	Liability for remaining coverage		LIC for contracts not measured under the PAA	LIC for contracts measured under the PAA		
Takaful contracts issued	Excluding loss component AED'000	Loss component AED'000	AED'000	Present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Opening takaful contract liabilities	(439,484)	(12,491)	(5,412)	(76,780)	(2,076)	(536,243)
Net balance as at 1 January 2024	(439,484)	(12,491)	(5,412)	(76,780)	(2,076)	(536,243)
Takaful revenue	84,054	-	-	-	-	84,054
Takaful service expenses						
Incurred claims and other directly attributable expenses	-	-	(1,588)	(76,475)	(2,150)	(80,213)
Changes that relate to past service - adjustments to the LIC	-	-	189	4,551	1,904	6,644
Losses on onerous contracts and reversal of those losses	-	6,121	-	-	-	6,121
Takaful acquisition cash flows amortisation	(12,939)	-	-	-	-	(12,939)
Total takaful service expenses	(12,939)	6,121	(1,399)	(71,924)	(246)	(80,387)
Takaful service result	71,115	6,121	(1,399)	(71,924)	(246)	3,667
Finance expenses from takaful contracts issued	(24,630)	(15)	(21)	-	-	(24,666)
Investment components	22,311	-	(22,311)	-	-	-
Total amounts recognised in comprehensive income	68,796	6,106	(23,731)	(71,924)	(246)	(20,999)
Cash flows						
Premiums received	(132,719)	-	-	-	-	(132,719)
Claims and other directly attributable expenses paid	-	-	23,661	63,931	-	87,592
Takaful acquisition cash flows paid	17,796	-	-	-	-	17,796
Total cash flows	(114,923)	-	23,661	63,931	-	(27,331)
Net takaful contract liabilities at 31 March 2024	(485,611)	(6,385)	(5,482)	(84,773)	(2,322)	(584,573)

8 Takaful and retakaful contracts (continued)

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

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

8 Takaful and retakaful contracts (continued)

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

31 March 2024 (Unaudited)	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
Opening takaful contract liabilities	(306,761)	(8,706)	(14,125)	(329,592)
Net balance as at 1 January 2024	(306,761)	(8,706)	(14,125)	(329,592)
Changes related to current services				
- CSM recognised in profit and loss	-	-	701	701
- Risk Adjustment recognised in profit and loss	-	356	-	356
- Experience adjustments	1,694	(201)	-	1,493
Changes related to future services				
- Contracts initially recognised in the period	(209)	(408)	(46)	(663)
- Changes in estimates that adjust CSM	4,027	(197)	(3,829)	1
- Changes in estimates that result in onerous contracts or reversal of losses	7,249	(2)	-	7,247
Changes that relate to past service - adjustments to LIC	4	185	-	189
Takaful finance expenses through profit and loss	(24,658)	-	(8)	(24,666)
Total changes in statement of comprehensive income	(11,893)	(267)	(3,182)	(15,342)
Premiums received	(29,048)	-	-	(29,048)
Claims and other directly attributable expenses paid	23,663	-	-	23,663
Takaful acquisition cash flows paid	3,213	-	-	3,213
Total cash flows	(2,172)	-	-	(2,172)
Net takaful contract liabilities at 31 March 2024	(320,826)	(8,973)	(17,307)	(347,106)

8 Takaful and retakaful contracts (continued)

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

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

8 Takaful and retakaful contracts (continued)

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

31 March 2024 (Unaudited)	Asset for remaining coverage		AIC for contracts not measured under the PAA	AIC for contracts measured under the PAA		
Retakaful contracts issued	Excluding loss component AED'000	Loss component AED'000	AED'000	Present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Opening retakaful contract assets	(27,762)	1,813	-	58,620	1,029	33,700
Opening retakaful contract liabilities	(13,908)	7,368	3,087	-	-	(3,453)
Net balance as at 1 January 2024	(41,670)	9,181	3,087	58,620	1,029	30,247
Allocation of retakaful premium	(38,137)	-	-	-	-	(38,137)
Amounts recoverable for claims and other expenses	-	-	628	38,440	527	39,595
Changes that relate to past service - adjustments to LIC	-	-	(1)	321	(394)	(74)
Changes in fulfilment cash flows that do not adjust underlying CSM	-	(5,796)	-	-	-	(5,796)
Expenses directly attributable to retakaful	-	-	45	(358)	-	(313)
Net (expenses)/income from retakaful contracts held	(38,137)	(5,796)	672	38,403	133	(4,725)
Finance income from retakaful contracts issued	(37)	-	12	-	-	(25)
Total amounts recognised in comprehensive income	(38,174)	(5,796)	684	38,403	133	(4,750)
Cash flows						
Premiums paid to retakaful net of commission	12,575	-	-	-	-	12,575
Recoveries from retakaful	-	-	-	(8,429)	-	(8,429)
Directly attributable expenses paid	-	-	(23)	363	-	340
Total cash flows	12,575	-	(23)	(8,066)	-	4,486
Net retakaful contract liabilities at 31 March 2024	(67,269)	3,385	3,748	88,957	1,162	29,983
Closing retakaful contract assets	(53,306)	1,964	-	88,957	1,162	38,777
Closing retakaful contract liabilities	(13,963)	1,421	3,748	-	-	(8,794)
Net retakaful contract liabilities at 31 March 2024	(67,269)	3,385	3,748	88,957	1,162	29,983

8 Takaful and retakaful contracts (continued)

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

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

8 Takaful and retakaful contracts (continued)

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

31 March 2024 (Unaudited)	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
Opening retakaful contract liabilities as at 1 January 2024	(7,098)	573	3,072	(3,453)
Changes related to current services				
- CSM recognised in profit and loss	-	-	393	393
- Risk adjustment recognised in profit and loss	-	(18)	-	(18)
- Experience adjustments	117	14	-	131
Changes related to future services				
- Contracts initially recognised in the period	2	2	(3)	1
- Changes in estimates that adjust CSM	(74)	11	63	-
- Changes in estimates that result in onerous contracts or reversal of losses	-	-	(5,947)	(5,947)
- Changes that relate to past service - adjustments to LIC	(12)	11	-	(1)
- Retakaful finance expenses through profit and loss	(55)	-	30	(25)
Total changes in statement of comprehensive income	(22)	20	(5,464)	(5,466)
Premiums paid to reinsurer net of commission	150	-	-	150
Recoveries from retakaful	(2)	-	-	(2)
Directly attributable expenses paid	(23)	-	-	(23)
Total cash flows	125	-	-	125
Closing retakaful contract liabilities as at 31 March 2024	(6,995)	593	(2,392)	(8,794)

8 Takaful and retakaful contracts (continued)

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

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

9 Other receivables

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Prepayments	**1,404**	1,759
Other receivables	**9,588**	7,715
Advances	**430**	631
Investment receivables	**92**	343
	11,514	10,448
Attributable to:		
Participants	**7,080**	5,648
Shareholders	**4,434**	4,800
	11,514	10,448

10 Statutory deposit

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

11 Cash and bank balances

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000	(Unaudited) 31 March 2023 AED'000
Cash on hand	**43**	45	98
Cash at banks	**85,817**	62,656	84,183
Term deposit having maturity more than 3 months	**28,610**	13,610	24,142
Less: Expected credit losses	**(118)**	(70)	(54)
Cash and bank balances	**114,352**	76,241	108,369

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

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000	(Unaudited) 31 March 2023 AED'000
Cash and bank balances	**114,352**	76,241	108,369
Add: Expected credit losses	**118**	70	54
Less: Term deposit having maturity more than 3 months	**(28,610)**	(13,610)	(24,142)
Cash and cash equivalents	**85,860**	62,701	84,281
Attributable to:			
Participants		**67,379**	50,791
Shareholders		**46,973**	25,450
		114,352	76,241

12 Share capital

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Authorised issued and fully paid		
150,000,000 ordinary shares of AED 1 each	**150,000**	150,000

13 Statutory reserves

Statutory reserve

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

Regulatory reserve

In accordance with Article 34 of Central Bank of UAE's Board of Directors Decision No. (23) of 2019, the Group has allocated an amount equals to 0.5% of the total retakaful contributions ceded in all classes to retakaful reserve from the effective date of the said decision.

This reserve is accumulated year after year and may not be disposed of without the written approval of the Central Bank of United Arab Emirates.

14 Other payables

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Account payables	**29,546**	16,327
Payable to DHA	**17,717**	17,706
Accrued expenses	**4,826**	2,261
Employee related accruals	**2,487**	2,597
Other payables	**30,791**	15,032
	85,367	53,923
Attributable to:		
Participants	**18,357**	18,370
Shareholders	**67,010**	35,553
	85,367	53,923

15 Qard Hasan

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
(i) Deficit in participants' fund:		
As at 1 January	**(65,724)**	(93,516)
Surplus during the period	**483**	27,792
As at 31 March	**(65,241)**	(65,724)

15 Qard Hasan (continued)

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
(ii) Qard Hasan from shareholders		
As at 1 January	**65,724**	93,516
Recovery during the period	**(483)**	(27,792)
As at 31 December	**65,241**	65,724

16 Takaful revenue

For the three-month period ended 31 March 2024 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
CSM recognised for services provided	-	**701**	**701**
Change in risk adjustment for non-financial risk for risk expired	-	**356**	**356**
Expected incurred claims and other takaful service expenses	-	**1,425**	**1,425**
Experience adjustments	-	**1,606**	**1,606**
Recovery of takaful acquisition cash flows	-	**1,940**	**1,940**
Contracts not measured under the PAA	-	**6,028**	**6,028**
Contracts measured under the PAA	**78,026**	-	**78,026**
Total takaful revenue	**78,026**	**6,028**	**84,054**

For the three-month period ended 31 March 2023 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
CSM recognised for services provided	-	1,058	1,058
Change in risk adjustment for non-financial risk for risk expired	-	193	193
Expected incurred claims and other takaful service expenses	-	1,950	1,950
Experience adjustments	-	(280)	(280)
Recovery of takaful acquisition statements	-	659	659
Contracts not measured under the PAA	-	3,580	3,580
Contracts measured under the PAA	43,821	-	43,821
Total takaful revenue	43,821	3,580	47,401

17 Takaful service expense

For the three-month period ended 31 March 2024 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
Incurred claims and other expenses	71,716	911	72,627
Losses on onerous contracts and reversals of those losses	513	(6,634)	(6,121)
Changes to liabilities for incurred claims	(6,496)	(148)	(6,644)
Total takaful service expenses charged to participants' fund	65,733	(5,871)	59,862
Other expenses allocated to shareholders' fund			
Amortisation of takaful acquisition cash flows	11,041	1,898	12,939
Takaful maintenance expenses	6,909	677	7,586
Total other expenses charged to shareholders' fund	17,950	2,575	20,525
Total takaful service expenses	83,683	(3,296)	80,387

For the three-month period ended 31 March 2023 (Unaudited)	Group life and medical AED'000	Individual life AED'000	Total AED'000
Incurred claims and other expenses	38,880	758	39,638
Losses on onerous contracts and reversals of those losses	-	(188)	(188)
Changes to liabilities for incurred claims	(672)	(373)	(1,045)
Total takaful service expenses charged to participants' fund	38,208	197	38,405
Amortisation of takaful acquisition cash flows	5,807	659	6,466
Takaful maintenance expenses	4,669	414	5,083
Total other expenses charged to shareholders' fund	10,476	1,073	11,549
Total takaful service expenses	48,684	1,270	49,954

18 Takaful and retakaful finance income and expense

	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Takaful finance expenses	(24,666)	(29,008)
Retakaful finance expense	(25)	160
	(24,691)	(28,848)

19 General and administrative expenses

	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Salaries and other benefits	**4,523**	3,392
TPA expenses	**3,766**	2,455
Legal and professional fees	**1,757**	127
IT expenses	**593**	448
Depreciation and amortisation	**204**	241
Utilities, maintenance and communication	**346**	101
Ijarah finance expenses	**-**	377
Miscellaneous expenses	**2,228**	435
	13,417	7,576

20 Contingent liabilities

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

Legal claims

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

Capital commitments

Capital commitments for under construction properties as at 31 March 2024 amounted to AED 7.5 million (31 December 2023: AED 6.5 million).

Other commitments

The Group has lease agreements which are payable as follows:

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Less than one period	**346**	633

21 Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Group's management.

Compensation of the key management personnel is given on next page:

21 Related party transactions (continued)

	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Short/long term employee benefits	**1,761**	1,946

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

22 Financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

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

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

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

Fair value measurements recognised in the consolidated statement of financial position The following table provides an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

22 Financial instruments (continued)

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

31 March 2024 (Unaudited)	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Investments at fair value through profit or loss				
Mutual funds	-	370,546	-	370,546
Equity investments – Unquoted	-	-	4,786	4,786
	-	370,546	4,786	375,332
31 December 2023 (Audited)				
Investments at fair value through profit or loss				
Mutual funds	-	343,239	-	343,239
Equity investments – Unquoted	-	-	4,786	4,786
	-	343,239	4,786	348,025

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

23 Segment information

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

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

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

23 Segment information (continued)

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

For the three-month period ended 31 March (Unaudited)	2024			2023		
	Attributable to participants AED'000	**Attributable to shareholders AED'000**	**Total AED'000**	Attributable to participants AED'000	Attributable to shareholders AED'000	Total AED'000
Takaful						
Takaful revenue	**84,054**	**-**	**84,054**	47,401	-	47,401
Takaful service expenses	**(59,862)**	**-**	**(59,862)**	(38,405)	-	(38,405)
Takaful service result before retakaful contracts held	**24,192**	**-**	**24,192**	8,996	-	8,996
Net expenses from retakaful contracts held	**(4,412)**	**-**	**(4,412)**	3,143	-	3,143
Takaful service results	**19,780**	**-**	**19,780**	12,139	-	12,139
Takaful finance loss	**(24,666)**	**-**	**(24,666)**	(29,008)	-	(29,008)
Retakaful finance (loss)/income	**(25)**	**-**	**(25)**	160	-	160
Net change in fair value of participants' investments	**20,539**	**-**	**20,539**	28,872	-	28,872
Net takaful income	**15,628**	**-**	**15,628**	12,163	-	12,163
Investment income- net	**825**	**272**	**1,097**	651	48	699
Other income	**-**	**57**	**57**	-	125	125
Wakala fees	**(15,970)**	**15,970**	**-**	(11,806)	11,806	-
Policy acquisition cost	**-**	**(12,939)**	**(12,939)**	-	(6,466)	(6,466)
General and administrative expenses	**-**	**(13,417)**	**(13,417)**	-	(7,576)	(7,576)
(Loss)/profit before tax for the period	**483**	**(10,057)**	**(9,574)**	1,008	(2,063)	(1,055)

	Takaful		**Investment**		**Total**	
	2024 AED'000	2023 AED'000	**2024 AED'000**	2023 AED'000	**2024 AED'000**	2023 AED'000
Segment assets	**672,531**	623,790	**61,941**	40,284	**734,472**	664,074
Segment liabilities	**611,724**	558,066	**171,328**	145,660	**783,052**	703,726

24 Basic and diluted loss per share

	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Loss for the period attributable to shareholders	**(8,928)**	(1,055)
Weighted average number of shares outstanding during the period	**150,000**	150,000
Basic and diluted loss per share	**(0.06)**	(0.01)

Basic loss per share are calculated by dividing the loss for the period by the number of weighted average shares outstanding during the reporting period. Diluted loss per share is equivalent to basic loss per share as the Group did not issue any new instrument that would impact loss per share when executed.

25 Capital risk management and going concern

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

The table below summarises the consolidated Minimum Capital Requirement (MCR), Minimum Guarantee Fund (MGF) and Solvency Capital Requirement (SCR) of the Group and the total capital held at the Group level to meet the required Solvency Margins in line with the requirements of the financial regulations issued for takaful companies in UAE.

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**56,100**	45,934
Minimum Guarantee Fund (MGF)	**34,624**	29,861
Basic Own Funds	**(194,480)**	(152,740)
MCR Solvency Margin - Minimum Capital Requirement (deficit)	**(294,480)**	(252,740)
SCR Solvency Margin - Solvency Capital Requirement (deficit)	**(250,579)**	(198,674)
MGF Solvency Margin – Minimum Guarantee Fund (deficit)	**(229,104)**	(182,601)

As per Article (8) of Section 2 of the financial regulations issued for takaful companies in the UAE, the Group shall always comply with the requirements of Solvency Margin. As at 31 March 2024, the Group has a solvency deficit as compared to the Minimum Capital Requirements of AED 100 million, Solvency Capital Requirements of AED 56 million and Minimum Guarantee Fund of AED 35 million as at 31 March 2024. The Group has a negative equity of AED 49 million and net current liabilities of AED 265 million, Further the Group has conducted General Assembly meeting during the period and approved a capital injection of AED 125 million. Further deficit will be covered as part of the business plan.

26 Subsequent events

There have been no events subsequent to the interim condensed consolidated statement of financial position date that would significantly affect the amounts reported in the interim condensed consolidated financial information as at and for the three-month period ended 31 March 2024.

27 Approval of the interim condensed consolidated financial information

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