

Dar Al Takaful (PJSC)

Condensed interim consolidated financial information
(Unaudited)

For the period ended 31 March 2023

Review Report of the Independent Auditor To the Shareholders of Dar Al Takaful (PJSC)

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Dar Al Takaful (PJSC) (the “Group”) as at 31 March 2023 and condensed interim consolidated statement of comprehensive income for the three-month period then ended, condensed interim consolidated statement of changes in equity, condensed interim consolidated statement of cash flows for the three-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of 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.

Conclusion

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



GRANT THORNTON
Osama El-Bakry
Registration No. 935
Dubai, 15 June 2023




Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of financial position
As at 31 March 2023

	Notes	(Unaudited) 31 March 2023 AED'000	Restated (Unaudited) 31 December 2022 AED'000	Restated (Unaudited) 31 December 2021 AED'000
ASSETS				
Investment properties	4	65,222	65,222	39,682
Property and equipment		16,225	15,655	15,929
Intangible assets		88,108	90,550	89,138
Investments at amortised cost	5	37,692	47,353	22,015
Investments at fair value through profit or loss	5	476,393	391,782	501,837
Investments at fair value through other comprehensive income	5	6,943	71,624	6,943
Insurance contract assets	6	-	-	196
Reinsurance contract assets	6	145,425	137,225	119,850
Trade and other receivables	7	103,974	85,289	59,330
Cash and bank balances	8	366,835	377,821	320,148
TOTAL ASSETS		1,306,817	1,282,521	1,175,068
EQUITY AND LIABILITIES				
EQUITY				
Share capital	11	260,156	260,156	150,000
Statutory reserve	12	8,500	8,500	7,640
Legal reserve	12	3,636	3,636	2,073
Cumulative change in fair value of securities		(621)	(1,655)	-
Accumulated losses		(53,719)	(49,595)	(16)
Total equity		217,952	221,042	159,697
Liabilities				
Employees' end of service benefits		17,297	17,585	6,368
Insurance contract liabilities	6	763,114	763,131	723,397
Reinsurance contract liabilities	6	54,703	35,079	21,073
Trade and other payables	9	160,261	141,335	146,182
Lease liability		8,390	8,899	9,101
Borrowings	10	85,100	95,450	109,250
Total liabilities		1,088,865	1,061,479	1,015,371
TOTAL EQUITY AND LIABILITIES		1,306,817	1,282,521	1,175,068

The condensed interim consolidated financial information was authorised for issue in accordance with a resolution of the Directors on 15 June 2023.


Dr. Ali Saeed Bin Harmal Aldhaheeri
Chairman


Mr. Gautam Datta
Chief Executive Officer

The notes from 1 to 21 form an integral part of this condensed interim consolidated financial information.

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of comprehensive income
For the period ended 31 March 2023

		(Unaudited) Three-month period ended Note 31 March 2023 AED'000	Restated (Unaudited) Three-month period ended 31 March 2022 AED'000
Income			
Insurance income	13	231,830	152,893
Investment income/(loss)		28,891	(5,498)
Other income		5,027	7,240
Expenses			
Insurance expenses	14	(257,790)	(136,286)
General and administrative expenses		(7,659)	(7,341)
Amortisation of intangibles		(1,575)	(1,102)
Finance cost		(1,481)	(772)
(Loss)/profit for the period		(2,757)	9,134
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Unrealised loss on investments at FVTOCI		(333)	-
		(333)	-
Total comprehensive (loss)/income for the period attributable to shareholders		(3,090)	9,134
(Loss)/earnings per share (AED)			
Basic and diluted	15	(0.011)	0.035

The notes from 1 to 21 form an integral part of this condensed interim consolidated financial information.

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of changes in equity
For the period ended 31 March 2023

	Share capital AED'000	Statutory reserve AED'000	Legal reserve AED'000	Cumulative change in fair value of securities AED'000	Accumulated losses AED'000	Total AED'000
Balance at 1 January 2022, as previously reported	150,000	7,640	2,073	-	(7,478)	152,235
Impact of first time adoption of standards	-	-	-	-	7,462	7,462
Restated balance at 1 January 2022	150,000	7,640	2,073	-	(16)	159,697
Profit for the period (restated)	-	-	-	-	9,134	9,134
Total comprehensive income for the period	-	-	-	-	9,134	9,134
As at 31 March 2022 (Unaudited)	150,000	7,640	2,073	-	9,118	168,831
As at 1 January 2023 (Unaudited)	260,156	8,500	3,636	(1,655)	(66,339)	204,298
Impact of first time adoption of standards	-	-	-	-	16,744	16,744
Restated balance as at 1 January 2023	260,156	8,500	3,636	(1,655)	(49,595)	221,042
Loss for the period	-	-	-	-	(2,757)	(2,757)
Other comprehensive income/(loss)	-	-	-	1,034	(1,367)	(333)
Total comprehensive loss for the period	-	-	-	1,034	(4,124)	(3,090)
As at 31 March 2023 (Unaudited)	260,156	8,500	3,636	(621)	(53,719)	217,952

The notes from 1 to 21 form an integral part of this condensed interim consolidated financial information.

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of cash flows
For the period ended 31 March 2023

	(Unaudited)	Restated (Unaudited)
	Three-month period ended 31 March 2023 AED'000	Three-month period ended 31 March 2022 AED'000
Cash flows from operating activities		
(Loss)/profit for the period	(2,757)	9,134
Adjustments for:		
Depreciation of property and equipment	1,427	1,100
Amortisation of intangibles	2,442	2,217
Investment held at amortised cost amortisation	34	43
Unrealised gain on financial assets at FVTPL	(22,689)	(4,402)
Realised gain on financial assets at FVTPL	(939)	(750)
Income from dividends	(1,160)	(359)
Income from deposits	(3,232)	(541)
Income from FVTOCI investments	(656)	(506)
Finance cost	1,481	772
Rental income	(662)	(240)
Provision for expected credit losses	(74)	17
Provision for employees' end of service benefits	340	366
Operating cash flows before changes in working capital	(26,445)	6,851
Change in trade and other receivables	(15,057)	(3,925)
Change in reinsurance contract assets and liabilities – net	11,426	10,891
Change in insurance contract liabilities	(17)	(13,921)
Change in trade and other payables	18,926	4,478
Cash generated (used in)/generated from operations	(11,167)	4,374
Employee's end of service benefits paid	(628)	(471)
Net cash (used in)/generated from operating activities	(11,795)	3,903
Cash flows from investing activities		
Purchase of property and equipment	(1,997)	(382)
Additions in investments carried at FVTPL	(66,141)	(23)
Proceeds from sale of FVTPL	26,682	2,665
Proceeds from sale of FVTOCI	43,157	579
Income received on FVTOCI investments	-	168
Income received on deposits	-	205
Proceeds from redemption of investment held at amortised cost	9,627	-
Rental income received	662	497
Dividend received	1,160	359
Finance costs paid	(1,481)	(772)
Purchase of investments in wakala deposits - net	(7,899)	(709)
Net cash generated from investing activities	3,770	2,587

The notes from 1 to 21 form an integral part of this condensed interim consolidated financial information.

Dar Al Takaful (PJSC)**Condensed interim consolidated financial information (Unaudited)****Condensed interim consolidated statement of cash flows (continued)****For the period ended 31 March 2023**

	(Unaudited) Three-month period ended 31 March 2023 AED'000	(Unaudited) Three-month period ended 31 March 2022 AED'000
Cash flows from financing activities		
Repayment of borrowings	(10,350)	(6,900)
Payment of lease liabilities	(509)	(839)
Net cash used in financing activities	(10,859)	(7,739)
Net change in cash and cash equivalents	(18,884)	(1,249)
Cash and cash equivalents, beginning of period	103,055	33,838
Cash and cash equivalents, end of period (note 8)	84,171	32,589

The notes from 1 to 21 form an integral part of this condensed interim consolidated financial information.

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

1 Legal status and activities

Dar Al Takaful (PJSC) (the “Company”) was incorporated as a public joint stock company. During the three-months period ended 31 March 2023 the Company’s insurance license has been cancelled as it will be an investment holding company. The address of the Company is P.O. Box 235353, Dubai, United Arab Emirates.

The Company obtained its commercial license on 23 July 2008 and commenced operations on 1 September 2008.

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

Implementation of UAE Corporation Tax Law and application of IAS 12 Income Taxes

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax Regime in the UAE. The Law was previously gazetted on 10 October 2022, becoming law 15 days later. The Corporate Tax regime will become effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% corporate tax rate, while a rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance). However, there are a number of significant decisions that are yet to be finalised by way of a Cabinet Decision, including the threshold mentioned above, that are critical for entities to determine their tax status and the amount of tax due. Therefore, pending such important decisions by the Cabinet, the Group has determined that the Law was not practically operational as at 31 March 2023, and so not enacted or substantively enacted from the perspective of IAS 12 – Income Taxes. The Group shall continue to monitor the timing of the issuance of these critical Cabinet Decisions to determine its tax status and the applicability of IAS 12 – Income Taxes. The Group is currently in the process of assessing the possible impact on its condensed consolidated interim financial information, both from current and deferred tax perspective, once the Law becomes substantively enacted.

The Company with its subsidiaries is together referred to as the “Group” in this condensed interim consolidated financial information. Set out below are the details of the principal subsidiaries held directly by the Company, in UAE which the country of their incorporation and principal place of business:

Name of subsidiary	Proportion of ownership interest		Principal activities
	31 March 2023	31 December 2022	
Watania Takaful Family (PJSC) (formerly Noor Takaful Family (PJSC))	100%	100%	Family takaful and retakaful activities
Watania Takaful General (PJSC) (formerly Noor Takaful General (PJSC))	100%	100%	General takaful and retakaful activities

2 Basis of preparation

The condensed interim consolidated financial information are for the three-month period ended 31 March 2023 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Group. This condensed interim consolidated financial information have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ and do not include all the information required in annual financial information in accordance with IFRS and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2022. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

2 Basis of preparation (continued)

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2022, except for application of new standards effective as of 1 January 2022 as several amendments and interpretations apply for the first time in 2022.

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

Basis of consolidation

The condensed interim consolidated financial information comprise the financial information of the Group and its subsidiaries as at 31 March 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3 Significant accounting policies

Standards, interpretations and amendments to existing standards – IFRS 9 Financial Instruments - first time adoption

Prior to the change of Company's business license to an investment holding company, the Company being an insurance entity availed temporary exemption from applying IFRS 9 on the grounds that it has not previously applied any version of IFRS 9 and its activities were predominantly connected with insurance with the carrying amounts of its liabilities within the scope of IFRS 4 being greater than 90 percent of the total carrying amount of all its liabilities, as at the date when standard first became effective, with no subsequent change in its activities. However, with the change of Company's license to non-insurance activity and with the application of IFRS 17 for its subsidiaries, the exemption is expired and Group has adopted IFRS 9 from 1 January 2023.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

3 Significant accounting policies (continued)

Standards, interpretations and amendments to existing standards – IFRS 9 Financial Instruments - first time adoption (continued)

Financial instruments

Recognition, initial measurement and derecognition

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

Classification and subsequent measurement of financial assets

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

i) Financial assets at amortised cost

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

- the Group's business model is to hold them in order to collect contractual cash flows; and
- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

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

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

3 Significant accounting policies (continued)

Critical accounting estimates and judgments in applying accounting policies

The Group makes estimates and assumption that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may substantially be different.

Fair value of investment properties

Fair value of investment properties is estimated by two independent professional valuers, considering the market comparable approach. This estimate was made considering market rent and average rental yield. Fair value was dependent on market factors and availability of information.

Expected credit losses

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

Insurance and reinsurance contracts

The Group applies the PAA to simplify the measurement of insurance contracts where possible. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Group discounts all cash flows and includes an explicit risk adjustment for non-financial risk for liability for incurred claims.

Liability for remaining coverage

For insurance acquisition cash flows, the Group chooses to not recognise the payments as an expense immediately. The acquisition costs are, thus, capitalised.

Liability for incurred claims

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

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g. to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

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

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

3 Significant accounting policies (continued)

Critical accounting estimates and judgments in applying accounting policies (continued)

Risk adjustment for non-financial risk

For contracts measured under the PAA, the Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach (using Over Dispersed Poisson methodology) at the 65th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 65th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

For individual life business, the Group has used a cost of capital approach at the 75th percentile.

Fair value of financial assets at fair value through profit or loss

The fair value of unquoted financial assets carried at fair value through profit or loss is based on the periodic valuations by fund managers and represents the net asset value of the funds at the date of valuation and the fair value of quoted financial assets securities carried at fair value through profit or loss is based on quoted prices in active markets.

Fair value of unquoted securities

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

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Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

4 Investment properties

Investment properties comprise of buildings which are located in United Arab Emirates.

Management estimates that there has been no change in the fair value of investment properties during the three-month period ended 31 March 2023. The carrying value of the investment properties as at 31 March 2023 is AED 65.22 million (31 December 2022: AED 65.22 million).

Investment properties are classified as Level 3 in the fair value hierarchy as at 31 March 2023 (31 December 2022: Level 3).

5 Investment in securities

Investment at amortised cost

Amortised cost investments comprises the following:

	(Unaudited) 31 March 2023 AED'000	(Unaudited) 31 December 2022 AED'000
Quoted debt securities inside U.A.E.	12,295	24,867
Unquoted debt securities inside U.A.E.	8,704	22,132
Quoted debt securities outside U.A.E.	12,912	354
Unquoted debt securities outside U.A.E.	3,781	-
	37,692	47,353

Investments at fair value through profit or loss

Investments at fair value through profit or loss comprises the following:

	(Unaudited) 31 March 2023 AED'000	(Unaudited) 31 December 2022 AED'000
Investment in mutual funds	354,036	344,073
Investment in equity securities	122,357	47,709
	476,393	391,782
Quoted securities inside UAE	122,357	47,709
Unquoted securities inside U.A.E.	19,037	19,577
Unquoted securities outside U.A.E.	334,999	324,496
	476,393	391,782

Investments at fair value through other comprehensive income

Fair value through other comprehensive income comprise the following:

	(Unaudited) 31 March 2023 AED'000	(Unaudited) 31 December 2022 AED'000
Quoted equity securities in U.A.E.	-	64,681
Unquoted equity securities in U.A.E.	5,943	5,943
Unquoted debt securities in U.A.E.	1,000	1,000
	6,943	71,624

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

5 Investment in securities (continued)

The movement in investment in securities is as follows:

31 March 2023 (Unaudited)	Investments at FVTOCI AED'000	Investments at FVTPL AED'000	Investments at amortised cost AED'000	Total AED'000
At 1 January 2023	71,624	391,782	47,353	510,759
Addition during the period	-	66,141	-	66,141
Transfer to related party	(21,524)	21,524	-	-
Disposal during the period	(43,490)	(26,682)	(9,627)	(79,799)
Amortisation of premiums	-	-	(34)	(34)
Fair value gain recorded in the consolidated income statement	-	23,628	-	23,628
Fair value gain recorded in the comprehensive statement of income	333	-	-	333
At 31 March 2023	6,943	476,393	37,692	521,028
31 December 2022 (Unaudited)				
At 1 January	6,943	501,837	22,015	530,795
Acquired through merger	49,665	-	31,100	80,765
Addition during the year	32,092	77,800	-	109,892
Disposal during the year	(13,768)	(132,335)	(5,618)	(151,721)
Amortisation of premiums	-	-	(144)	(144)
Fair value loss recorded in the consolidated statement of income	(1,653)	(55,520)	-	(57,173)
Fair value loss recorded in the comprehensive statement of income	(1,655)	-	-	(1,655)
At 31 December 2022	71,624	391,782	47,353	510,759

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts

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

Insurance contracts issued

	(Unaudited)			Restated		
	31 March 2023			31 December 2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
General insurance	-	(213,786)	(213,786)	-	(209,021)	(209,021)
Medical insurance	-	(216,700)	(216,700)	-	(209,982)	(209,982)
Family insurance	-	(332,628)	(332,628)	-	(344,128)	(344,128)
Total insurance contracts issued	-	(763,114)	(763,114)	-	(763,131)	(763,131)

Reinsurance contracts held

	(Unaudited)			Restated		
	31 March 2023			31 December 2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
General insurance	27,587	(11,715)	15,872	21,983	(7,786)	14,197
Medical insurance	117,838	(4,502)	113,336	115,242	(5,101)	110,141
Family insurance	-	(38,486)	(38,486)	-	(22,192)	(22,192)
Total reinsurance contracts held	145,425	(54,703)	90,722	137,225	(35,079)	102,146

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Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
31 March 2023 (Unaudited)					
Insurance contract liabilities as at 1 January 2023	(158,584)	(14,716)	(273,174)	(10,937)	(457,411)
Insurance revenue	225,666	-	-	-	225,666
Insurance service expenses					
Incurred claims and other expenses	-	-	(131,228)	(3,517)	(134,745)
Net insurance acquisition costs	(35,023)	-	-	-	(35,023)
Losses on onerous contract and reversals	-	6,836	-	-	6,836
Changes to liabilities for incurred claims	-	-	(43,475)	4,437	(39,038)
Insurance service result	190,643	6,836	(174,703)	920	23,696
Insurance finance expenses	-	-	(3,102)	-	(3,102)
Total changes in statement of comprehensive income	190,643	6,836	(177,805)	920	20,594
Cash flows					
Contributions received	(235,295)	-	-	-	(235,295)
Claims and other expenses paid	-	-	187,290	-	187,290
Insurance acquisition cash flows	33,817	-	-	-	33,817
Total cash flows	(201,478)	-	187,290	-	(14,188)
Net insurance contract liabilities as at 31 March 2023	(169,419)	(7,880)	(263,689)	(10,017)	(451,005)

Dar Al Takaful (PJSC)
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Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
31 December 2022 (Unaudited) restated					
Insurance contract liabilities as at 1 January	(71,596)	(5,189)	(226,012)	(7,827)	(310,624)
Insurance revenue	802,647	-	-	-	802,647
Insurance service expenses					
Incurred claims and other expenses	-	-	(431,860)	(12,455)	(444,315)
Net insurance acquisition costs	(110,743)	-	-	-	(110,743)
Losses on onerous contracts and reversals	-	(9,506)	-	-	(9,506)
Changes to liabilities for incurred claims	-	-	(130,583)	12,398	(118,185)
Insurance service result	691,904	(9,506)	(562,443)	(57)	119,898
Insurance finance expenses	-	-	706	-	706
Total changes in the statement of comprehensive income	691,904	(9,506)	(561,737)	(57)	120,604
<i>Cash flows</i>					
Contributions received	(827,316)	-	-	-	(827,316)
Claims and other expenses paid	-	-	582,699	-	582,699
Insurance acquisition cash flows	125,137	-	-	-	125,137
Total cash flows	(702,179)	-	582,699	-	(119,480)
1st July 2022 merger related contract liabilities movement	(76,580)	(22)	(68,199)	(3,057)	(147,858)
1st July 2022 merger related contract assets movement	(132)	-	76	4	(52)
Merger related non-cash movement	(76,712)	(22)	(68,123)	(3,053)	(147,910)
Net insurance contract liabilities as at 31 December 2022	(158,583)	(14,717)	(273,173)	(10,937)	(457,410)

Dar Al Takaful (PJSC)

Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information

For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

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

Contracts not measured under the PAA

	Liability for remaining coverage		Liabilities for incurred claims	Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	
31 March 2023 (Unaudited)				
Insurance contract liabilities as at 1 January	(295,030)	(1,453)	(9,237)	(305,720)
Insurance revenue	6,164	-	-	6,164
Insurance service expenses				
Incurred claims and other expenses	-	-	(1,028)	(1,028)
Net insurance acquisition costs	(359)	-	-	(359)
Losses on onerous contract and reversals	-	(268)	-	(268)
Changes to liabilities for incurred claims	-	-	2,269	2,269
Insurance service result	5,805	(268)	1,241	6,778
Insurance finance expenses	(15,889)	(110)	(42)	(16,041)
Investment components	12,194	-	(12,194)	-
Total changes in statement of comprehensive income	2,110	(378)	(10,995)	(9,263)
<i>Cash flows</i>				
Contribution received	(13,191)	-	-	(13,191)
Claims and other expenses paid	-	-	14,071	14,071
Insurance acquisition cash flows	1,622	-	372	1,994
Total cash flows	(11,569)	-	14,443	2,874
Net insurance contract liabilities as at 31 March 2023	(304,489)	(1,831)	(5,789)	(312,109)

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

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

Contracts not measured under the PAA (continued)

	Liability for remaining coverage		Liabilities for incurred claims	Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	
31 December 2022 (Unaudited) restated				
Insurance contract liabilities as at 1 January	(402,351)	-	(10,227)	(412,578)
Insurance revenue	17,534	-	-	17,534
Insurance service expenses				
Incurred claims and other expenses	-	-	(5,822)	(5,822)
Net insurance acquisition costs	(1,109)	-	-	(1,109)
Losses on onerous contract and reversals	-	(1,833)	-	(1,833)
Changes to liabilities for incurred claims	-	-	3,320	3,320
Insurance service result	16,425	(1,833)	(2,502)	12,090
Insurance finance expenses	60,044	380	22	60,446
Investment components	73,647	-	(73,647)	-
Total changes in statement of comprehensive income	150,116	(1,453)	(76,127)	72,536
<i>Cash flows</i>				
Contribution received	(53,115)	-	-	(53,115)
Claims and other expenses paid	-	-	75,927	75,927
Insurance acquisition cash flows	10,319	-	1,190	11,509
Total cash flows	(42,796)	-	77,117	34,321
Net insurance contract liabilities as at 31 March	(295,031)	(1,453)	(9,237)	(305,721)

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA

	Estimates of present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
31 March 2023 (Unaudited)				
Insurance contract liabilities as at 1 January 2023	(144,864)	(48,128)	(112,728)	(305,720)
Changes that relate to current services				
CSM recognised for services provided	-	-	2,873	2,873
Change in risk adjustment for non-financial risk for risk expired	-	486	-	486
Experience adjustments	1,982	(556)	-	1,426
Changes that relate to future services				
Contracts initially recognised in the year	6,078	(968)	(5,399)	(288)
Changes in estimates that adjust the CSM	(1,083)	(1,084)	2,167	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	19	(6)	-	13
Changes that relate to past services				
Adjustments to liabilities for incurred claims	1,568	701	-	2,269
Insurance service result	8,564	(1,427)	(359)	6,778
Net finance expenses from insurance contracts	(16,023)	-	(18)	(16,041)
Total changes in the statement of profit or loss and OCI	(7,459)	(1,427)	(376)	(9,262)
Cash flows				
Contributions received	(13,191)	-	-	(13,191)
Claims and other directly attributable expenses paid	14,443	-	-	14,443
Insurance acquisition cash flows paid	1,622	-	-	1,622
Total cash flows	2,874	-	-	2,874
Insurance contract liabilities as at 31 March 2023	(149,449)	(49,555)	(113,105)	(312,109)

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA (continued)

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
31 December 2022 (Unaudited) restated				
Insurance contract liabilities as at 1 January	(284,140)	(68,780)	(59,658)	(412,578)
Changes that relate to current services				
CSM recognised for services provided	-	-	12,008	12,008
Change in risk adjustment for non- financial risk for risk expired	-	5,985	-	5,985
Experience adjustments	1,919	(3,343)	-	(1,424)
Changes that relate to future services				
Contracts initially recognised in the year	15,197	(3,153)	(13,890)	(1,846)
Changes in estimates that adjust the CSM	50,964	196	(51,161)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(23,535)	17,583	-	(5,952)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(65)	3,385	-	3,320
Insurance service result	44,480	20,653	(53,043)	12,090
Net finance expenses from insurance contracts	60,474	-	(29)	60,445
Effect of movements in exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	104,954	20,653	(53,072)	72,537
Cash flows				
Contributions received	(53,115)	-	-	(53,115)
Claims and other directly attributable expenses paid	77,118	-	-	77,118
Insurance acquisition cash flows paid	10,319	-	-	10,319
Total cash flows	34,322	-	-	34,322
Insurance contract liabilities as at 31 December 2022	(144,864)	(48,127)	(112,730)	(305,721)

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims
Contracts measured under the PAA

	Assets for remaining coverage		Estimates of		Amounts recoverable on		Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	the present value of future cash flows AED'000	Risk adjustment AED'000	incurred claims		
31 March 2023 (Unaudited)							
Reinsurance contract assets as at 1 January 2023	(105,650)	4,895	235,173	2,807			137,225
Reinsurance contract liabilities as at 1 January 2023	(122,954)	45	93,686	4,350			(24,873)
Net reinsurance contract (liabilities)/assets	(228,604)	4,940	328,859	7,157			112,352
An allocation of reinsurance contributions	83,448	-	-	-			83,448
Amounts recoverable from reinsurers for incurred claims	-	-	-	-			-
Amounts recoverable for incurred claims and other expenses	-	-	(41,881)	(636)			(42,517)
Changes to amounts recoverable for incurred claims and other expenses	-	2,323	(7,090)	2,730			(2,037)
Net income or expense from reinsurance contracts held	83,448	2,323	(48,971)	2,094			38,894
Reinsurance finance income	-	-	(3,888)	-			(3,888)
Total changes in the statement of comprehensive income	83,448	2,323	(52,859)	2,094			35,006
Cash flows							
Contributions paid	(55,526)	-	(878)	-			(56,404)
Amounts received	-	-	30,747	-			30,747
Total cash flows	(55,526)	-	29,869	-			(25,657)
Net reinsurance contract (liabilities)/ assets as at 31 March 2023	(146,205)	2,615	286,205	2,810			145,425
Reinsurance contract assets as at 31 March 2023	(110,320)	2	65,645	2,252			(42,421)
Reinsurance contract liabilities as at 31 March 2023	(256,525)	2,617	351,849	5,062			103,004

Dar Al Takaful (PJSC)
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Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims			Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000		
2022 (Unaudited) restated						
Reinsurance contract assets as at 1 January 2022	(10,358)	1,904	123,933	4,370		119,849
Reinsurance contract liabilities as at 1 January 2022	(28,661)	-	20,961	904		(6,796)
Net reinsurance contract (liabilities)/assets	(39,019)	1,904	144,894	5,274		113,053
Allocation of reinsurance contributions	333,619	-	-	-		333,619
Amounts recoverable from reinsurers for incurred claims	-	-	(185,497)	(3,629)		(189,126)
Changes to amounts recoverable for incurred claims	-	(3,034)	(1,311)	3,542		(803)
Net income or expense from reinsurance contracts held	333,619	(3,034)	(186,808)	(87)		143,690
Reinsurance finance income	-	-	558	-		558
Total changes in the statement of comprehensive income	333,619	(3,034)	(186,250)	(87)		144,248
<i>Cash flows</i>						
Reinsurance contribution and expenses paid	(124,948)	-	(3,102)	-		(128,050)
Amounts received	-	-	54,492	-		54,492
Total cash flows	(124,948)	-	51,390	-		(73,558)
1st July 2022 merger related reinsurance contract assets movt.	(18,172)	(2)	(42,866)	(1,439)		(62,479)
1st July 2022 merger related reinsurance contract liabilities movt.	(913)	-	(6,241)	(355)		(7,509)
Merger related non-cash movement	(19,085)	(2)	(49,107)	(1,794)		(69,988)
Net reinsurance contract assets/(liabilities) as at 31 December 2022	(105,650)	4,895	235,173	2,807		137,225
Reinsurance contract assets as at 31 December 2022	(122,954)	45	93,686	4,350		(24,873)
Reinsurance contract liabilities as at 31 December 2022	(228,604)	4,940	328,859	7,157		112,352
Net reinsurance contract (liabilities)/assets as at 31 December 2022						

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)
 Contracts not measured under the PAA

	Assets for remaining coverage		Loss component AED'000	Amounts recoverable on incurred claims		Total AED'000
	Excluding loss recovery component AED'000	Estimates of the present value of future cash flows AED'000		Estimates of the present value of future cash flows AED'000	Estimates of the present value of future cash flows AED'000	
31 March 2023 (Unaudited)						
Reinsurance contract assets as at 1 January	-	-	-	-	-	-
Reinsurance contract liabilities as at 1 January	(13,457)	(13,457)	738	2,515	(10,204)	(10,204)
Net insurance contract assets/(liabilities)	(13,457)	(13,457)	738	2,515	(10,204)	(10,204)
An allocation of reinsurance contributions	250	-	-	-	250	-
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	-	(68)	(68)	(68)
Changes in fulfilment cash flows that do not adjust underlying CSM	-	-	102	-	102	102
Expenses directly attributable to reinsurance	-	-	-	(105)	(105)	(105)
Changes that relate to past services	-	-	-	(1,468)	(1,468)	(1,468)
Net income or expense from reinsurance contracts held	250	102	102	(1,506)	(1,654)	(1,654)
Reinsurance finance income	642	-	-	11	(631)	-
Total changes in the statement of comprehensive income	892	102	102	(1,495)	(2,286)	(2,286)
Cash flows						
Contributions paid	(102)	-	-	-	(102)	(102)
Directly attributable expenses paid	-	-	-	105	105	105
Total cash flows	(102)	-	-	105	208	208
Net reinsurance contract assets/(liabilities) as at 31 March	(14,247)	840	840	1,125	(12,282)	(12,282)
Reinsurance contract assets as at 31 March	-	-	-	-	-	-
Reinsurance contract liabilities as at 31 March	(14,247)	(14,247)	840	(1,125)	(12,282)	(12,282)
Net reinsurance contract assets/(liabilities) as at 31 March	(14,247)	840	840	1,125	(12,282)	(12,282)

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

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

Contracts not measured under the PAA (continued)

	Assets for remaining coverage		Loss component		Amounts recoverable on incurred claims		Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Estimates of the present value of future cash flows AED'000	Estimates of the present value of future cash flows AED'000	
31 December 2022 (Unaudited)							
Reinsurance contract assets as at 1 January	(17,340)	-	-	3,064	-	-	(14,276)
Reinsurance contract assets as at 1 January	(17,340)	-	-	3,064	-	-	(14,276)
Net reinsurance contract assets/(liabilities)	(1,974)	-	-	-	-	-	(1,974)
An allocation of reinsurance contributions	-	-	-	638	-	638	638
Amounts recoverable from reinsurers for incurred claims	-	-	738	-	-	738	738
Amounts recoverable for incurred claims and other expenses	-	-	-	(1,246)	-	-	(1,246)
Expenses directly attributable to reinsurance	(1,974)	-	738	(608)	-	-	(1,844)
Net income or expense from reinsurance contracts held	1,667	-	-	(6)	-	-	1,661
Reinsurance finance income	(307)	-	738	(614)	-	-	(183)
Total changes in the statement of comprehensive income							
<i>Cash flows</i>							
Contributions paid	4,190	-	-	-	-	-	4,190
Directly attributable expenses paid	-	-	-	361	-	-	361
Amounts received	-	-	-	(298)	-	-	(298)
Total cash flows	4,190	-	-	63	-	-	4,253
Net reinsurance contract assets/(liabilities) as at 31 December	(13,457)	-	738	2,513	-	-	(10,206)
Reinsurance contract assets as at 31 December	(13,457)	-	738	2,513	-	-	(10,206)
Reinsurance contract liabilities as at 31 December	(13,457)	-	738	2,513	-	-	(10,206)
Net reinsurance contract assets/(liabilities) as at 31 December							

Dar Al Takaful (PJSC)
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6 Insurance and reinsurance contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA

	CSM					Total AED'000
	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	Contracts under modified retrospective transition approach AED'000	Other contracts AED'000		
31 March 2023 (Unaudited)						
Reinsurance contract assets as at 1 January 2023	11,437	-	-	-	-	-
Reinsurance contract liabilities as at 1 January 2023	11,437	(3,098)	1,866	-	10,205	10,205
Net reinsurance contract (liabilities)/assets						
Changes that relate to current services						
CSM recognised for services provided	-	-	(89)	-	(89)	(89)
Change in risk adjustment for non-financial risk for risk expired	-	(10)	-	-	(10)	(10)
Experience adjustments	405	(18)	-	-	387	387
Changes that relate to future services						
Contracts initially recognised in the year	214	-	(214)	-	-	-
Changes in estimates that adjust the CSM	(1,517)	85	1,432	-	-	-
Changes in estimates that relate to losses and reversals on onerous underlying contracts	(102)	-	-	-	(102)	(102)
Changes that relate to past services						
Adjustments to assets for incurred claims	1,309	159	-	-	1,468	1,468
Net expenses from reinsurance contracts	309	216	1,129	-	1,654	1,654
Net finance income from reinsurance contracts	628	-	4	-	632	632
Total changes in the statement of profit or loss and OCI	937	216	1,133	-	2,286	2,286
Cash flows						
Contributions received	(102)	-	-	-	(102)	(102)
Claims and other directly attributable expenses paid	(105)	-	-	-	(105)	(105)
Total cash flows	(207)	-	-	-	(207)	(207)
Reinsurance contract assets as at 31 March 2023	-	-	-	-	-	-
Reinsurance contract liabilities as at 31 March 2023	1,125	-	(14,247)	840	(12,282)	(12,282)
Net reinsurance contract (liabilities)/assets as at 31 March 2023	(1,125)	-	14,247	(840)	12,282	12,282

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 31 March 2023

6 Insurance and reinsurance contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA (continued)

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM		Total AED'000
			Contracts under modified retrospective transition approach AED'000	Other contracts AED'000	
31 December 2022 (Unaudited) restated					
Reinsurance contract assets as at 1 January	(14,587)	3,786	(3,474)	-	(14,275)
Reinsurance contract liabilities as at 1 January	14,587	(3,786)	3,474	-	14,275
Net reinsurance contract (liabilities)/ assets	-	-	-	-	-
Changes that relate to current services					
CSM recognised for services provided	-	-	(291)	-	(291)
Change in risk adjustment for non-financial risk for risk expired	831	862	-	-	862
Experience adjustments	-	(65)	-	-	766
Changes that relate to future services					
Contracts initially recognised in the year	1,107	(220)	(887)	-	-
Changes in estimates that adjust the CSM	(272)	(10)	282	-	-
Changes in estimates that relate to losses and reversals on onerous underlying contracts	-	-	(738)	-	(738)
Changes that relate to past services					
Adjustments to assets for incurred claims	1,125	121	-	-	1,246
Net expenses from reinsurance contracts	2,791	688	(1,634)	-	1,845
Net finance income from reinsurance contracts	(1,687)	-	26	-	(1,661)
Total changes in the statement of profit or loss and OCI	1,104	688	(1,608)	-	184
<i>Cash flows</i>					
Contributions received	(4,190)	-	-	-	(4,190)
Claims and other directly attributable expenses paid	(361)	-	-	-	(361)
Insurance acquisition cash flows paid	298	-	-	-	298
Total cash flows	(4,253)	-	-	-	(4,253)
Reinsurance contract assets as at 31 December 2022	-	-	-	-	-
Reinsurance contract liabilities as at 31 December 2022	(11,437)	3,098	-	(1,866)	(10,205)
Net reinsurance contract assets/(liabilities) as at 31 December 2022	11,437	(3,098)	-	1,866	10,205

Dar Al Takaful (PJSC)
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
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6 Insurance and reinsurance contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA (continued)

(Unaudited)

	CSM				Total (Unaudited) AED'000
	Estimates of present value of future cash flows (Unaudited) AED'000	Risk adjustment for non-financial risk (Unaudited) AED'000	Contracts under modified retrospective transition approach (Unaudited) AED'000	Other contracts (Unaudited) AED'000	
2022 (restated)	(1,687)	-	26	-	(1,661)
Net finance income from reinsurance contracts	-	-	-	-	-
Effect of movements in exchange rates	1,104	688	(1,608)	-	184
Total changes in the statement of profit or loss and OCI	(4,190)	-	-	-	(4,190)
<i>Cash flows</i>	(361)	-	-	-	(361)
Contributions received	298	-	-	-	298
Claims and other directly attributable expenses paid	(4,253)	-	-	-	(4,253)
Insurance acquisition cash flows paid	-	-	-	-	-
Total cash flows	(11,437)	3,098	-	(1,866)	(10,205)
Reinsurance contract assets as at 31 December 2022	11,437	(3,098)	-	1,866	10,205
Reinsurance contract liabilities as at 31 December 2022	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31 December 2022	-	-	-	-	-

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6 Insurance and reinsurance contracts (continued)

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

31 March 2023 (Unaudited)	PAA AED'000	Non-PAA AED'000	Total AED'000
Insurance contract liabilities	(451,005)	(312,109)	(763,114)
Reinsurance contract assets	145,424	-	145,424
Reinsurance contract liabilities	(42,421)	(12,281)	(54,703)
	<u>348,002</u>	<u>324,391</u>	<u>(672,392)</u>
31 December 2022 (Unaudited)	PAA AED'000	Non-PAA AED'000	Total AED'000
Insurance contract liabilities	(457,410)	(305,721)	(763,131)
Reinsurance contract assets	137,225	-	129,439
Reinsurance contract liabilities	(24,873)	(10,206)	(27,293)
	<u>(345,058)</u>	<u>(315,927)</u>	<u>(660,985)</u>

7 Trade and other receivables

	(Unaudited) 31 March 2023 AED'000	Restated (Unaudited) 31 December 2022 AED'000
Trade receivables	91,070	92,333
Other receivables	38,237	18,363
	<u>129,307</u>	<u>110,696</u>
Less: Expected credit losses	(25,333)	(25,407)
	<u>103,974</u>	<u>85,289</u>

8 Cash and bank balances

	(Unaudited) 31 March 2023 AED'000	(Audited) 31 December 2022 AED'000	(Unaudited) 31 March 2022 AED'000
Cash and bank balances	84,171	103,055	32,589
Wakala deposits	282,664	274,766	286,309
	<u>366,835</u>	<u>377,821</u>	<u>318,898</u>
Less: Restricted deposit	(22,000)	(22,000)	(16,000)
Less: Deposits under lien	(35,777)	(35,777)	(2,234)
Less: Deposits with original maturities of more than three months	(224,887)	(216,989)	(268,783)
Cash and cash equivalents for the purpose of cash flows	<u>84,171</u>	<u>103,055</u>	<u>32,589</u>

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9 Trade and other payables

	(Unaudited) 31 March 2023 AED'000	(Unaudited) 31 December 2022 AED'000
Trade payables	83,166	70,863
Other payables	77,095	70,472
	<u>160,261</u>	<u>141,335</u>

10 Borrowings

The Group entered into a borrowing facility of AED 215 million with a bank on 27 February 2020 held at amortised cost. The facility was obtained for the purpose of acquiring Watania Takaful Family (PJSC) (formerly, Noor Takaful Family (PJSC)) ("WTF") and Watania Takaful General (PJSC) (formerly, Noor Takaful General (PJSC)) ("WTG"). The facility includes two tranches as given below:

Tranche A consist of AED 100 million carrying flexible funding cost of 3 months EIBOR plus 2.25% having a maturity period of 12 months from the date of acquisition of WTF and WTG. Full amount of Tranch A is repaid during the year ended 31 December 2022.

Tranche B consist of AED 115 million carrying flexible funding cost of 3 months EIBOR plus 2.05% having a maturity period of 5 years ending 30 July 2025.

Other Murabaha arrangements are as follows:

Pledged collateral

- Registered mortgage over investment properties and other real estate properties valued up to AED 45 million;
- Pledge over the shares of target entities i.e. WTF and WTG;
- Marketable securities (FVTOCI) worth AED 15 million;
- A profit service reserve account will be maintained by the Company with bank that holds 6 months of profit service for Tranche B at all the times;
- All proceeds from the operating target entities shall be deposited into a dividend account that the Group maintains with the bank; and
- Pledge over profit service reserve account and dividend account maintained with the bank.

Financial covenants

- A minimum capital requirement of AED 300 million so long as the 3 licenses are outstanding and AED 200 million post cancellation of Company's license;
- A minimum solvency coverage ratio of 100%;
- A minimum consolidated Liquid Assets Cover (cash plus marketable securities) of 100%; and
- Compliance with minimum guaranteed fund and net admissible assets requirements.

Other covenants

- Company to complete re-organisation within 12 months from the completion of acquisition;
- Operating accounts of the Company and the targets (WTF and WTG) to move to the bank within 6 months from the completion of acquisition; and
- Company to endeavour to place 50% of total deposits with ENBD group.

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11 Share capital

	(Unaudited) 31 March 2023 AED'000	(Audited) 31 December 2022 AED'000
Issued and fully paid:		
260,156,250 ordinary shares of AED 1 each (31 December 2022: 260,156,250 ordinary shares)	<u>260,156</u>	<u>260,156</u>

On 1 July 2022 the Company issued additional share capital upon merger with National Takaful Company (Watania) PJSC (legally ceased to exist post-merger).

12 Reserves

Statutory reserve

In accordance with U.A.E. Law No. (32) of 2021, the Group 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 2023 (31 March 2022: Nil), as this will be based on the audited results for the year-end.

Legal reserve

In accordance with article 34 of Central Bank of UAE' Board of Directors Decision No. 23 of 2019, concerning instructions organising reinsurance operations, the reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of UAE. No transfer to the legal reserve has been made during the three-month period ended 31 March 2023 (three-month period ended 31 March 2022: Nil), as this will be based on the audited results for the year-end.

13 Insurance income

31 March 2023 (Unaudited)	General and motor AED'000	Medical AED'000	Group life AED'000	Individual life AED'000	Total AED'000
Contracts not measured under the PAA	-	-	-	6,164	6,164
Contracts measured under the PAA	<u>79,227</u>	<u>117,742</u>	<u>28,697</u>	<u>-</u>	<u>225,666</u>
	<u>79,227</u>	<u>117,742</u>	<u>28,697</u>	<u>6,164</u>	<u>231,830</u>
31 March 2022 (Unaudited) restated					
Contracts not measured under the PAA	-	-	-	5,959	5,959
Contracts measured under the PAA	<u>48,385</u>	<u>68,021</u>	<u>30,527</u>	<u>-</u>	<u>146,933</u>
	<u>48,385</u>	<u>68,021</u>	<u>30,527</u>	<u>5,960</u>	<u>152,893</u>

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14 Insurance expenses

	(Unaudited)	Restated
	Three-month	(Unaudited)
	period ended	Three-month
	31 March 2023	period ended
	AED'000	31 March 2022
		AED'000
Insurance service expense	201,356	133,336
Allocation of reinsurance premiums	86,526	64,505
Amounts recoverable from reinsurance for incurred claims	(45,979)	(47,829)
Insurance finance expenses/(income) for insurance contracts issued	19,144	(13,851)
Reinsurance finance (income)/expense for reinsurance contracts held	(3,257)	125
	<u>257,790</u>	<u>136,286</u>

15 Earnings per share

Earnings per share are calculated by dividing the net (loss)/profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	(Unaudited)	Restated
	Three-month	(Unaudited)
	period ended	Three-month
	31 March 2023	period ended
		31 March 2022
(Loss)/profit for the period attributable to shareholders (in AED'000) restated	(2,757)	9,134
Number of ordinary shares outstanding (shares)	260,156,250	260,156,250
Basic and diluted (loss) / earnings per share (in AED)	<u>(0.011)</u>	<u>0.035</u>

During the year 2022, the Company issued 110,156,250 new shares as a result of merger with National Takaful Company (Watania) PJSC (legally ceased to exist post-merger). Accordingly, additional number of shares have been adjusted retrospectively in computing the earnings per share for the prior year.

Diluted (loss)/earnings per share as of 31 March 2023 and 31 March 2022 are equivalent to basic (loss)/earnings per share.

16 Related party transactions

Related parties comprise companies and entities under common ownership and/or common management and control, their partners and key management personnel. The management decides on the terms and conditions of the transactions with related parties.

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

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16 Related party transactions (continued)

Balances with related parties

Balances with related parties included in the condensed consolidated statement of financial position are as follows:

	(Unaudited) 31 March 2023 AED'000	(Audited) 31 December 2022 AED'000
<i>Trade and other receivables</i>		
Other related parties	(44)	(44)

Transactions with related parties

There are no transactions with related party during the three-month period ended 31 March 2023 (three-month period ended 31 March 2022: Nil).

Compensation of key management personnel

	(Unaudited) Three-month period ended 31 March 2023 AED'000	(Unaudited) Three-month period ended 31 March 2022 AED'000
Short-term benefits	1,798	1,776
Employees' end of service benefits	209	69
	<u>2,007</u>	<u>1,845</u>

17 Commitments and guarantees

Commitments

The Group has capital commitments amounting to AED 3.15 million as at 31 March 2023 (31 December 2022: AED 0.08 million).

Guarantees

As at 31 March 2023, the Group has outstanding bank guarantees amounting AED 267,000 (31 December 2022: AED 267,000).

18 Segment information

For management purposes the Group is organised into two business segments, insurance and investments. The insurance segment comprises of the insurance business undertaken by the subsidiaries of the Group on behalf of the policyholders. Investments comprise investment 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 financial information.

Segment income, expenses and results will include those transfers between business segments which will then be eliminated on consolidation as shown on the next page.

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18 Segment information (continued)

Three-month period ended 31 March 2023 (Unaudited)

	Insurance AED'000	Investments AED'000	Total AED'000
Income	247,236	18,512	265,748
Insurance expenses	(257,790)	-	(257,790)
General and administrative expenses	(5,470)	(2,189)	(7,659)
Amortisation of intangibles	(1,575)	-	(1,575)
Finance cost	-	(1,481)	(1,481)
Loss/ (profit) for the period	(17,599)	14,842	(2,757)

Three-month period ended 31 March 2022 (Unaudited)

Income	140,831	13,804	154,635
Insurance expenses	136,286	-	(136,286)
General and administrative expenses	(3,435)	(3,906)	(7,341)
Amortisation of intangibles	(1,102)	-	(1,102)
Finance cost	-	(772)	(772)
Profit for the period	8	9,126	9,134

The following tables demonstrate other information related to each business segments:

	Insurance AED'000	Investment AED'000	Total AED'000
31 March 2023 (Unaudited)			
Total assets	437,902	868,915	1,306,817
Total liabilities	957,130	93,490	1,088,865
31 December 2022 (Unaudited)			
Total assets	431,774	850,747	1,282,521
Total liabilities	957,130	104,349	1,061,479

19 Fair value measurements

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets;
- Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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19 Fair value measurements (continued)

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 categorised:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	(Unaudited) 31 March 2023 AED'000	(Unaudited) 31 December 2022 AED'000				
Investments at FVTOCI						
Quoted equity securities	-	64,681	Level 1	Quoted bid prices in an active market	N/A	N/A
Unquoted equity securities	5,943	5,943	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value. Higher the cashflows, higher the fair value.
Quoted debt securities	1,000	1,000	Level 1	Discounted cashflows	N/A	Higher the fair value.
Investments at FVTPL						
Quoted equity securities	122,357	47,709	Level 1	Quoted bid prices in an active market	N/A	N/A
Mutual funds units	354,036	344,073	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value.

20 Dividends

No dividend is declared for the year ended 31 December 2022 (2021: Nil).

21 Post reporting date event

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of this condensed interim consolidated financial information.