

Dar Al Takaful (PJSC)

Condensed interim consolidated financial information
(Unaudited)

For the period ended 30 September 2022

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 30 September 2022 and the related condensed interim consolidated income statement and condensed interim consolidated statement of comprehensive income for the three-month and nine-month periods then ended, condensed interim consolidated statement of changes in equity, condensed interim consolidated statement of cash flows for the nine-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



GRANT THORNTON
Osama El-Bakry
Registration No. 935
Dubai, 14 November 2022

Dar Al Takaful (PJSC)**Condensed interim consolidated financial information (Unaudited)****Condensed interim consolidated statement of financial position****As at 30 September 2022**

	Notes	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED
ASSETS			
Takaful operations' assets			
Investment properties	7	5,400,000	-
Investments at fair value through profit or loss	4	340,211,624	450,903,939
Held to maturity investments	4	25,233,260	7,463,927
Available-for-sale investments	4	33,313,910	-
Due from shareholders	10	84,039,313	22,177,660
Retakaful contract assets:			
Unearned contribution		123,060,646	93,538,098
Claims reported unsettled		178,021,948	132,720,696
Claims incurred but not reported		31,946,356	16,730,904
Mathematical reserve		7,550,866	9,677,780
Takaful and other receivables	5	363,654,124	274,984,447
Prepayments and other receivables		15,309,272	3,961,933
Wakala deposits	6	202,468,564	188,699,947
Cash and cash equivalents	8	37,230,785	15,772,579
Total takaful operations' assets		1,447,440,668	1,216,631,910
Shareholders' assets			
Property and equipment		17,100,760	15,929,248
Intangible assets		95,099,500	89,137,673
Investment properties	7	58,989,700	39,681,950
Deferred policy cost		31,085,761	22,145,067
Available-for-sale investments	4	54,865,743	6,943,000
Investments at fair value through profit or loss	4	45,706,535	50,932,661
Held to maturity investments	4	22,154,322	14,550,835
Restricted deposits	9	22,000,000	16,000,000
Wakala deposits	6	91,766,700	81,609,404
Prepayments and other receivables		18,402,252	11,422,822
Cash and cash equivalents	8	17,972,595	18,065,918
Total shareholders' assets		475,143,868	366,418,578
Total assets		1,922,584,536	1,583,050,488

The notes from 1 to 25 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 financial position (continued)
As at 30 September 2022

	(Unaudited)	(Audited)
Notes	30 September 2022 AED	31 December 2021 AED
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT		
Takaful operations' liabilities		
Deferred discount	8,424,858	7,532,033
Takaful contract liabilities:		
Unearned contribution	412,759,346	229,240,775
Claims reported unsettled	279,504,078	226,225,519
Claims incurred but not reported	55,721,500	31,356,752
Unallocated loss adjustment expenses	6,285,132	5,583,010
Unexpired risk reserve	3,600,854	1,506,941
Mathematical reserve	9,989,822	12,719,254
Takaful payables	11 307,358,974	250,250,306
Takaful and investment contracts liabilities	340,211,624	450,903,939
Total takaful operations' liabilities	1,423,856,188	1,215,318,529
Takaful operations' deficit		
Qard Hassan against deficit in policyholders' fund	(454,550,557)	(229,137,864)
Less: Provision against Qard Hassan to policyholders' fund	454,550,557	229,137,864
Cumulative change in fair value of securities	(221,627)	-
Total deficit from takaful operations	(221,627)	-
Total takaful operations' liabilities and deficit	1,423,634,561	1,215,318,529
SHAREHOLDERS' LIABILITIES AND EQUITY		
Shareholders' liabilities		
Other liabilities	12 79,483,737	79,479,502
Bonus reserves, net	3,270,792	4,589,623
Due to policyholders	10 84,039,313	22,177,660
Murabaha payable	13 98,900,000	109,250,000
Total shareholders' liabilities	265,693,842	215,496,785
Shareholders' equity		
Share capital	14 260,156,250	150,000,000
Statutory reserve	15 7,640,367	7,640,367
Retakaful reserve	15 2,073,033	2,073,033
Revaluation surplus	466,003	-
Cumulative change in fair value of securities	(1,349,301)	-
Accumulated losses	(35,730,219)	(7,478,226)
Total shareholders' equity	233,256,133	152,235,174
Total shareholders' liabilities and equity	498,949,975	367,731,959
Total liabilities, policyholders' fund and equity	1,922,584,536	1,583,050,488

The condensed interim consolidated financial information was authorised for issue in accordance with a resolution of the Directors on 14 November 2022.


Dr. Ali Saeed Bin Harmal Aldhaheeri
Chairman


Mr. Gautam Datta
Chief Executive Officer

The notes from 1 to 25 form an integral part of this condensed interim consolidated financial information.

Dar Al Takaful (PJSC)

Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated income statement

For the period ended 30 September 2022

	(Unaudited) Three-month period ended 30 September 2022 AED	(Unaudited) Three-month period ended 30 September 2021 AED	(Unaudited) Nine-month period ended 30 September 2022 AED	(Unaudited) Nine-month period ended 30 September 2021 AED
Attributable to policyholders				
Takaful income				
Gross takaful contribution	196,595,864	161,436,871	597,992,052	581,357,948
Accepted business	-	31,067	-	144,172
Retakaful share of ceded business	(63,581,747)	(77,459,055)	(230,407,903)	(237,265,877)
Net takaful contribution	133,014,117	84,008,883	367,584,149	344,236,243
Change in unearned contribution reserve	29,947,100	21,779,740	(14,378,536)	(5,864,706)
Change in contribution deficiency reserve	(555,388)	179,490	(2,093,912)	2,414,550
Net takaful contribution earned	162,405,829	105,968,113	351,111,701	340,786,087
Discount earned	5,757,696	6,470,178	16,730,802	17,270,714
Total underwriting income	168,163,525	112,438,291	367,842,503	358,056,801
Takaful expenses				
Gross claims paid	(168,713,381)	(94,237,990)	(366,607,459)	(313,529,700)
Retakaful share of ceded business claims	70,396,876	26,590,126	151,912,775	89,453,628
Net takaful claims paid	(98,316,505)	(67,647,864)	(214,694,684)	(224,076,072)
Change in provision for outstanding claims	(23,151,018)	(6,173,344)	(22,070,743)	30,695,812
Change in retakaful share of outstanding claims	17,865,644	6,110,600	26,846,881	(9,107,991)
Change in incurred but not reported claims	452,923	948,432	1,497,550	1,907,091
Change in unallocated loss adjustment expenses reserve	457,309	183,617	817,648	1,358,753
Change in investment contracts and mathematical reserves	7,245,589	(18,859,579)	53,004,885	(79,987,202)
Net (loss) / gain on assets held at fair value through profit or loss	(14,958,914)	7,757,240	(75,877,212)	47,476,356
Net takaful claims incurred	(110,404,972)	(77,680,898)	(230,475,675)	(231,733,253)
Excess of loss of takaful contribution	(2,303,766)	(2,763,918)	(7,339,944)	(5,687,876)
Other takaful (expenses)/income	(8,580,516)	2,742,900	(22,015,051)	(2,660,839)
Total takaful expenses	(121,289,254)	(77,701,916)	(259,830,670)	(240,081,968)
Net takaful income	46,874,271	34,736,375	108,011,833	117,974,833
Wakala fees (note 18)	(77,234,426)	(44,539,972)	(160,434,026)	(128,062,687)
Mudarib's fee	(11,750)	3,644	(15,865)	(360,519)
Investment and other income	1,947,876	346,068	2,872,330	1,674,858
Deficit for the period attributable to policyholders	(28,424,029)	(9,453,885)	(49,565,728)	(8,773,515)

The notes from 1 to 25 form an integral part of this condensed interim consolidated financial information.

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

Condensed interim consolidated income statement (continued)
For the period ended 30 September 2022

	(Unaudited) Three-month period ended 30 September 2022 AED	(Unaudited) Three-month period ended 30 September 2021 AED	(Unaudited) Nine-month period ended 30 September 2022 AED	(Unaudited) Nine-month period ended 30 September 2021 AED
Attributable to shareholders				
Wakala fees from policyholders	77,234,426	44,539,972	160,434,026	128,062,687
Mudarib's fee	11,750	(3,644)	15,865	360,519
Investment and other income	2,471,053	7,475,122	14,513,551	16,142,710
General and administrative expenses	(19,798,184)	(16,552,551)	(53,153,941)	(52,145,109)
Amortisation of intangibles	(3,622,168)	(1,102,268)	(5,826,704)	(3,306,804)
Impairment of intangibles	(6,728,000)	-	(6,728,000)	-
Gain on merger (note 20)	722,000	-	722,000	-
Costs of merger (note 20)	(6,640,258)	-	(6,640,258)	-
Policy acquisition cost	(30,001,323)	(21,113,067)	(74,411,598)	(56,191,178)
Change in bonus reserve	454,641	(381,024)	(514,731)	(1,574,018)
Other underwriting expenses	(968,176)	(762,412)	(2,916,162)	(2,808,311)
Finance cost	(1,245,155)	(1,514,159)	(2,780,313)	(4,244,508)
Income for the period before Qard Hassan	11,890,606	10,585,969	22,713,735	24,295,988
Provision against Qard Hassan to policyholders	(28,424,029)	(9,453,885)	(49,565,728)	(8,773,515)
(Loss)/profit for the period attributable to shareholders	(16,533,423)	1,132,084	(26,851,993)	15,522,473
Earnings per share (AED)				
Basic and diluted (note 16)	(0.064)	0.008	(0.103)	0.103

The notes from 1 to 25 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 30 September 2022

	(Unaudited) Three-month period ended 30 September 2022 AED	(Unaudited) Three-month period ended 30 September 2021 AED	(Unaudited) Nine-month period ended 30 September 2022 AED	(Unaudited) Nine-month period ended 30 September 2021 AED
Attributable to policyholders				
Loss for the period	(28,424,029)	(9,453,885)	(49,565,728)	(8,773,515)
<i>Items that maybe reclassified subsequently to profit or loss</i>				
Unrealised loss on available-for-sale investments	(221,627)	-	(221,627)	-
Total comprehensive loss for the period attributable to policyholders	(28,645,656)	(9,453,885)	(49,787,355)	(8,773,515)
Attributable to shareholders				
(Loss)/profit for the period	(16,533,423)	1,132,084	(26,851,993)	15,522,473
Other comprehensive income				
<i>Items that maybe reclassified subsequently to profit or loss</i>				
Unrealised loss on available-for-sale investments	(1,375,614)	-	(1,349,301)	-
Revaluation surplus from transfer of owner-occupied property to investment property	466,003	-	466,003	-
	(909,611)	-	(883,298)	-
Total comprehensive (loss) / income for the period attributable to shareholders	(17,443,034)	1,132,084	(27,735,291)	15,522,473

The notes from 1 to 25 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 30 September 2022

	Share capital AED	Statutory reserve AED	Retakaful reserve AED	Revaluation surplus AED	Cumulative change in fair value of securities AED	Accumulated losses AED	Total AED
As at 1 January 2021 (Audited)	150,000,000	5,482,374	642,503	-	-	(10,689,629)	145,435,248
Profit for the period	-	-	-	-	-	15,522,473	15,522,473
Total comprehensive income for the period	-	-	-	-	-	15,522,473	15,522,473
Dividend (note 24)	-	-	-	-	-	(13,800,000)	(13,800,000)
Director's remuneration	-	-	-	-	-	(980,000)	(980,000)
As at 30 September 2021 (Unaudited)	150,000,000	5,482,374	642,503	-	-	(9,947,156)	146,177,721
As at 1 January 2022 (Audited)	150,000,000	7,640,367	2,073,033	-	-	(7,478,226)	152,235,174
Loss for the period	-	-	-	-	-	(26,851,993)	(26,851,993)
Other comprehensive income/(loss)	-	-	-	466,003	(1,349,301)	-	(883,298)
Total comprehensive income/(loss) for the period	-	-	-	466,003	(1,349,301)	(26,851,993)	(27,735,291)
Share capital issued on merger (note 20)	110,156,250	-	-	-	-	-	110,156,250
Director's remuneration	-	-	-	-	-	(1,400,000)	(1,400,000)
As at 30 September 2022 (Unaudited)	260,156,250	7,640,367	2,073,033	466,003	(1,349,301)	(35,730,219)	233,256,133

The notes from 1 to 25 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 30 September 2022**

	(Unaudited) Nine-month period ended 30 September 2022 AED	(Unaudited) Nine-month period ended 30 September 2021 AED
Cash flows from operating activities		
(Loss)/profit for the period	(26,851,993)	15,522,473
Adjustments for:		
Depreciation of property and equipment	3,680,337	3,470,619
Amortisation of intangibles	8,993,173	5,931,282
Unrealised loss/(gain) on financial assets at FVTPL	99,723	(320,356)
Realised gain on financial assets at FVTPL	(2,078,272)	(273,587)
Income from dividends	(1,827,853)	-
Income from wakala deposits	(2,521,742)	(2,185,589)
Income from sukuk investments	(868,044)	(1,004,839)
Finance cost	2,780,313	-
Rental income	(722,000)	(564,711)
Gain on merger (note 20)	(1,724,831)	-
Write-off of intangibles	6,728,000	-
Provision for doubtful receivables	11,230,628	(228,254)
Provision for employees' end of service benefits	1,677,025	1,695,200
Operating cash flows before changes in working capital	(1,405,536)	22,042,238
Change in takaful and other receivables	40,273,695	(78,974,477)
Change in retakaful assets	(2,634,338)	(39,059,468)
Change in prepayments and other receivables	1,791,692	(8,313,135)
Change in takaful contract liabilities	15,991,913	17,941,245
Change in takaful payables	(4,761,332)	88,916,338
Change in other liabilities	(20,127,174)	(15,910,823)
Change in deferred policy cost	(8,940,694)	(13,361,352)
Change in gross mathematical reserves	(2,729,432)	1,253,850
Change in bonus reserves	(1,318,831)	(626,898)
Change in deferred discount	892,825	5,277,270
Cash generated from/(used in) operations	17,032,788	(20,815,212)
Employee's end of service benefits paid	(1,965,793)	(1,677,142)
Net cash generated from/(used in) operating activities	15,066,995	(22,492,354)
Cash flows from investing activities		
Purchase of property and equipment	(1,304,978)	(3,285,255)
Additions of investment properties	(2,821,747)	-
Additions of equity investments carried at FVTPL	(40,089,134)	(29,352,108)
Proceeds from sale of FVTPL	47,293,809	-
Additions of available for sale investments	(33,142,202)	-
Income received on wakala deposits	1,501,750	2,059,065
Proceeds from redemption of held to maturity investments	5,617,630	-
Held to maturity amortisation of discounts	109,420	64,101
Rental income received	1,685,916	564,711
Net cash inflow on merger (note 20)	48,290,000	-
Dividend received	1,827,853	-
Finance costs paid	(2,780,313)	-
Income received from sukuk	(973,509)	666,702
Investment in Wakala deposits - net	(4,676,913)	100,454,315
Net cash generated from investing activities	20,537,582	71,171,531

The notes from 1 to 25 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 30 September 2022**

	(Unaudited) Nine-month period ended 30 September 2022 AED	(Unaudited) Nine-month period ended 30 September 2021 AED
Cash flows from financing activities		
Dividends paid (note 24)	-	(13,800,000)
Directors' remuneration	(1,400,000)	(980,000)
Settlement of murabaha facility	(10,350,000)	(105,605,660)
Payment of lease liabilities	(2,489,694)	(3,436,010)
Net cash used in financing activities	(14,239,694)	(123,821,670)
Net change in cash and cash equivalents	21,364,883	(75,142,493)
Cash and cash equivalents, beginning of period	33,838,497	132,303,606
Cash and cash equivalents, end of period (note 8)	55,203,380	57,161,113

Non-cash transactions arising as a result of merger not included in the cash flows:

	(Unaudited) Nine-month period ended 30 September 2022 AED	(Unaudited) Nine-month period ended 30 September 2021 AED
Addition of restricted deposits	17,249,000	-
Addition of wakala deposits	2,000,000	-
Addition of investment properties	21,420,000	-
Addition of statutory deposits	6,000,000	-
Addition of intangible assets	21,683,000	-
Addition of investments in securities	80,765,000	-
Addition of contribution receivables	140,174,000	-
Addition of retakaful ontract assets	85,278,000	-
Addition of property and equipment	6,391,000	-
Addition of other receivables	17,218,000	-
Addition of takaful and related payables	(61,870,000)	-
Addition of takaful and investment contract liabilities	(247,966,000)	-
Addition of lease liabilities	(4,094,000)	-
Addition of other liabilities	(10,576,000)	-
Addition of employees' end of service benefits	(11,084,000)	-
Additional shares issued	(110,156,000)	-

The notes from 1 to 25 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 30 September 2022

1 Legal status and activities

Dar Al Takaful (PJSC) (the “Company”) was incorporated as a public joint stock company. The Company carries out general takaful, retakaful and investments in accordance with the teachings of Islamic Shari’a and within the provisions of U.A.E. Federal Law no. 6 of 2007 relating to takaful companies and takaful agents and the Memorandum and Articles of Association of the 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.

Federal Law by Decree No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on 20 September 2021 with an effective date of 2 January 2022 and will entirely replace Federal Law No. 2 of 2015 (as amended) on Commercial Companies, as amended. The Group has twelve months from the effective date to comply with the provisions of the New Companies Law.

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a 9% Federal Corporate Tax rate effective for fiscal years commencing on or after 1 June 2023. There is no impact of this announcement on the condensed interim consolidated financial information of the Group for the period ended 30 September 2022.

Although the Company holds valid license to issue short term takaful contracts in connection with non-life takaful (motor, marine, fire, engineering, medical and general accident risks), the Company ceased to issue new contracts as at 27 July 2020. The Company now plans to engage in investment activities while continuing to complete the term of already issued contracts and managing its related risks. The Company also invests its funds in investment securities.

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
	30 September 2022	31 December 2021	
Noor Takaful Family (PJSC)	100%	100%	Family takaful and retakaful activities
Noor Takaful General (PJSC)	100%	100%	General takaful and retakaful activities

2 Basis of preparation

The condensed interim consolidated financial information are for the nine-month period ended 30 September 2022 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 2021. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The Group has not early adopted any version of IFRS 9 and the activities of the Group are predominantly connected with insurance on 30 September 2022 therefore the Group have opted for the temporary exemption from the application of IFRS 9 and defer the implementation date of IFRS 9 until 1 January 2023.

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

Notes to the condensed interim consolidated financial information
For the period ended 30 September 2022

2 Basis of preparation (continued)

New standards, interpretations and amendments

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 2021, except for application of new standards effective as of 1 January 2022 as several amendments and interpretations apply for the first time in 2022. However, these amendments and interpretations do not have material impact on the condensed interim financial information of the Group.

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 30 September 2022.

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

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.

Outstanding claims, IBNR, ULAE and UPR

The estimation of the ultimate liability (outstanding claims, IBNR and ULAE) arising from claims and UPR made under takaful contracts is the Group's most critical accounting estimate.

These estimates are continually reviewed and updated, and adjustments resulting from this review are reflected in the income statement. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends (including actuarial calculations), is an appropriate basis for predicting future events.

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

Notes to the condensed interim consolidated financial information
For the period ended 30 September 2022

3 Significant accounting policies (continued)

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

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.

Fair value of unquoted securities

Fair value of unquoted securities has been determined by the management based on 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.

Provision for doubtful debts

The Group reviews its takaful receivables on a regular basis to assess whether a provision for impairment should be recorded in the consolidated income statement. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about the probability of default and probable losses in the event of default, the value of the underlying security, and realisation costs.

In addition to specific provisions against individually significant takaful receivables, the Group also makes a collective impairment provision against takaful receivables which, although not specifically identified as requiring a specific provision, have a greater risk of default than when originally granted. The amount of the provision is based on the historical loss pattern for takaful receivables within each grade and is adjusted to reflect current economic changes.

Long term takaful contracts

Estimates for takaful risk under long term takaful contracts are made with reference to external actuarial calculations and are based on standard industry and national mortality tables.

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.

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4 Investment in securities

Available-for-sale investments

Available-for-sale investments comprise the following:

	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED
Unquoted equity securities in U.A.E.	5,943,000	5,943,000
Unquoted debt securities in U.A.E.	1,000,000	1,000,000
Quoted equity securities in U.A.E.	81,236,653	-
	<u>88,179,653</u>	<u>6,943,000</u>
Attributable to:		
Policyholders	33,313,910	-
Shareholders	54,865,743	6,943,000
	<u>88,179,653</u>	<u>6,943,000</u>

Investments at fair value through profit or loss

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

	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED
Investment in mutual funds	340,211,624	450,903,939
Investment in equity securities	45,706,535	50,932,661
	<u>385,918,159</u>	<u>501,836,600</u>
Quoted securities inside UAE	45,706,535	50,932,661
Unquoted securities inside U.A.E.	20,217,013	28,421,912
Unquoted securities outside U.A.E.	319,994,611	422,482,027
	<u>385,918,159</u>	<u>501,836,600</u>
Attributable to:		
Policyholders	340,211,624	450,903,939
Shareholders	45,706,535	50,932,661
	<u>385,918,159</u>	<u>501,836,600</u>

Held to maturity investments

Held to maturity financial assets comprises the following:

	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED
Quoted debt securities inside U.A.E.	25,233,260	3,801,648
Unquoted debt securities inside U.A.E.	-	5,626,638
Quoted debt securities outside U.A.E.	14,660,815	8,909,086
Unquoted debt securities outside U.A.E.	7,493,507	3,677,390
	<u>47,387,582</u>	<u>22,014,762</u>
Attributable to:		
Policyholders	25,233,260	7,463,927
Shareholders	22,154,322	14,550,835
	<u>47,387,582</u>	<u>22,014,762</u>

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4 Investment in securities (continued)

The movement in investment in securities is as follows:

30 September 2022 (Unaudited)	Available- for-sale investments AED	Investments at fair value through profit or loss AED	Held to maturity investments AED	Total AED
At 1 January 2022	6,943,000	501,836,600	22,014,762	530,794,362
Addition during the period	33,142,450	63,405,344	-	96,547,794
Addition from merger (note 20)	49,665,130	-	31,099,870	80,765,000
Disposal during the period	-	(105,425,122)	(5,617,630)	(111,042,752)
Amortisation of premiums	-	-	(109,420)	(109,420)
Fair value loss recorded in the consolidated income statement	-	(73,898,663)	-	(73,898,663)
Fair value loss recorded in the consolidated statement of comprehensive income	(1,570,927)	-	-	(1,570,927)
At 30 September 2022	88,179,653	385,918,159	47,387,582	521,485,394
31 December 2021 (Audited)				
At 1 January 2021	6,943,000	429,885,226	22,112,966	458,941,192
Addition during the year	-	133,631,055	-	133,631,055
Disposal during the year	-	(133,844,804)	-	(133,844,804)
Amortisation of premiums	-	-	(98,204)	(98,204)
Fair value gain recorded in the consolidated income statement	-	72,165,123	-	72,165,123
At 31 December 2021	6,943,000	501,836,600	22,014,762	530,794,362

5 Takaful and other receivables

	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED
Contributions receivable	356,037,994	212,854,547
Receivable from retakaful and other takaful companies	41,714,994	77,048,267
Other receivables	3,784,289	3,784,289
	401,537,277	293,687,103
Less: Provisions for doubtful receivables	(37,883,153)	(18,702,656)
	363,654,124	274,984,447

6 Wakala deposits

Statutory deposit represents a Wakala deposit under lien against the guarantees issued in favour of Central Bank of UAE (formerly, the UAE Insurance Authority) in accordance with Article 42 of United Arab Emirates (U.A.E.) Federal Law No. 6 of 2007, concerning the establishment Financial Regulations of Insurance Companies issued by the Central Bank of UAE (formerly, the UAE Insurance Authority) and Organisation of its Operations. Wakala deposits worth AED 40 million are hypothecated against Murabaha facility (note 13).

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7 Investment properties

Investment properties comprise of buildings which are located in United Arab Emirates. During the period ended 30 September 2022, an owner-occupied property was transferred to investment property and a revaluation surplus is recognised at the time of transfer in the condensed interim consolidated statement of comprehensive income.

Management estimates that there has been no change in the fair value of investment properties during the nine-month period ended 30 September 2022 except for the transferred property mentioned above. The carrying value of the investment properties as at 30 September 2022 is AED 64 million (31 December 2021: AED 40 million).

Investment properties are classified as Level 3 in the fair value hierarchy as at 30 September 2022 (31 December 2021: Level 3).

8 Cash and cash equivalents

	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED	(Unaudited) 30 September 2021 AED
Cash on hand	146,600	146,600	146,599
Bank balances:			
Current accounts	47,413,475	32,625,222	56,216,955
Call accounts	7,643,305	1,066,675	797,559
	<u>55,203,380</u>	<u>33,838,497</u>	<u>57,161,113</u>
Attributable to:			
Policyholders	37,230,785	15,772,579	35,340,565
Shareholders	17,972,595	18,065,918	21,820,548
	<u>55,203,380</u>	<u>33,838,497</u>	<u>57,161,113</u>

9 Restricted deposits

Deposits held as restricted deposits are maintained in accordance with the requirements of U.A.E. Federal Law No. 6 of 2007 concerning the formation of Central Bank of UAE (formerly, the UAE Insurance Authority) and are not available to finance the day-to-day operations of the Group.

10 Due from / to shareholder and policyholders

The balance consists of the net of wakala fees balances that is due from the shareholders to the policyholders amounting to AED 84 million (31 December 2021: AED 22.2 million).

11 Takaful payables

	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED
Due to takaful companies, garages and other third parties	86,547,930	84,440,363
Due to retakaful companies	176,511,076	140,227,499
Other payables	44,299,968	25,582,444
	<u>307,358,974</u>	<u>250,250,306</u>

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12 Other liabilities

	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED
Accrued expenses and other payables	10,498,752	19,851,931
Acquisition cost payable	32,744,323	35,363,763
Employees' end of service benefits	17,163,559	6,368,235
Lease liabilities	10,706,775	9,101,161
Accrued leave salary	345,663	736,063
Other payable	8,024,665	8,058,349
	<u>79,483,737</u>	<u>79,479,502</u>

13 Murabaha payable

The Group entered into a Murabaha 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 Noor Takaful Family PJSC ("NTF") and Noor Takaful General PJSC ("NTG"). 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 NTF and NTG. Full amount of Tranch A is repaid during the year ended 31 December 2021.

Tranche B consist of AED 115 million carrying flexible funding cost of 3 months EIBOR plus 2.9% having a maturity period of 5 years ending 30 September 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 wakala deposits worth at least AED 40 million;
- Pledge over the shares of target entities i.e. NTF and NTG;
- Marketable securities (equities and sukuk) 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 shift 100% wakala deposits of the Company to specified bank within 6 months from the completion of acquisition.

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14 Share capital

	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED
Issued and fully paid:		
260,156,250 ordinary shares of AED 1 each		
(31 December 2021: 150,000,000 ordinary shares)	<u>260,156,250</u>	<u>150,000,000</u>

On 1 July 2022 the Company issued additional share capital upon merger to the shareholders of National Takaful Company (Watania) PJSC (note 20).

15 Reserves

Statutory reserve

In accordance with U.A.E. Law No. (2) of 2015 (as amended), 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 nine-month period ended 30 September 2022 (30 September 2021: Nil), as this will be based on the audited results for the year-end.

Retakaful reserve

In accordance with article 34 of Central Bank of UAE' (formerly, the UAE Insurance Authority) 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 (formerly, the UAE Insurance Authority). No transfer to the retakaful reserve has been made during the nine-month period ended 30 September 2022 (nine-month period ended 30 September 2021: Nil), as this will be based on the audited results for the year-end.

16 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) Three-month period ended 30 September 2022	(Unaudited) Three-month period ended 30 September 2021	(Unaudited) Nine-month period ended 30 September 2022	(Unaudited) Nine-month period ended 30 September 2021
(Loss)/profit for the period attributable to shareholders (in AED)	(16,533,423)	1,132,084	(26,851,993)	15,522,473
Number of ordinary shares outstanding (shares)	260,156,250	150,000,000	260,156,250	150,000,000
Basic and diluted (loss) / earnings per share (in AED)	<u>(0.064)</u>	<u>0.008</u>	<u>(0.103)</u>	<u>0.103</u>

Diluted (loss)/earnings per share as of 30 September 2022 and 30 September 2021 are equivalent to basic (loss)/earnings per share

17 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.

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17 Related party transactions (continued)

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.

Balances with related parties

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

	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED
<i>Takaful and other receivables</i>		
Other related parties	<u>(58,093)</u>	<u>(58,093)</u>

Transactions with related parties

There are no transactions with related party during the nine-month period ended 30 September 2022 (nine-month period ended 30 September 2021: Nil).

Compensation of key management personnel

	(Unaudited) Three-month period ended 30 September 2022 AED	(Unaudited) Three-month period ended 30 September 2021 AED	(Unaudited) Nine-month period ended 30 September 2022 AED	(Unaudited) Nine-month period ended 30 September 2021 AED
Short-term benefits	2,469,372	2,103,210	6,172,476	6,309,630
Employees' end of service benefits	232,009	79,590	370,682	238,770
	<u>2,701,381</u>	<u>2,182,800</u>	<u>6,543,158</u>	<u>6,548,400</u>

18 Wakala and Mudarib's fees

Wakala fees

Wakala fees for the period ended 30 September 2022 amounted to AED 160.4 million (30 September 2021: AED 128.06 million). The fees are calculated at maximum rate of 27% of gross takaful contributions. Wakala fee is charged to the income statement when incurred.

Mudarib's fee

The shareholders also manage the policyholders' investment funds and charge Mudarib's fee. Mudarib's fee is charged at 35% of realised investment income. Mudarib's fees for the period ended 30 September 2022 amounted to AED 0.016 million (30 September 2021: AED 0.36 million).

19 Commitments and guarantees

Commitments

The Group has capital commitments amounting to AED 3.01 million as at 30 September 2022 (31 December 2021: AED 4.01 million).

Guarantees

As at 30 September 2022, the Group has outstanding bank guarantees amounting AED 267,000 (31 December 2021: AED 267,000).

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20 Merger with National Takaful Company (Watania) PJSC

On 1 July 2022, the Group merged with National Takaful Company (Watania) PJSC, a UAE based takaful company, whereas Watania ceased to exist effective immediately. Dar al Takaful PJSC issued 0.734375 new shares against each Watania share held by Watania shareholders as consideration, at the close of trading on 1 July 2022. As a result, Company's share capital has increased to AED 260,156,250.

The merger was made to enhance the Group's position in the takaful business. Watania had significant business, with medical and general takaful portfolio, in UAE which is the Group's target market.

The details of net assets acquired in business combination at provisional fair values are as follows:

	Watania AED
Recognised amounts of identifiable net assets	
Assets	
Cash and cash equivalents	48,290,000
Restricted deposits	17,249,000
Wakala deposits	2,000,000
Investment properties	21,420,000
Statutory deposits	6,000,000
Intangible assets	21,683,000
Investments in securities	80,765,000
Contribution receivables	140,174,000
Retakaful contract assets	85,278,000
Property and equipment	6,391,000
Other receivables	17,218,000
Total assets	446,468,000
Liabilities	
Takaful and related payables	61,870,000
Takaful and investment contract liabilities	247,966,000
Lease liabilities	4,094,000
Other liabilities	10,576,000
Employees' end of service benefits	11,084,000
Total liabilities	335,590,000
Fair value of consideration transferred	
Non-cash consideration – shares issued	(110,156,000)
Identifiable net assets	110,878,000
Gain on merger transaction	722,000
Cash and cash equivalents acquired	48,290,000
Net cash inflow on merger	48,290,000
Merger costs charged to expenses *	6,640,258

* Merger-related costs amounting to AED 6,640,258 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, shown as a separate line item in consolidated income statement.

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21 Segment information

For management purposes the Group is organised into four business segments, general takaful, group life, individual life and investments. The general takaful segment comprises the takaful business undertaken by 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.

Except for Wakala fees, Mudarib's share and Qard Hassan, no other inter-segment transactions occurred during the period. If any other transaction were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. 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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21 Segment information (continued)

Nine-month period ended 30 September 2022 (Unaudited)

	General takaful AED	Group life AED	Individual life AED	Investments AED	Total AED
Takaful income					
Gross takaful contribution	479,426,128	80,426,081	38,139,843	-	597,992,052
Retakaful share of ceded business	(155,268,179)	(72,112,921)	(3,026,803)	-	(230,407,903)
Net takaful contributions	324,157,949	8,313,160	35,113,040	-	367,584,149
Change in unearned contribution reserve	(15,522,266)	1,143,730	-	-	(14,378,536)
Change in contribution deficiency reserve	(2,093,912)	-	-	-	(2,093,912)
Net takaful contributions earned	306,541,771	9,456,890	35,113,040	-	351,111,701
Discount earned	13,393,036	3,220,663	117,103	-	16,730,802
Total underwriting income	319,934,807	12,677,553	35,230,143	-	367,842,503
Takaful expenses					
Gross claims paid	(347,469,807)	(17,391,323)	(1,746,329)	-	(366,607,459)
Retakaful share of ceded business claims	135,403,455	15,419,057	1,090,263	-	151,912,775
Net takaful claims paid	(212,066,352)	(1,972,266)	(656,066)	-	(214,694,684)
Change in provision for outstanding claims	(25,069,453)	1,998,710	1,000,000	-	(22,070,743)
Change in retakaful share of outstanding claims	30,771,236	(3,224,355)	(700,000)	-	26,846,881
Change in incurred but not reported claims	1,731,397	(233,847)	-	-	1,497,550
Change in unallocated loss adjustment expenses reserve	897,271	(79,623)	-	-	817,648
Change in investment contracts and mathematical reserves	-	-	53,004,885	-	53,004,885
Net loss on assets held at fair value through profit or loss	-	-	(75,877,212)	-	(75,877,212)
Net takaful claims incurred	(203,735,901)	(3,511,381)	(23,228,393)	-	(230,475,675)
Excess of loss of takaful contribution	(7,339,944)	-	-	-	(7,339,944)
Other takaful expenses	(18,345,238)	(69,518)	(3,600,295)	-	(22,015,051)
Total takaful income	90,513,724	9,096,654	8,401,455	-	108,011,833
Wakala (fees)/income	(147,380,069)	(5,116,055)	(7,937,902)	160,434,026	-
Mudarib's (fee)/income	(15,865)	-	-	15,865	-
Investment and other income	2,661,536	133,849	76,945	14,513,551	17,385,881
General and administrative expenses and amortisation	-	-	-	(65,708,645)	(65,708,645)
Gain on bargain purchase	-	-	-	722,000	722,000
Merger transaction costs	-	-	-	(6,640,258)	(6,640,258)
Policy acquisition cost	-	-	-	(74,411,598)	(74,411,598)
Change in bonus reserve	-	-	-	(514,731)	(514,731)
Other underwriting expenses	-	-	-	(2,916,162)	(2,916,162)
Finance costs	-	-	-	(2,780,313)	(2,780,313)
(Loss)/profit for the period	(54,220,674)	4,114,448	540,498	22,713,735	(26,851,993)

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21 Segment information (continued)

Nine-month period ended 30 September 2021 (Unaudited)

	General takaful AED	Group life AED	Individual life AED	Investments AED	Total AED
Takaful income					
Gross takaful contribution	444,547,697	90,140,164	46,670,087	-	581,357,948
Accepted business	144,172	-	-	-	144,172
Retakaful share of ceded business	(153,452,411)	(80,780,810)	(3,032,656)	-	(237,265,877)
Net takaful contributions	291,239,458	9,359,354	43,637,431	-	344,236,243
Change in unearned contribution reserve	(4,159,144)	(1,705,562)	-	-	(5,864,706)
Change in contribution deficiency reserve	2,395,596	18,954	-	-	2,414,550
Net takaful contributions earned	289,475,910	7,672,746	43,637,431	-	340,786,087
Discount earned	14,265,745	3,004,969	-	-	17,270,714
Total takaful income	303,741,655	10,677,715	43,637,431	-	358,056,801
Takaful expenses					
Gross claims paid	(278,100,510)	(35,123,636)	(305,554)	-	(313,529,700)
Retakaful share of ceded business paid	55,908,522	33,434,378	110,728	-	89,453,628
Net takaful claims paid	(222,191,988)	(1,689,258)	(194,826)	-	(224,076,072)
Change in provision for outstanding claims	26,665,327	4,180,485	(150,000)	-	30,695,812
Change in retakaful share of outstanding claims	(4,404,065)	(4,707,086)	3,160	-	(9,107,991)
Change in incurred but not reported claims	2,321,378	(414,287)	-	-	1,907,091
Change in unallocated loss adjustment expenses reserve	950,302	408,451	-	-	1,358,753
Change in investment contracts and mathematical reserves	-	-	(79,987,202)	-	(79,987,202)
Net gain on assets held at fair value through profit or loss	-	-	47,476,356	-	47,476,356
Net claims incurred	(196,659,046)	(2,221,695)	(32,852,512)	-	(231,733,253)
Excess of loss of takaful contribution	(5,687,876)	-	-	-	(5,687,876)
Other takaful income/(expenses)	814,312	488,758	(3,963,909)	-	(2,660,839)
Total takaful income	102,209,045	8,944,778	6,821,010	-	117,974,833
Wakala (fees)/income	(104,935,220)	(15,201,384)	(7,926,083)	128,062,687	-
Mudarib's (fee)/income	(368,440)	7,921	-	360,519	-
Investment and other income	1,598,080	30,388	46,390	16,142,710	17,817,568
General and administrative expenses and amortisation	-	-	-	(55,451,913)	(55,451,913)
Policy acquisition cost	-	-	-	(56,191,178)	(56,191,178)
Change in bonus reserve	-	-	-	(1,574,018)	(1,574,018)
Other underwriting expenses	-	-	-	(2,808,311)	(2,808,311)
Finance cost	-	-	-	(4,244,508)	(4,244,508)
(Loss)/profit for the period	(1,496,535)	(6,218,297)	(1,058,683)	24,295,988	15,522,473

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21 Segment information (continued)

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

	Takaful AED	Investment AED	Total AED
30 September 2022 (Unaudited)			
Total assets	<u>1,447,440,668</u>	<u>475,143,868</u>	<u>1,922,584,536</u>
Total liabilities	<u>1,423,856,188</u>	<u>265,693,842</u>	<u>1,689,550,030</u>
31 December 2021 (Audited)			
Total assets	<u>1,216,631,910</u>	<u>366,418,578</u>	<u>1,583,050,488</u>
Total liabilities	<u>1,215,318,529</u>	<u>215,496,785</u>	<u>1,430,815,314</u>

22 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).

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		Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	(Unaudited) 30 September 2022 AED	(Audited) 31 December 2021 AED			
Available-for-sale investments					
Unquoted equity securities	5,943,000	5,943,000	Level 3	Net assets valuation method	Net assets value Higher the net assets value of the investees, higher the fair value
Unquoted debt securities	1,000,000	1,000,000	Level 3	Net assets valuation method Quoted bid prices in an active market	Net assets value Higher the net assets value of the investees, higher the fair value
Quoted equity securities	81,236,653	-	Level 1	N/A	N/A

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22 Fair value measurements (continued)

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) 30 September 2022 AED	(Audited) 31 December 2021 AED				
Investments at fair value through profit or loss						
Mutual funds units	340,211,624	450,903,939	Level 3	Net assets valuation method Quoted bid prices in an active market	Net assets value	Higher the net assets value of the investees, higher the fair value
Quoted equity securities	45,706,535	50,932,661	Level 1		N/A	N/A

23 Fatwa and Shari'a Supervisory Board

The Group's business activities are subject to the supervision of its Fatwa and Sharia'a Supervisory Board consisting of three members appointed by the Shareholders. The Fatwa and Sharia'a Supervisory Board perform a supervisory role in order to determine whether the operations of the Group are conducted in accordance with Sharia'a rules and principles.

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

24 Dividends

No dividend is declared for the year ended 31 December 2021. (2020: At the Annual General Meeting held on 22 April 2021, AED 0.092 cash dividend amounting to AED 13,800,000 for the year 2020 was approved by Shareholders and distributed on 11 May 2021).

25 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.