

**Watania International Holding (PJSC) (formerly,
Dar Al Takaful (PJSC))**

Condensed interim consolidated financial information
(Unaudited)

For the period ended 30 June 2023

Review Report of the Independent Auditor To the Shareholders of Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))

Introduction

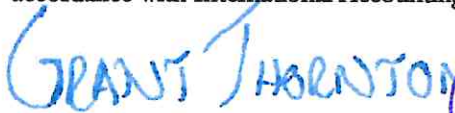

We have reviewed the accompanying condensed interim consolidated statement of financial position of Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC)) (the "Group") as at 30 June 2023 and condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity, condensed interim consolidated statement of cash flows for the six-month period then ended, and summary of significant accounting policies 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, 14 August 2023


Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of financial position
As at 30 June 2023

	Notes	(Unaudited) 30 June 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		14,592	15,655	15,929
Intangible assets		87,562	90,550	89,138
Investments at amortised cost	5	33,754	47,353	22,015
Investments at fair value through profit or loss (FVTPL)	5	450,854	391,782	501,837
Investments at fair value through other comprehensive income (FVTOCI)	5	5,998	71,624	6,943
Insurance contract assets	6	-	-	196
Reinsurance contract assets	6	142,211	137,225	119,850
Trade and other receivables	7	122,235	85,289	59,330
Cash and bank balances	8	402,967	377,821	320,148
TOTAL ASSETS		1,325,395	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		(616)	(1,655)	-
Accumulated losses		(54,824)	(49,595)	(16)
Total equity		216,852	221,042	159,697
Liabilities				
Employees' end of service benefits		18,334	17,585	6,368
Insurance contract liabilities	6	761,251	763,131	723,397
Reinsurance contract liabilities	6	73,369	35,079	21,073
Trade and other payables	9	161,535	141,335	146,182
Lease liability		8,954	8,899	9,101
Borrowings	10	85,100	95,450	109,250
Total liabilities		1,108,543	1,061,479	1,015,371
TOTAL EQUITY AND LIABILITIES		1,325,395	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 14 August 2023.


Dr. Ali Saeed Bin Harmal Aldhaheeri
 Chairman


Mr. Gautam Datta
 Chief Executive Officer

The notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of comprehensive income
For the period ended 30 June 2023

	Note	(Unaudited) Three-month period ended 30 June 2023 AED'000	Restated (Unaudited) Three-month period ended 30 June 2022 AED'000	(Unaudited) Six-month period ended 30 June 2023 AED'000	Restated (Unaudited) Six-month period ended 30 June 2022 AED'000
Income					
Insurance income	13	225,456	171,633	457,286	324,526
Investment income		8,820	43	22,305	6,607
Net gain/(loss) on assets held at fair value through profit or loss (unit-linked)		18,696	(48,856)	34,102	(60,918)
Other income		5,692	(3,949)	10,719	3,291
Expenses					
Insurance expenses	14	(245,336)	(122,981)	(503,126)	(259,267)
General and administrative expenses		(11,238)	(7,424)	(18,897)	(14,765)
Amortisation of intangibles		(1,575)	(1,103)	(3,150)	(2,205)
Finance cost		(1,620)	(763)	(3,101)	(1,535)
Loss for the period		(1,105)	(13,400)	(3,862)	(4,266)
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Unrealised profit/(loss) on investments at FVTOCI		5	492	(328)	492
		5	492	(328)	492
Total comprehensive loss for the period attributable to shareholders		(1,100)	(12,908)	(4,190)	(3,774)
Loss per share (AED)					
Basic and diluted	15	(0.004)	(0.052)	(0.015)	(0.016)

The notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of changes in equity
For the period ended 30 June 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
Loss for the period (restated)	-	-	-	-	(4,266)	(4,266)
Total comprehensive loss for the period	-	-	-	-	(4,266)	(4,266)
Cumulative change in fair value of securities	-	-	-	492	-	492
Director's remuneration	-	-	-	-	(1,400)	(1,400)
As at 30 June 2022 (Unaudited)	150,000	7,640	2,073	492	(5,682)	154,523
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	-	-	-	-	(3,862)	(3,862)
Other comprehensive income/(loss)	-	-	-	1,039	(1,367)	(328)
Total comprehensive loss for the period	-	-	-	1,039	(5,229)	(4,190)
As at 30 June 2023 (Unaudited)	260,156	8,500	3,636	(616)	(54,824)	216,852

The notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of cash flows
For the period ended 30 June 2023

	(Unaudited)	Restated (Unaudited)
	Six-month period ended 30 June 2023 AED'000	Six-month period ended 30 June 2022 AED'000
Cash flows from operating activities		
Loss for the period	(3,862)	(4,266)
Adjustments for:		
Depreciation of property and equipment	1,953	2,208
Amortisation of intangibles	5,854	4,342
Loss on write-off of fixed assets	1,243	-
Unrealised gain on financial assets at FVTPL	(38,476)	(699)
Realised gain on financial assets at FVTPL	(6,943)	(2,241)
Income from dividend	(3,821)	(1,633)
Income from deposits	(6,511)	(1,282)
Income from sukuk investments	(789)	(533)
Finance cost	3,101	1,535
Investment impairment (FVTOCI)	945	-
Rental income	(1,199)	(526)
Provision for expected credit losses	1,695	7,699
Provision for employees' end of service benefits	909	744
Operating cash flows before changes in working capital	(45,901)	5,348
Change in trade and other receivables	(25,925)	(28,349)
Change in reinsurance contract assets and liabilities – net	33,305	24,188
Change in insurance contract liabilities	(1,880)	1,295
Change in trade and other payables	20,200	3,619
Cash generated (used in)/generated from operations	(20,201)	6,101
Employee's end of service benefits paid	(160)	(1,273)
Net cash (used in)/generated from operating activities	(20,361)	4,828
Cash flows from investing activities		
Purchase of property and equipment	(2,133)	(1,266)
Purchase of intangibles	(2,866)	(23)
Proceeds from sale of FVTOCI	42,829	33,951
Proceeds from sale/(purchase of) investments carried at FVTPL	144,716	(26,979)
Additions in investments carried at FVTPL	(136,845)	(2,816)
Income received from deposits and sukuks	583	690
Held to maturity amortisation of (premiums)/discounts	(19)	75
Proceeds from redemption of investment held at amortised cost	13,618	5,618
Rental income received	1,199	793
Dividend received	3,821	1,633
Finance costs paid	(3,101)	(1,535)
Purchase of investments in wakala deposits - net	(36,500)	(14,330)
Net cash generated from/(used in) investing activities	25,302	(4,189)

The notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of cash flows (continued)
For the period ended 30 June 2023

	(Unaudited) Six-month period ended 30 June 2023 AED'000	Restated (Unaudited) Six-month period ended 30 June 2022 AED'000
Cash flows from financing activities		
Directors' remuneration	-	(1,400)
Repayment of borrowings	(10,350)	(6,900)
Payment of lease liabilities	55	(1,669)
Net cash used in financing activities	<u>(10,295)</u>	<u>(9,969)</u>
Net change in cash and cash equivalents	(5,354)	(9,330)
Cash and cash equivalents, beginning of period	103,055	33,838
Cash and cash equivalents, end of period (note 8)	<u>97,701</u>	<u>24,508</u>

The notes from 1 to 18 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))

Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information

For the period ended 30 June 2023

1 Legal status and activities

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))” (the “Company”) was incorporated as a public joint stock company. During the six-months period ended 30 June 2023 the Company’s insurance license has been cancelled as it will be an investment holding company and changed its name from Dar Al Takaful (PJSC) to Watania International Holding (PJSC). 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 30 June 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
	30 June 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 six-month period ended 30 June 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.

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 30 June 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 30 June 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 Summary of 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.

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 30 June 2023

3 Summary of 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.

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 30 June 2023

3 Summary of 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.

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 30 June 2023

3 Summary of 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.

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 six-month period ended 30 June 2023. The carrying value of the investment properties as at 30 June 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 30 June 2023 (31 December 2022: Level 3).

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 30 June 2023

5 Investment in securities

Investment at amortised cost

Amortised cost investments comprises the following:

	(Unaudited) 30 June 2023 AED'000	(Unaudited) 31 December 2022 AED'000
Quoted debt securities inside U.A.E.	24,971	24,867
Unquoted debt securities inside U.A.E.	5,021	22,132
Quoted debt securities outside U.A.E.	3,762	354
	<u>33,754</u>	<u>47,353</u>

Investments at fair value through profit or loss

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

	(Unaudited) 30 June 2023 AED'000	(Unaudited) 31 December 2022 AED'000
Investment in mutual funds	356,760	344,073
Investment in debt securities	12,177	-
Investment in equity securities	81,917	47,709
	<u>450,854</u>	<u>391,782</u>
Quoted securities inside UAE	94,094	47,709
Unquoted securities inside U.A.E.	-	19,577
Unquoted securities outside U.A.E.	356,760	324,496
	<u>450,854</u>	<u>391,782</u>

Investments at fair value through other comprehensive income

Fair value through other comprehensive income comprise the following:

	(Unaudited) 30 June 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.	4,998	5,943
Unquoted debt securities in U.A.E.	1,000	1,000
	<u>5,998</u>	<u>71,624</u>

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information
For the period ended 30 June 2023

5 Investment in securities (continued)

The movement in investment in securities is as follows:

30 June 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
Transfer to related party	(21,524)	21,524	-	-
Restated as at 1 January 2023				
Addition during the period	-	136,845	-	136,845
Disposal during the period	(42,829)	(144,716)	(13,618)	(201,163)
Investment impairment	(945)	-	-	(945)
Amortisation of premiums	-	-	19	19
Fair value gain recorded in the consolidated income statement	-	45,419	-	45,419
Fair value gain recorded in the comprehensive statement of income	(328)	-	-	(328)
At 30 June 2023	5,998	450,854	33,754	490,606
31 December 2022 (Audited)				
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

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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) 30 June 2023			Restated (Unaudited) 30 June 2022		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
General insurance	-	(218,614)	(218,614)	-	(209,021)	(209,021)
Medical insurance	-	(203,299)	(203,299)	-	(209,982)	(209,982)
Family insurance	-	(339,338)	(339,338)	-	(344,128)	(344,128)
Total insurance contracts issued	-	(761,251)	(761,251)	-	(763,131)	(763,131)

Reinsurance contracts held

	(Unaudited) 30 June 2023			Restated (Unaudited) 31 December 2022		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
General insurance	21,374	(16,401)	4,973	21,983	(7,786)	14,197
Medical insurance	120,837	(4,281)	116,556	115,242	(5,101)	110,141
Family insurance	-	(52,687)	(52,687)	-	(22,192)	(22,192)
Total reinsurance contracts held	142,211	(73,369)	68,842	137,225	(35,079)	102,146

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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	
30 June 2023 (Unaudited)					
Insurance contract liabilities as at 1 January 2023	(158,583)	(14,717)	(273,173)	(10,937)	(457,410)
Insurance revenue	444,770	-	-	-	444,770
Insurance service expenses					
Incurred claims and other expenses	-	-	(258,417)	(8,595)	(267,012)
Net insurance acquisition costs	(73,833)	-	-	-	(73,833)
Losses on onerous contract and reversals	-	5,683	-	-	5,683
Changes to liabilities for incurred claims	-	-	(95,147)	8,333	(86,814)
Insurance service result	370,937	5,683	(353,564)	(262)	22,794
Insurance finance expenses	-	-	(3,344)	-	(3,344)
Total changes in statement of comprehensive income	370,937	5,683	(356,908)	(262)	19,450
Cash flows					
Contributions received	(450,585)	-	-	-	(450,585)
Claims and other expenses paid	-	-	362,942	-	362,942
Direct attributable expense	-	-	6,422	-	6,422
Insurance acquisition cash flows	67,037	-	-	-	67,037
Total cash flows	(383,548)	-	369,364	-	(14,184)
Net insurance contract liabilities as at 30 June 2023	(171,194)	(9,034)	(260,717)	(11,199)	(452,144)

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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 2022	(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 income	-	-	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)

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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	
30 June 2023 (Unaudited)				
Insurance contract liabilities as at 1 January 2023	(295,032)	(1,453)	(9,236)	(305,721)
Insurance revenue	12,515	-	-	12,515
Insurance service expenses				
Incurred claims and other expenses	-	-	(2,092)	(2,092)
Net insurance acquisition costs	(1,042)	-	-	(1,042)
Losses on onerous contract and reversals	-	1,430	-	1,430
Changes to liabilities for incurred claims	-	-	3,314	3,314
Insurance service result	11,473	1,430	1,222	14,125
Insurance finance expenses	(35,815)	(34)	(39)	(35,888)
Investment components	33,587	-	(33,587)	-
Total changes in statement of comprehensive income	9,245	1,396	(32,404)	(21,763)
Cash flows				
Contribution received	(26,329)	-	-	(26,329)
Claims and other expenses paid	-	-	38,408	38,408
Insurance acquisition cash flows	6,298	-	-	6,298
Total cash flows	(20,031)	-	38,408	18,377
Net insurance contract liabilities as at 30 June 2023	(305,818)	(57)	(3,232)	(309,107)

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6 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for takaful contracts issued showing the liability for remaining coverage and the liability for incurred claims (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 2022	(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	-	-	75,928	75,928
Insurance acquisition cash flows	10,318	-	1,190	11,508
Total cash flows	(42,797)	-	77,118	34,321
Net insurance contract liabilities as at 31 December 2022	(295,032)	(1,453)	(9,236)	(305,721)

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For the period ended 30 June 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

30 June 2023 (Unaudited)	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
Insurance contract liabilities as at 1 January 2023	(144,865)	(48,127)	(112,729)	(305,721)
Changes that relate to current services				
CSM recognised for services provided	-	-	6,695	6,695
Change in risk adjustment for non-financial risk for risk expired	-	1,067	-	1,067
Experience adjustments	3,149	(1,501)	-	1,648
Changes that relate to future services				
Contracts initially recognised in the year	7,232	(1,093)	(6,140)	(1)
Changes in estimates that adjust the CSM	10,235	861	(11,096)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	1,280	121	-	1,401
Changes that relate to past services				
Adjustments to liabilities for incurred claims	1,560	1,754	-	3,314
Insurance service result	23,456	1,209	(10,541)	14,124
Net finance expenses from takaful contracts	(35,845)	-	(44)	(35,889)
Total changes in the statement of profit or loss	(12,389)	1,209	(10,585)	(21,765)
Cash flows				
Contributions received	(26,329)	-	-	(26,329)
Claims and other directly attributable expenses paid	38,409	-	-	38,409
Insurance acquisition cash flows paid	6,299	-	-	6,299
Total cash flows	18,379	-	-	18,379
Insurance contract liabilities as at 30 June 2023	(138,875)	(46,918)	(123,314)	(309,107)

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
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For the period ended 30 June 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 2022	(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	(51,160)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(23,536)	17,583	-	(5,953)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(65)	3,385	-	3,320
Insurance service result	44,479	20,653	(53,042)	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	104,953	20,653	(53,071)	72,535
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	(144,865)	(48,127)	(112,729)	(305,721)

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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

Contracts measured under the PAA

	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	
30 June 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	(169,972)	-	-	-	(169,972)
Amounts recoverable from reinsurers for incurred claims	-	-	90,940	1,651	92,591
Amounts recoverable for incurred claims and other expenses	-	(735)	-	-	(735)
Expenses directly attributable to reinsurance	-	-	(1,076)	-	(1,076)
Changes to amounts recoverable for incurred claims and other expenses	-	(45)	36,449	(1,929)	34,475
Net income or expense from reinsurance contracts held	(169,972)	(780)	126,313	(278)	(44,717)
Reinsurance finance income	-	-	4,442	-	4,442
Total changes in the statement of comprehensive income	(169,972)	(780)	130,755	(278)	(40,275)
Cash flows					
Contributions and expenses paid	66,971	-	817	-	67,788
Directly attributable expenses paid	-	-	1,066	-	1,066
Amounts received	-	-	(58,964)	-	(58,964)
Total cash flows	66,971	-	(57,081)	-	9,890
Net reinsurance contract (liabilities)/assets as at 30 June 2023					
Reinsurance contract assets as at 30 June 2023	(173,103)	4,160	307,848	3,306	142,211
Reinsurance contract liabilities as at 30 June 2023	(158,502)	-	94,685	3,573	(60,244)
Net reinsurance contract (liabilities)/asset as at 30 June 2023	(331,605)	4,160	402,533	6,879	81,967

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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)
Contracts measured under the PAA (continued)

	Assets for remaining coverage		Estimates of the present value of future cash flows		Amounts recoverable on incurred claims		Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	cash flows AED'000	Risk adjustment AED'000			
31 December 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)
Amounts recoverable for incurred claims and other expenses	-	(3,034)	(1,311)	3,542			(803)
Changes to amounts recoverable for incurred claims	333,619	(3,034)	(186,808)	(87)			143,690
Net income or expense from reinsurance contracts held	-	-	558	-			558
Reinsurance finance income	333,619	(3,034)	(186,250)	(87)			144,248
Total changes in the statement of comprehensive income							
<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 movement	(18,172)	(2)	(42,866)	(1,439)			(62,479)
1st July 2022 merger related reinsurance contract liabilities movement	(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							

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6 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurane 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	Estimates of the present value of future cash flows AED'000	Total AED'000
30 June 2023 (Unaudited)					
Reinsurance contract assets as at 1 January 2023	-	-	-	-	-
Reinsurance contract liabilities as at 1 January 2023	(13,457)	738	2,513	2,513	(10,206)
Net reinsurance contract assets / (liabilities)	(13,457)	738	2,513	2,513	(10,206)
An allocation of reinsurance contributions	(732)	-	-	-	(732)
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	10	10	10
Changes in fulfilment cash flows that do not adjust underlying CSM	-	(564)	-	-	(564)
Expenses directly attributable to reinsurance	-	-	(92)	(92)	(92)
Net income or expense from reinsurance contracts held	(732)	(564)	(82)	(82)	(1,378)
Reinsurance finance income	(473)	-	10	10	(463)
Total changes in the statement of comprehensive income	(1,205)	(564)	(72)	(72)	(1,841)
Cash flows					
Contributions paid	239	-	-	-	239
Directly attributable expenses paid	-	-	92	92	92
Amounts received	-	-	(1,411)	(1,411)	(1,411)
Total cash flows	239	-	(1,319)	(1,319)	(1,080)
Net reinsurance contract assets / (liabilities) as at 30 June 2023	(14,423)	174	1,122	1,122	(13,127)
Reinsurance contract assets as at 30 June 2023	-	-	-	-	-
Reinsurance contract liabilities as at 30 June 2023	(14,423)	174	1,122	1,122	(13,127)
Net reinsurance contract assets / (liabilities) as at 30 June 2023	(14,423)	174	1,122	1,122	(13,127)

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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)
Contracts not measured under the PAA (continued)

	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		
31 December 2022 (Unaudited)				
Reinsurance contract assets as at 1 January 2022	(17,340)	-	3,064	(14,276)
Reinsurance contract assets as at 1 January 2022	(17,340)	-	3,064	(14,276)
Net reinsurance contract assets/(liabilities)	(1,974)	-	-	(1,974)
An allocation of reinsurance contributions	-	-	638	638
Amounts recoverable from reinsurers for incurred claims	-	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 2022	(13,457)	738	2,513	(10,206)
Reinsurance contract assets as at 31 December 2022	(13,457)	738	2,513	(10,206)
Reinsurance contract liabilities as at 31 December 2022	(13,457)	738	2,513	(10,206)
Net reinsurance contract assets/(liabilities) as at 31 December 2022	(13,457)	738	2,513	(10,206)

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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

	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	Total AED'000
30 June 2023 (Unaudited)				
Reinsurance contract assets as at 1 January 2023	(11,438)	3,098	(1,866)	(10,206)
Reinsurance contract liabilities as at 1 January 2023	(11,438)	3,098	(1,866)	(10,206)
Net reinsurance contract assets/(liabilities)	-	-	-	-
Changes that relate to current services	-	-	167	167
CSM recognised for services provided	-	(145)	-	(145)
Change in risk adjustment for non-financial risk for risk expired	(846)	10	-	(836)
Experience adjustments				
Changes that relate to future services	(280)	53	228	1
Contracts initially recognised in the year	975	20	(995)	-
Changes in estimates that adjust the CSM	-	-	(564)	(564)
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	(1,261)	(152)	-	(1,413)
Changes that relate to past service	(1,412)	(214)	(1,164)	(2,790)
Net expenses from reinsurance contracts	(455)	-	(8)	(463)
Net finance income from reinsurance contracts	(1,867)	(214)	(1,172)	(3,253)
Total changes in the statement of comprehensive income				
Cash flows				
Contributions received	239	-	-	239
Claims and other directly attributable expenses paid	93	-	-	93
Total cash flows	332	-	-	332
Reinsurance contract liabilities as at 30 June 2023	(12,973)	2,884	(3,038)	(13,127)
Net reinsurance contract assets/(liabilities) as at 30 June 2023	(12,973)	2,884	(3,038)	(13,127)

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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)

	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	Total AED'000
31 December 2022 (Unaudited) restated				
Reinsurance contract assets as at 1 January 2022	(14,587)	3,786	(3,474)	(14,275)
Reinsurance contract liabilities as at 1 January 2022	(14,587)	3,786	(3,474)	(14,275)
Net reinsurance contract (liabilities)/assets	-	-	-	-
Changes that relate to current services	(831)	65	-	(766)
CSM recognised for services provided	(1,107)	220	887	-
Change in risk adjustment for non-financial risk for risk expired	272	10	(282)	-
Experience adjustments	-	-	(291)	291
Changes that relate to future services	-	-	-	(862)
Contracts initially recognised in the year	-	-	-	(766)
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that relate to losses and reversals on onerous underlying contracts	-	-	738	-
Changes that relate to past services	-	-	-	738
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
Takaful acquisition cash flows paid	(298)	-	-	(298)
Total cash flows	4,253	-	-	4,253
Reinsurance contract liabilities as at 31 December 2022	(11,438)	3,098	(1,866)	(10,206)
Net reinsurance contract assets/(liabilities) as at 31 December 2022	(11,438)	3,098	(1,866)	(10,206)

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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:

30 June 2023 (Unaudited)	PAA AED'000	Non-PAA AED'000	Total AED'000
Insurance contract liabilities	(452,144)	(309,107)	(761,251)
Reinsurance contract assets	142,211	-	142,211
Reinsurance contract liabilities	(60,242)	(13,127)	(73,369)
	<u>(370,175)</u>	<u>(322,234)</u>	<u>(692,409)</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	-	137,225
Reinsurance contract liabilities	(24,873)	(10,206)	(35,079)
	<u>(345,058)</u>	<u>(315,927)</u>	<u>(660,985)</u>

7 Trade and other receivables

	(Unaudited) 30 June 2023 AED'000	Restated (Unaudited) 31 December 2022 AED'000
Trade receivables	90,852	92,333
Other receivables	58,485	18,363
	<u>149,337</u>	<u>110,696</u>
Less: Expected credit losses	(27,102)	(25,407)
	<u>122,235</u>	<u>85,289</u>

8 Cash and bank balances

	(Unaudited) 30 June 2023 AED'000	(Audited) 31 December 2022 AED'000	(Unaudited) 30 June 2022 AED'000
Cash and bank balances	97,701	103,055	24,508
Wakala deposits	305,266	274,766	300,638
	<u>402,967</u>	<u>377,821</u>	<u>325,146</u>
Less: Restricted deposit	(16,000)	(22,000)	(16,000)
Less: Deposits under lien	(35,777)	(35,777)	(2,234)
Less: Deposits with original maturities of more than three months	(253,489)	(216,989)	(266,404)
Cash and cash equivalents for the purpose of cash flows	<u>97,701</u>	<u>103,055</u>	<u>24,508</u>

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9 Trade and other payables

	(Unaudited) 30 June 2023 AED'000	(Unaudited) 31 December 2022 AED'000
Trade payables	64,839	70,863
Other payables	96,696	70,472
	<u>161,535</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 2021.

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.

11 Share capital

	(Unaudited) 30 June 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 six-month period ended 30 June 2023 (30 June 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 six-month period ended 30 June 2023 (six-month period ended 30 June 2022: Nil), as this will be based on the audited results for the year-end.

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13 Insurance income

Six months June 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	-	-	-	12,515	12,515
Contracts measured under the PAA	165,439	227,950	51,381	-	444,770
	<u>165,439</u>	<u>227,950</u>	<u>51,381</u>	<u>12,515</u>	<u>457,285</u>
30 June 2022 (Unaudited) restated					
Contracts not measured under the PAA	-	-	-	10,954	10,954
Contracts measured under the PAA	94,510	154,913	64,149	-	313,572
	<u>94,510</u>	<u>154,913</u>	<u>64,149</u>	<u>10,954</u>	<u>324,526</u>
Three months 30 June 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	-	-	-	6,352	6,352
Contracts measured under the PAA	86,212	110,208	22,684	-	219,104
	<u>86,212</u>	<u>110,208</u>	<u>22,684</u>	<u>6,352</u>	<u>225,456</u>
Three months 30 June 2022 (Unaudited) restated					
Contracts not measured under the PAA	-	-	-	4,996	4,996
Contracts measured under the PAA	46,125	86,892	33,622	-	166,639
	<u>46,125</u>	<u>86,892</u>	<u>33,622</u>	<u>4,996</u>	<u>171,635</u>

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14 Insurance expenses

	(Unaudited) Six-month period ended 30 June 2023 AED'000	Restated (Unaudited) Six-month period ended 30 June 2022 AED'000	(Unaudited) Three-month period ended 30 June 2023 AED'000	Restated (Unaudited) Three-month period ended 30 June 2022 AED'000
Insurance service expense	420,367	266,474	219,011	133,138
Allocation of reinsurance premiums	172,301	74,313	85,775	9,808
Amounts recoverable from reinsurance for incurred claims	(124,794)	(19,134)	(78,814)	28,695
Insurance finance expenses/(income) for insurance contracts issued	39,232	(62,646)	20,088	(48,795)
Reinsurance finance (income)/expense for reinsurance contracts held	3,979	260	(722)	135
	<u>503,127</u>	<u>259,267</u>	<u>245,338</u>	<u>122,981</u>

15 Loss 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 June 2023	Restated (Unaudited) Three-month period ended 30 June 2022	(Unaudited) Six-month period ended 30 June 2023	Restated (Unaudited) Six-month period ended 30 June 2022
Loss for the period attributable to shareholders (in AED'000) (restated)	(1,105)	(13,400)	(3,862)	(4,266)
Number of ordinary shares outstanding (shares)	260,156,250	260,156,250	260,156,250	260,156,250
Basic and diluted loss per share (in AED)	<u>(0.004)</u>	<u>(0.052)</u>	<u>(0.015)</u>	<u>(0.016)</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 loss per share for the prior year.

Diluted loss per share as of 30 June 2023 and 30 June 2022 are equivalent to basic loss 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) 30 June 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 six-month period ended 30 June 2023 (six-month period ended 30 June 2022: Nil).

Compensation of key management personnel

	(Unaudited) Six-month period ended 30 June 2023 AED'000	(Unaudited) Six-month period ended 30 June 2022 AED'000
Short-term benefits	3,596	3,703
Employees' end of service benefits	418	139
	<u>4,014</u>	<u>3,842</u>

17 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.

Six-month period ended June 2023 (Unaudited)

	Insurance AED'000	Investments AED'000	Total AED'000
Income	491,388	33,024	524,412
Insurance expenses	(503,126)	-	(503,126)
General and administrative expenses	(12,468)	(6,429)	(18,897)
Amortisation of intangibles	(3,150)	-	(3,150)
Finance cost	-	(3,101)	(3,101)
(Loss)/ profit for the period	<u>(27,356)</u>	<u>23,494</u>	<u>(3,862)</u>

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17 Segment information (continued)

Six-month period ended 30 June 2022 (Unaudited) restated

	Insurance AED'000	Investments AED'000	Total AED'000
Income	263,608	9,898	273,506
Insurance expenses	(259,267)	-	(259,267)
General and administrative expenses	(7,561)	(7,204)	(14,765)
Amortisation of intangibles	(2,205)	-	(2,205)
Finance cost	-	(1,535)	(1,535)
(Loss)/ profit for the period	<u>(5,425)</u>	<u>1,159</u>	<u>(4,266)</u>

Three-month period ended 30 June 2023 (Unaudited)

Income	244,152	14,512	258,664
Insurance expenses	(245,336)	-	(245,336)
General and administrative expenses	(6,998)	(4,240)	(11,238)
Amortisation of intangibles	(1,575)	-	(1,575)
Finance cost	-	(1,620)	(1,620)
(Loss)/ profit for the period	<u>(9,757)</u>	<u>8,652</u>	<u>(1,105)</u>

Three-month period ended 30 June 2022 (Unaudited) restated

	Insurance AED'000	Investments AED'000	Total AED'000
Income	122,777	(3,906)	118,871
Insurance expenses	(122,981)	-	(122,981)
General and administrative expenses	(4,126)	(3,298)	(7,424)
Amortisation of intangibles	(1,103)	-	(1,103)
Finance cost	-	(763)	(763)
Loss/ (profit) for the period	<u>(5,433)</u>	<u>(7,967)</u>	<u>(13,400)</u>

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

	Insurance AED'000	Investment AED'000	Total AED'000
30 June 2023 (Unaudited)			
Total assets	<u>464,301</u>	<u>861,094</u>	<u>1,325,395</u>
Total liabilities	<u>1,014,489</u>	<u>94,054</u>	<u>1,108,543</u>
31 December 2022 (Unaudited) restated			
Total assets	<u>431,774</u>	<u>850,747</u>	<u>1,282,521</u>
Total liabilities	<u>957,130</u>	<u>104,349</u>	<u>1,061,479</u>

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18 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		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	(Unaudited) 30 June 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	4,998	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	<u>1,000</u>	<u>1,000</u>	Level 1	Discounted cashflows	N/A	Higher the cashflows, higher the fair value.
Investments at FVTPL						
Quoted equity securities	94,094	47,709	Level 1	Quoted bid prices in an active market	N/A	N/A
Mutual funds units	<u>356,760</u>	<u>344,073</u>	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value.