دار التكافل
Dar Al Takaful
Premium Islamic Insurance التأمين الإسلامي الأمثل

INTEGRATED REPORTS

2022

دار التكافل
Dar Al Takaful
Premium Islamic Insurance التأمين الإسلامي الأمثل

ANNUAL REPORT 2022

Dar Al Takaful (PJSC)

Consolidated financial statements
For the year ended 31 December 2022

Directors' report

The directors submit their report on the audited consolidated financial statements for the year ended 31 December 2022.

Incorporation and registered offices

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.

Principal activities

The Company with its subsidiaries is collectively referred to as the "Group". The Group mainly issues long term and short term takaful contracts in connection with life and non-life takaful such as motor, marine, fire, engineering, medical and general accident risks. The Group also invests its funds in investment securities.

Financial position and results

The financial position and results of the Group for the year ended 31 December 2022 are set out in the accompanying consolidated financial statements.

Directors

The following were the Directors of the Group for the year ended 31 December 2022:

Dr. Ali Saeed Bin Harmal Aldhaheri	Chairman
Mr. Matar Hamdan Al Ameri	Vice Chairman
Dr. Mohamed Ali Al Barwani	Board Member
Eng. Usama Mohamed Al Barwani	Board Member
Mr. Mohamed Nael Al Shamsi	Board Member
Mr. Shahab Ahmad Lutfi	Board Member
Mr. Abdallah Osseiran	Board Member

Auditors

The consolidated financial statements for the year ended 31 December 2022 have been audited by Grant Thornton UAE and, being eligible, offer themselves for reappointment.

By order of the Board of Directors on 20 March 2023.

Dr. Ali Saeed Bin Harmal Aldhaheri
Chairman

Mr. Gautam Datta
Chief Executive Officer

Grant Thornton

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Independent Auditor's Report

To the Shareholders of Dar Al Takaful (PJSC)

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Dar Al Takaful (PJSC) (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities requirements in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

i) Valuation of takaful contract liabilities and retakaful contract assets

The estimation of liabilities arising from takaful contracts such as claims reported unsettled, claims incurred but reported, unallocated loss adjustment expenses, unexpired reserve, mathematical reserve and unearned contribution, as disclosed in note 7 to these consolidated financial statements, involves a significant degree of judgement. These liabilities are based on the best-estimated ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs and the pattern of risk distribution over the coverage period. Actuarial computations have been used to determine these provisions. Underlying these computations are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. Since the determination of such a provision requires the expertise of an external valuation expert who incorporates significant assumptions, judgements and estimations, the valuation of these liabilities was significant to our audit.

We assessed management's calculations of the takaful contract liabilities and retakaful contract assets by performing the following procedures:

- Understood the governance process in place to determine the insurance contract liabilities;
- Tested the underlying Group data to source documentation on sample basis;
- Evaluated the competence, objectivity and independence of the management appointed actuary;
- Using our actuarial specialist team members, we applied our industry knowledge and experience, and compared the methodology, models and assumptions used against recognised actuarial practices; and
- Using our actuarial specialist team members, we checked the mathematical accuracy of the methodology applied on selected classes of business, particularly focusing on the largest and most uncertain reserves.

ii) 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. The Company's share capital has increased to AED 260.16 million. This merger resulted in the recognition of intangible assets of AED 19.6 million and a gain on bargain purchase of AED 0.72 million as disclosed in note 30 to the consolidated financial statements.

The process of determining the fair value of assets requires the use of multiple estimates such as determining consideration based on merger date, the calculation of the discount rates and credit spreads, the opening statement of financial position, considering fair value adjustments recognised and the identification of intangible assets and the useful economic lives used in amortising intangible assets. Due to the size and complexity of the merger, we considered this to be a key audit matter.

Our audit procedures, among others, included:

- We confirmed that the effective date of the merger was in compliance with the requirements of IFRS-3 by inspecting the terms and conditions of the merger agreement and the date management took control over the merged entity;
- Our audit procedures included reviewing the merger agreement for the merger and assessing the merger accounting, testing the validity and completeness of consideration and evaluating management's assumptions and methodology supporting the fair values of intangible and net assets acquired;

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

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

ii) Merger with National Takaful Company (Watania) PJSC (continued)

- Our audit procedures also included challenging market data and information from similar transactions; and
- We also assessed the accuracy and sufficiency of the disclosure in the consolidated financial statements relating to the merger, including the presentation and classification to determine if they were in compliance with the requirements of IFRSs.

iii) Impairment losses on takaful receivables including third party recoveries

The Group has takaful receivables that are overdue and not impaired (as disclosed in note 9 to these consolidated financial statements). The key associated risk is the recoverability of receivables. Management's related provision is subjective and is influenced by assumptions concerning the probability of default and probable losses in the event of default.

The work that we performed to address this key audit matter included the following procedures:

- We compared the historical provision for bad debts to the actual amounts written off, to determine whether management's estimation techniques were reasonable;
- We considered the adequacy of provisions for bad debts for long-outstanding balances taking into account specific credit risk assessments for each customer based on time past due, the existence of any disputes over the balance outstanding, the history of settlement of receivables and the existence of any liabilities with the same counterparties which reduce the net exposure;
- We verified payments received from receivables post year-end for the sample; and
- We discussed with management and reviewed correspondence, traced underlying supporting documents, where relevant, to identify any disputes and assessed whether appropriately considered in the bad debt provision.

iv) Valuation of investment properties

Group holds investment properties under the fair value model as at 31 December 2022 amounting to AED 65.22 million (2021: AED 39.68 million), as detailed in note 5. The fair value estimate requires significant judgement and estimates by management and independent external valuers. The Group has involved independent external valuers in order to value the investment properties for the purpose of determining the fair value for inclusion in the consolidated financial statements.

The existence of significant estimation and judgement coupled with change in valuation assumptions used could result in material change. Therefore, the valuation of these investment properties was significant to our audit.

Our audit procedures, among others, included:

- Assessing the competence, capabilities, and objectivity of external valuers;
- Evaluating the accuracy and completeness of the source data used in the calculation of fair values;
- Assessing the appropriateness of the key assumptions and methodologies used; and
- Performing an independent calculation by carrying out enquiries with management and independent valuer, including performing reasonableness computation by using publicly available sources of information to independently corroborate the valuation performed by management expert.

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

Report on the audit of the consolidated financial statements (continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021 and U.A.E. Federal Law no. 6 of 2007, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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Independent Auditor's Report

To the Shareholders of Dar Al Takaful (PJSC)

Report on the audit of the consolidated financial statements (continued)

Auditor's Responsibilities for the audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Law No. (32) of 2021, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;

iii) the Group has maintained proper books of account;

iv) the financial information included in the report of the Directors is consistent with the books of accounts of the Group;

v) as disclosed in note 6 to the consolidated financial statements, the Group has investment in shares during the financial year ended 31 December 2022;

vi) Note 33 to the consolidated financial statements reflects material related party transactions, and the terms under which they were conducted; and

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2022 any of the applicable provisions of the U.A.E. Federal Law No. (32) of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2022.

Further, as required by the UAE Federal Law No. (6) of 2007, as amended, we report that we have obtained all the information and explanation we considered necessary for the purpose of our audit.

Furthermore, as disclosed in note 39 to the consolidated financial statements which states that the Group did not meet the Minimum Capital and Solvency Capital requirements and that the Group's ability to comply with the solvency requirements depends on the effective implementation of the business plan submitted to the Central Bank of UAE.

Grant Thornton

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

GRANT THORNTON

Dr. Osama El-Bakry
Registered Auditor Number 935
Dubai, 20 March 2023

Dar Al Takaful (PJSC)
Consolidated statement of financial position
As at 31 December 2022

	Notes	2022 AED'000	2021 AED'000
ASSETS			
Takaful operations' assets			
Investment properties	5	49,774	-
Held to maturity investments	6	25,221	7,464
Available-for-sale investments	6	34,417	-
Investments at fair value through profit or loss	6	358,142	450,904
Retakaful contract assets:			
Unearned contribution	7	108,142	93,538
Claims reported unsettled	7	140,196	132,721
Claims incurred but not reported	7	27,140	16,731
Mathematical reserve	7	7,363	9,678
Due from shareholders	8	37,417	22,178
Takaful and other receivables	9	374,853	274,984
Prepayments and other receivables	10	16,549	3,961
Wakala deposits	11	186,149	188,700
Cash and bank balances	12	79,748	15,773
Total takaful operations' assets		1,445,111	1,216,632
Shareholders' assets			
Property and equipment	13	15,655	15,929
Intangible assets	14	90,550	89,138
Investment properties	5	15,447	39,682
Restricted deposit	15	22,000	16,000
Held to maturity investments	6	22,132	14,551
Available-for-sale investments	6	37,207	6,943
Investments at fair value through profit or loss	6	33,640	50,933
Deferred policy cost	16	33,781	22,145
Prepayments and other receivables	10	15,492	11,422
Wakala deposits	11	66,617	81,609
Cash and bank balances	12	23,307	18,066
Total shareholders' assets		375,828	366,418
Total assets		1,820,939	1,583,050

The accompanying notes 1 to 45 form an integral part of these consolidated financial statements.

Dar Al Takaful (PJSC)
Consolidated statement of financial position (continued)
As at 31 December 2022

	Notes	2022 AED'000	2021 AED'000
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT			
Takaful operations' liabilities			
Takaful contract liabilities:			
Unearned contribution	7	**368,360**	229,241
Claims reported unsettled	7	**228,483**	226,226
Claims incurred but not reported	7	**51,958**	31,357
Unallocated loss adjustment expenses	7	**4,762**	5,583
Unexpired risk reserve	7	**4,185**	1,507
Mathematical reserve	7	**9,720**	12,719
Deferred discount		**7,641**	7,532
Takaful and investment contracts liabilities	17	**344,073**	450,904
Takaful and retakaful payables	18	**379,933**	250,250
Total takaful operations' liabilities		**1,399,115**	1,215,319
Takaful operations' deficit			
Qard Hassan against deficit in policyholders' fund	19	**(477,439)**	(229,138)
Less: Provision against Qard Hassan to policyholders' Fund	19	**477,439**	229,138
Cumulative change in fair value of securities		**(1,807)**	-
Total deficit from takaful operations		**(1,807)**	-
Total takaful operations' liabilities and deficit		**1,397,308**	1,215,319
SHAREHOLDERS' LIABILITIES AND EQUITY			
Shareholders' liabilities			
Bonus reserves, net		**3,315**	4,590
Murabaha payable	20	**95,450**	109,250
Due to policyholders	8	**37,417**	22,178
Other liabilities	21	**81,343**	79,478
Total shareholders' liabilities		**217,525**	215,496
Shareholders' equity			
Share capital	22	**260,156**	150,000
Statutory reserve	23	**8,500**	7,640
Retakaful reserves	23	**3,636**	2,073
Cumulative change in fair value of securities		**152**	-
Accumulated losses		**(66,338)**	(7,478)
Total shareholders' equity		**206,106**	152,235
Total shareholders' liabilities and equity		**423,631**	367,731
Total liabilities, policyholders' fund and equity		**1,820,939**	1,583,050

These consolidated financial statements were approved by the Board of Directors on 20 March 2023 and were signed on their behalf by:

Dr. Ali Saeed Bin Harmal Aldhaheri
Chairman

Mr. Gautam Datta
Chief Executive Officer

Dar Al Takaful (PJSC)
Consolidated statement of income
For the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Attributable to policyholders			
Takaful income			
Gross contribution written	24	807,591	705,986
Accepted business	24	-	144
Retakaful share of ceded business	24	(312,625)	(286,106)
Net takaful contribution		494,966	420,024
Net transfer to unearned contributions reserve		15,719	26,835
Change in unexpired risk reserves		(2,678)	2,039
Net takaful contributions earned	24	508,007	448,898
Discount earned		22,560	23,022
Total takaful income		530,567	471,920
Takaful expenses			
Gross claims paid	25	(547,733)	(421,928)
Retakaful share of ceded business paid	25	210,956	137,207
Net takaful claims paid		(336,777)	(284,721)
Change in provision for outstanding claims	25	28,951	37,191
Change in retakaful share of outstanding claims	25	(10,979)	(8,423)
Change in net incurred but not reported claims		454	3,226
Change in unallocated loss adjustment expenses reserve		2,341	147
Change in investment contracts and mathematical reserves		26,431	(112,734)
Net gain on assets held at fair value through profit or loss		(58,695)	68,918
Net claims incurred	25	(348,274)	(296,396)
Excess of loss of takaful contribution		(10,994)	(11,632)
Other takaful expenses	26	(31,740)	(4,832)
Total takaful expenses		(391,008)	(312,860)
Net takaful income		139,559	159,060
Wakala fees	27	(235,852)	(176,081)
Mudarib's fee	27	(554)	(469)
Investment and other income	29	5,274	2,093
Net loss from takaful operation for the year		(91,573)	(15,397)

	Notes	2022 AED'000	2021 AED'000
Attributable to shareholders			
Income			
Wakala fees from policyholders	27	**235,852**	176,081
Mudarib's fee	27	**554**	469
Investment and other income	29	**21,589**	27,465
		257,995	204,015
Expense			
General and administrative expenses	28	**(99,588)**	(70,021)
Policy acquisition cost	16	**(104,335)**	(83,013)
Finance cost		**(4,221)**	(5,155)
Changes in bonus reserve		**(1,951)**	(2,282)
Other underwriting expenses		**(3,973)**	(3,398)
Cost of merger	30	**(8,113)**	(3,169)
Gain on merger	30	**722**	-
		(221,459)	(167,038)
Profit for the period before Qard Hassan		**36,536**	36,977
Provision against Qard Hassan to policyholders	19	**(91,573)**	(15,397)
Net (loss)/profit for the year attributable to shareholders		**(55,037)**	21,580
			Restated
(Loss)/earnings per share	31	**(0.212)**	0.083

Dar Al Takaful (PJSC)
Consolidated statement of comprehensive income
For the year ended 31 December 2022

	2022 AED'000	2021 AED'000
Attributable to policyholders		
Net loss from takaful operation for the year	**(91,573)**	(15,397)
Other comprehensive loss		
Items that maybe reclassified subsequently to profit or loss		
Unrealised loss on available-for-sale investments	**(1,807)**	-
Other comprehensive loss for the year	**(1,807)**	-
Total comprehensive loss for the year attributable to policyholders	**(93,380)**	(15,397)
Attributable to shareholders		
Net (loss)/profit for the year	**(55,037)**	21,580
Other comprehensive gain		
Items that maybe reclassified subsequently to profit or loss		
Unrealised gain on available-for-sale investments	**152**	-
Other comprehensive gain for the year	**152**	-
Total comprehensive (loss)/gain for the year attributable to shareholders	**(54,885)**	21,580

The accompanying notes 1 to 45 form an integral part of these consolidated financial statements.

Dar Al Takaful (PJSC)
Consolidated statement of changes in equity
For the year ended 31 December 2022

	Share capital AED'000	Statutory reserve AED'000	Retakaful reserve AED'000	Cumulative change in fair value of securities AED'000	Accumulated losses AED'000	Total AED'000
Balance at 1 January 2021	150,000	5,482	643	-	(10,690)	145,435
Net profit for the year	-	-	-	-	21,580	21,580
Other comprehensive loss for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	21,580	21,580
Dividend paid during the year (note 22)	-	-	-	-	(13,800)	(13,800)
Board remuneration fees	-	-	-	-	(980)	(980)
Transfer to statutory reserve (note 23)	-	2,158	-	-	(2,158)	-
Transfer to retakaful reserve (note 23)	-	-	1,430	-	(1,430)	-
Balance at 31 December 2021	150,000	7,640	2,073	-	(7,478)	152,235
Net loss for the year	-	-	-	-	(55,037)	(55,037)
Other comprehensive income for the year	-	-	-	152	-	152
Total comprehensive income for the year	-	-	-	152	(55,037)	(54,885)
Share capital issued on merger (note 22)	110,156	-	-	-	-	110,156
Board remuneration fees	-	-	-	-	(1,400)	(1,400)
Transfer to statutory reserve (note 23)	-	860	-	-	(860)	-
Transfer to retakaful reserve (note 23)	-	-	1,563	-	(1,563)	-
Balance at 31 December 2022	260,156	8,500	3,636	152	(66,338)	206,106

The accompanying notes 1 to 45 form an integral part of these consolidated financial statements.

Dar Al Takaful (PJSC)
Consolidated statement of cash flows
For the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Cash flows from operating activities			
(Loss)/profit for the year		**(55,037)**	21,580
Adjustments for:			
Depreciation of property and equipment	13	**5,147**	4,602
Amortisation of intangible assets	14	**13,636**	8,563
Provision/(reversal) for doubtful receivables		**14,531**	(1,430)
Write off of trade name	14	**6,728**	-
Write-off of assets	13	**-**	182
Change in fair value of investment properties	5	**(1,299)**	(3,614)
Realised gain on sale of financial assets at FVTPL		**(949)**	(2,082)
Unrealised gain on sale of financial assets at FVTPL		**(573)**	(1,164)
Income from wakala deposits	29	**(4,492)**	(2,480)
Income from debt securities	29	**(1,624)**	(1,266)
Dividend income on securities	29	**(3,597)**	(225)
Rental income	29	**(1,252)**	(1,003)
Finance cost		**4,221**	5,156
Gain on merger	30	**(722)**	-
Provision for employees' end of service benefits	21	**4,340**	1,553
		(20,942)	28,372
Operating cash flows before changes in operating assets and liabilities			
Change in takaful and other receivables		**18,765**	(30,756)
Change in prepayments and other receivables		**(278)**	2,425
Change in deferred policy costs		**(11,636)**	(9,151)
Change in retakaful assets		**55,105**	(34,442)
Change in deferred discount received		**109**	3,439
Change in bonus reserve		**(1,275)**	(674)
Change in takaful contract liabilities		**(84,132)**	(28,171)
Change in gross mathematical reserves		**(2,999)**	1,803
Change in takaful payables		**74,822**	52,948
Change in other liabilities		**(19,273)**	(24,423)
Cash generated from/(used in) operations		**8,266**	(38,630)
End of service benefits paid	21	**(4,207)**	(1,199)
Net cash generated from/(used in) operating activities		**4,059**	(39,829)
Cash flows from investing activities			
Purchase of property and equipment	13	**(1,512)**	(3,448)
Proceeds from disposal of property and equipment		**208**	-
Acquisition of intangible assets	14	**(93)**	(43)
Purchase of investment securities		**(77,100)**	(90,560)
Proceeds from sale of investment securities		**70,791**	42,874
Amortisation of held to maturity investments		**144**	98
Income received on wakala deposits		**3,850**	2,206
Rental income received		**2,732**	1,003
Net cash inflow on merger	30	**48,290**	-
Dividend received		**3,597**	225
Finance costs paid		**(4,221)**	(5,156)
Income received from sukuk		**1,624**	1,150
Investment in wakala deposits - net		**36,793**	116,758
Net cash generated from investing activities		**85,103**	65,107

The accompanying notes 1 to 45 form an integral part of these consolidated financial statements.

Dar Al Takaful (PJSC)
Consolidated statement of cash flows (continued)
For the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Cash flows from financing activities			
Payment of lease liabilities		(4,746)	(3,357)
Dividend paid		-	(13,800)
BOD remuneration fees paid		(1,400)	(980)
Payment of Murabaha facility obtained		(13,800)	(105,606)
Net cash used in financing activities		(19,946)	(123,743)
Net change in cash and bank balances		69,216	(98,465)
Cash and bank balances at the beginning of year		33,839	132,304
Cash and bank balances at the end of the year	12	103,055	33,839

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

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

1. Legal status and activities

Dar Al Takaful (PJSC) (the "Company") was incorporated as a public joint stock company and obtained its commercial license on 23 July 2008 while commenced operations on 1 September 2008. 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's registered office is P.O. Box. 235353, Dubai, United Arab Emirates.

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 takaful contracts from 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.

As of 2 January 2023, the Group is subject to compliance with UAE Federal Law No. (32) of 2021, which replaces UAE Federal Law No. 2 of 2015 (as amended). The consolidated financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021. The Group is currently in the process of amending the statutory documents, to reflect the changes required due to application of the UAE Federal law No. (32) of 2021.

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 consolidated financial statements of the Group for the year ended 31 December 2022.

The Company with its subsidiaries is collectively referred to as the "Group" in these consolidated financial statements. At 31 December 2022, the Company had the following subsidiaries:

Name of subsidiary	Proportion of ownership interest 2022	2021	Principal activities
Noor Takaful Family (PJSC)	**100%**	100%	Family takaful and retakaful activities
Noor Takaful General (PJSC)	**100%**	100%	General takaful and retakaful activities

2. Statement of compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of UAE Federal Law No. (32) of 2021 relating to commercial companies, and of UAE Federal Law No. (6) of 2007. These consolidated financial statements are prepared in UAE Dirhams ("AED").

2. Statement of compliance with IFRS (continued)

Standards, interpretations, and amendments to existing standards

a) Standards, interpretations, and amendments to existing standards that are effective in 2022

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

Standard number	Title	Effective date
IFRS 3	Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
IAS 16	Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
IAS 37	Onerous Contracts-Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
IFRS 1, IAS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	1 January 2022

These standards have been adopted by the Group and did not have a material impact on these financial statements.

b) Standards and interpretations effective but not yet adopted by the Group

Applying IFRS 9 Financials Instrument with IFRS 4 Insurance Contracts

The Group qualifies for temporary exemption from applying IFRS 9 on the grounds that it has not previously applied any version of IFRS 9 and its activities are 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 at 1 January 2019 with no subsequent change in its activities.

The fair value of the Group's directly held financial assets at 31 December 2022 that will give rise to solely payments of principal and interest ("SPPI") criterion on implementation of IFRS 9, excluding any financial assets that meets the definition of held for trading, are shown in the table below:

	Financial assets that pass the SPPI test, excluding any financial asset that meets the definition of held for trading		All other financial assets	
Assets	Fair value at 31 December 2022 AED'000	Movement in fair value during the year AED'000	Fair value at 31 December 2022 AED'000	Movement in fair value during the year AED'000
Takaful and other receivables	374,853	-	-	-
Available-for-sale investments	65,681	(945)	5,943	-
Financial assets at fair value through profit or loss	47,709	2,467	344,073	(58,695)
Held to maturity	47,353	-	-	-
Other receivables	18,664	-	-	-
Restricted deposit	22,000	-	-	-
Wakala deposits	252,766	-	-	-
Cash and cash equivalents	102,908	-	-	-
	931,934	1,522	350,016	(58,695)

2. Statement of compliance with IFRS (continued)

Standards, interpretations and amendments to existing standards (continued)

b) Standards and interpretations effective but not yet adopted by the Group (continued)

Applying IFRS 9 Financials Instrument with IFRS 4 Insurance Contracts (continued)

The financial assets that pass the SPPI test, excluding any financial assets that meets the definition of held for trading or that is managed and evaluated on a fair value basis of IFRS 9 in the table above are classified as amortised cost under IAS 39. The credit ratings of investment securities, deposits and bank balances are as follows:

Assets	AAA AED'000	AA+ to AA- AED'000	A+ to A- AED'000	BBB+ to BBB- AED'000	Below BBB- or not rated AED'000	Total AED'000
Available-for-sale investments	44,339	15,331	-	1,776	10,178	71,624
FVTPL	13,544	29,990	1,879	-	2,296	47,709
Held to maturity	-	4,299	16,817	1,883	24,354	47,353
Restricted deposit	-	-	22,000	-	-	22,000
Wakala deposits	-	-	203,667	41,099	8,000	252,766
Cash and cash equivalents	-	6,320	80,320	15,559	709	102,908
	57,883	55,940	324,683	60,317	45,537	544,360

c) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied)

IFRS 17, the new accounting standard for insurance contracts, was issued by the International Accounting Standards Board (IASB) in May 2017. Since the standard was first issued, various implementation matters have been raised by stakeholders. Subsequently, the IASB issued further amendments to the standard in June 2020 and December 2021, including delaying its effective date, which for the Group means the standard is applicable to reporting periods from 1 January 2023.

For the Group, IFRS 17 replaces IFRS 4 Insurance Contracts. The first applicable reporting period for the Group is for the year ending 31 December 2023, with a restated comparative period for the year ending 31 December 2022.

The Group continues to assess the impact of the application of IFRS 17, with the relevant key areas of consideration set out below.

Measurement models

IFRS 17 introduces the general measurement model ('GMM'), also known as the building block approach, which consists of fulfilment cash flows and a contractual service margin. The fulfilment cash flows represent the risk adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that an entity will recognise as it provides services over the coverage period. The contractual service margin is earned based on a pattern of coverage units, reflecting the quantity of benefits provided.

2. Statement of compliance with IFRS (continued)

Standards, interpretations and amendments to existing standards (continued)

c) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

Measurement models (continued)

For contracts measured under the general measurement model, IFRS 17 is expected to have a significant impact on actuarial modelling as more granular cash flow projections and regular updates of assumptions will be required.

The premium allocation approach ('PAA') is a simplified approach an entity may choose to adopt when certain criteria are met, either where the liability for remaining coverage under the premium allocation approach is not expected to differ materially from that under the general measurement model or the coverage period of contracts are less than one year. However, the general measurement model remains applicable for the measurement of the liability for incurred claims, whereby all incurred claims are subject to discounting and risk adjustment. In determining the cash flows used in the measurement of the liability for incurred claims, The Group intends to consistently maintain the reserving approach currently adopted (with some modifications) under IFRS 4. The simplification relates to the measurement of the liability for remaining coverage, which is not disaggregated into fulfilment cash flows and a contractual service margin, but rather is largely based on premium received. In this regard, the premium allocation approach has similarities to the current accounting requirements for general insurance contracts under IFRS 4.

IFRS 17 specifies that contracts with direct participating features should be accounted for using the variable fee approach ('VFA'), to reflect that these contracts provide investment related services which are integrated with insurance coverage, and that the entity receives a variable fee for those services. Given the difference in accounting between the VFA and the general model, the classification of a contract as a contract with or without direct participation features is likely to have an impact on system requirements and reported results.

The Group intends to use, to the extent permissible by IFRS 17, the premium allocation approach for both insurance and reinsurance contracts. The Group is nearing completion of its detailed impact assessment and has indicatively determined that the Group is expected to be eligible to apply the premium allocation approach to insurance contracts issued and to its reinsurance contracts held. This indicative outcome is based on the latest assessment undertaken and current portfolio mix.

For groups of contracts that apply the premium allocation approach and have a coverage period of one year or less, IFRS 17 provides an option to recognise any insurance acquisition costs as expenses when incurred. The Group does not currently intend to apply this option and so continue to amortise acquisition costs over the coverage period of the related insurance contracts, consistent with current accounting treatment under IFRS 4.

Level of aggregation and onerous contract losses (loss component)

Under IFRS 17, measurement is not considered at the individual contract level, but on the basis of portfolios which comprise contracts subject to similar risk and managed together. These portfolios are further subdivided into specified measurement groups based on contracts concluded in annual cohorts and on their profitability. To determine if the contracts are onerous, the standard permits measurement of a group of contracts. All fulfilment cash flows resulting from the rights and obligations under the insurance contracts must be considered and determined on a gross basis, excluding the effect of reinsurance.

The onerousity assessment is ongoing and the final group of contracts will be concluded once this assessment is completed.

2. Statement of compliance with IFRS (continued)

Standards, interpretations and amendments to existing standards (continued)

c) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

Risk adjustment

Under IFRS 17, the measurement of insurance contract liabilities will include a risk adjustment for nonfinancial risk to reflect the compensation that the entity requires for bearing the uncertainty relating to the amount and timing of future cash flows. For insurance contracts, this is the compensation required to be indifferent between either fulfilling a liability that has a range of possible outcomes arising from non-financial risk and fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contracts.

The Standard does not prescribe techniques for estimating the risk adjustment but does offer guidance. The technique used, and the corresponding confidence level associated with the methodology selected, will need to be disclosed. The finalisation of the methodology for determining the risk adjustment, and the corresponding confidence level, is ongoing and subject to further refinement and review.

Discount rates

IFRS 17 requires that the estimates of expected cash flows that are used to measure either the liability for remaining coverage, for contracts measured under the general measurement model/variable fee approach, or incurred claims are to be discounted to reflect the time value of money and the financial risks related to those cash flows. The methodology and impact of reflecting illiquidity within discount rates is currently being determined.

Presentation and disclosure

IFRS 17 will impact the Group's consolidated financial statements compared with existing reporting requirements, introducing substantial changes in both presentation of the statement of comprehensive income and balance sheet, as well as more granular disclosure requirements.

In the statement of comprehensive income, IFRS 17 will require the presentation of the insurance revenue and insurance service expenses gross of reinsurance. For the Group, insurance revenue replaces gross earned premium and insurance service expenses largely reflects the combination of claims expense, non-reinsurance related recoveries, commission expense and underwriting expenses. Additionally, all changes in value because of either the effect of or change in the time value of money or financial risk, will no longer form part of the insurance service result but will be recognised separately as either insurance finance income or expenses.

On the balance sheet, the standard requires all balances to be combined into single line items for portfolios of insurance or reinsurance contracts that are either in an asset or liability position.

In order to reconcile the movement in these insurance/reinsurance contract assets/liabilities, the standard requires detailed disclosures that presents the changes to each of the individual measurement components. The notes covering the risks from insurance contracts are expected to remain broadly similar.

Transition

On transition, the Group expects to apply the full retrospective approach to all insurance contracts, except to the extent that it is impracticable to do so, in which case either a modified retrospective or fair value approach may be applied under IFRS 17. In practical terms, the Group currently anticipates adopting a full retrospective approach to contracts measured using the PAA approach. For life business, the practicability of application will be based on the availability of data in the Group's system, the access to actuarial models and assumptions used previously and the feasibility of modifying the assumptions used previously as per the IFRS 17 requirements. At this stage, it appears that the Group will be using modified retrospective approach or fair value approach for long term life business.

2. Statement of compliance with IFRS (continued)

Standards, interpretations and amendments to existing standards (continued)

c) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

Transition (continued)

The Group has committed appropriate resources and effort into the implementation of IFRS 17. The implementation of the standard involves changes and enhancements in technology, systems, and processes, particularly across IT, finance and actuarial. The requirements of IFRS 17 are complex and the Group's expectations noted above are subject to change as it continues to assess the impact of the standard and interpretation developments. However, ultimately IFRS 17 is not expected to change the underlying economics or cash flows of the Group's business but has the potential to impact profit emergence profiles. Alongside the qualitative effects outlined above, the Group continues to assess the quantitative impact of the application of IFRS 17, with the opening balances at 1 January 2023 currently being compiled in accordance with the standard.

Impact assessment – Non-Life Insurance

Although the premium allocation approach (which is expected to be the measurement model for Medical line of business) is similar to the Group's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for Medical contracts.

Changes from IFRS 4	Impact on equity on transition to IFRS 17
Under IFRS 17, the Group will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The Group does not currently discount such future cash flows.	Increase
IFRS 17 requires the fulfilment cash flows to include a risk adjustment for non-financial risk. This is not explicitly allowed for currently.	Decrease
The Group's accounting policy related to amortisation of acquisition expenses has remained unchanged from IFRS 17 under which these amounts are amortised over the term of the contract. However, some of the general and administrative expenses are considered as acquisition expenses under IFRS 17 which will be deferred over the lifetime of the contracts in line with the policy mentioned above.	Increase
Under IFRS 17, the PAA liability should be reduced by the amount recognised as insurance revenue for services provided in that period, where the insurance revenue for the period is the amount of expected premium receipts allocated to the period. Booked premiums should thus be adjusted for expectation of doubtful debts to produce the expected premiums (on which the revenue recognition pattern is applied). Currently, the provision for doubtful debt has been assumed to be booked in the P&L immediately.	Increase

Impact assessment – Life Insurance

The general measurement model and the variable fee approach is expected to be the applicable measurement models for Life line of business. IFRS 17 is expected to have a significant impact on actuarial modelling (as more granular cash flow projections and regular updates of assumptions will be required), system requirements and reported results. Whether the impact on equity on transition is an increase or a decrease, is uncertain at this point and is currently being assessed during the implementation phase.

Although the Groups's IFRS 17 implementation project has made significant progress, some material judgements are still under consideration and global interpretations remain pending, at this time it is not practicable to reliably quantify the effects on the Group's combined financial statements.

2. Statement of compliance with IFRS (continued)

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and investment properties which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries as of 31 December 2022. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Changes in the group ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

3. Summary of significant accounting policies

Business combinations and goodwill

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

For common control transactions in which all the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory, the Group recognises the difference between purchase consideration and carrying amount of net assets of acquired entities or businesses as an adjustment to equity. This accounting treatment is also applied to later acquisition of some or all shares of the non-controlling interests in a subsidiary.

3. Summary of significant accounting policies (continued)

Product classification

Takaful contracts are those contracts where a group of policyholders (the policyholders) mutually guarantee one another against prescribed uncertain future events of loss or damage, where the Group acts as a Wakil (agent) on their behalf in managing the Islamic Takaful operations in consideration for a Wakala fee. The Takaful amounts (contributions) paid net of the Wakala fee are considered as funds available for Mudarba, where the Group acts as Mudarib, investing some of these funds in consideration of a pre-agreed share of the realised profit or loss, (Mudarib fee) if any. The policyholders further donate their contribution to those other policyholders who suffer a prescribed event of loss or damage, payable per the policies of the Group, in its capacity as an agent. In case of deficit in policyholders' operation, such deficit is funded by the shareholders as a Qard Hasan (profit free loan).

Deferred policy cost

Short term takaful contracts

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are treated as Deferred policy cost ("DPC"). All other costs are recognised as expenses when incurred. DPC is subsequently amortised in the statement of comprehensive income over the life of the contracts as the related contribution is earned. DPC is tested for recoverability as at each reporting date.

Long term takaful contracts

The costs of acquiring long term takaful contracts, such as commission expenses and other directly attributable costs related to securing new contracts, are capitalised as DPC. All other costs are recognised as an expense when incurred. The DPC is subsequently amortised in line with the earning patterns of the Wakala income for such long term takaful contracts over the effective term of the policy. DPC is tested for recoverability as at each reporting date.

Bonus reserve

The Reserve for the up-front Bonus for applicable savings plans is based on two different vesting periods. A four-year vesting period applies on policies issued before October 2016. A maturity vesting period applies on policies issued after October 2016.

Mathematical reserves

Mathematical reserves are provisions created for long term takaful contracts to cover future claims expected to arise in respect of those contracts that existed at the period end. The reserve calculation is based on factors such as expected mortality, an actuarially determined estimate of costs and the discount rate.

Surplus/deficit in policyholders' fund

If the surplus in the policyholders' fund at the end of a year is sufficiently large, a percentage of the surplus shall be distributed between policyholders that have not made a claim, in proportion to their risk contributions to the fund after accounting for reserves. The distributions will be approved by the Group's Fatwa and Shari'a Supervisory Board. Any remaining surplus after the distribution will remain in the policyholders' fund.

A deficiency in policyholders' fund is made good by a profit free loan (Qard Hasan) from the shareholders' fund. This Qard Hasan is to be repaid from future surpluses arising from takaful operations on a priority basis. This Qard Hasan is tested for impairment annually and the portion of the Qard Hasan that is considered impaired is charged to the statement of income.

On liquidation of the fund, the accumulated surplus in the policyholders' fund, if any, after meeting all obligations (including repayment of the outstanding amount of Qard Hasan), will be dealt with after consulting with the Group's Fatwa and Shari'a Supervisory Board. In case of an accumulated deficit, any Qard Hasan outstanding at the time of liquidation will not be repayable by the policyholders' fund and the shareholders' fund will forego such outstanding amount.

3. Summary of significant accounting policies (continued)

Surplus/deficit in policyholders' fund (continued)

Any deficit in the policyholders' fund, except for deficits arising from a decline in the fair value of securities, is financed by the shareholders through a Qard Hasan (loan without any profit). The Group maintains a full provision against the Qard Hasan.

Property and equipment

Property and equipment, including owner-occupied property, is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment losses. Capital work-in-progress (CWIP) is not depreciated.

Depreciation is provided on a straight-line basis over the useful lives of the following classes of assets:

Building	40 years
Leasehold improvement	5-10 years
Furniture and fixtures	4-5 years
Office equipment	3-5 years
Vehicles	5 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate at each financial year end.

An item of property and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income in the year the asset is derecognised.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenditure is recognised in the consolidated statement of income as the expense is incurred.

Leases

The right-to-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus as initial direct costs incurred. The right-to-use is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use or the end of the lease term.

The estimated useful life of the right-to-use asset is determined on the same basis as those of property and equipment. In addition, the right-to-use is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the funding cost rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rates as the discount rate.

The lease liability is measured at amortised cost using the effective funding cost method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in the profit or loss if the carrying amount of the right-to-use asset has been reduced to zero. The Group presents right-to-use assets that do not meet the definition of investment property in 'Property and equipment' and the lease liabilities as a separate item in the statement of financial position.

3. Summary of significant accounting policies (continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income. The following estimated useful lives are applied:

• Life takaful contracts	25 years
• Non-life takaful contracts	5 months
• Customer relationships	3.5 months
• Software	3 years

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of income when the asset is derecognised.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use. Fair value is determined by open market values based on valuations performed by two independent surveyors annually.

Revenue recognition

Gross takaful contributions

Gross takaful contributions comprise the total contributions receivable for the whole period of cover provided by takaful contracts entered into during the accounting period and are recognised on the date on which the takaful policy incepts. Contributions include any adjustments arising in the accounting period for contributions receivable in respect of takaful contracts executed in prior accounting periods. Contributions collected by intermediaries but not yet received, are assessed based on estimates from takaful operations or past experience and are included in takaful contributions.

Unearned contributions are those proportions of contributions written in a year that relate to period of risk after the reporting date. Unearned contribution is calculated as the higher of the amount determined on a daily prorate basis or "1/365" method. The proportion attributable to subsequent year is deferred as a provision for unearned contributions.

3. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Discounts earned

Discounts earned are recognised at the time policies are written. Discount earned on outwards retakaful contracts are deferred and amortised on a straight line basis over the term of the expected premiums payable.

Wakala fees

The Group manages the takaful operations on behalf of the policyholders for a wakala fee which is recognised on an accrual basis. A similar amount is shown as expense statement of income attributable to policyholders.

Investment Income

Profit income is recognised on an accrual basis taking into account effective funding cost rates on the instrument, on a time proportionate basis when it becomes receivable.

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

Dividend income is recognised when the right to receive payment is established.

Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the carrying amount and are recorded on occurrence of the sale transaction.

Retakaful contribution

Gross retakaful contribution written comprise the total contribution payable for the whole cover provided by contracts entered into during the period and are recognised on the inception date of the policy. Contributions include any adjustments arising in the accounting period in respect of retakaful contracts incepting in prior accounting periods. Unearned retakaful contributions are those proportions of contribution written in a year that relate to periods of risk after the reporting date.

Unearned retakaful contributions are deferred over the term of the underlying direct takaful policies for risks-attaching contracts and over the term of the retakaful contract for losses occurring contracts.

Gross retakaful contribution on life are recognised as an expense on the earlier of the date when contribution are payable or when the policy becomes effective.

The Group cedes takaful risk in the normal course of business for all of its businesses. Retakaful assets represent balances due from retakaful companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the retakaful contracts.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when objective evidence exists that the Group may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Group will receive from the retakaful can be measured reliably. The impairment loss is recorded in the statement of income.

Ceded retakaful arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes retakaful risk in the normal course of business for takaful contracts where applicable. Contributions and claims on assumed retakaful are recognised as income and expenses in the same manner as they would be if the retakaful were considered direct business, taking into account the product classification of the reinsured business. Retakaful liabilities represent balances due to retakaful companies. Amounts payable are estimated in a manner consistent with the associated retakaful contract. Contributions and claims are presented on a gross basis for both ceded and assumed retakaful.

Retakaful assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

3. Summary of significant accounting policies (continued)

Claims

Claims consist of amounts paid and payable to takaful contract holders and third parties and related loss adjustment expenses, net of salvage and other recoveries and are charged to income as incurred. Provision for incurred but not reported claims is included within the additional reserve and reflected in the consolidated statement of income.

The Group generally estimates its claims based on previous experience. Independent loss adjusters normally estimate claims. Any difference between the provisions at the end of each reporting date and settlements in the following period is included in the underwriting account for that year. The reinsurers' portion towards the above outstanding claims is classified as retakaful contract assets and shown as current assets in the statement of financial position.

Retakaful share of claims incurred

Retakaful share of claims are recognised when the related gross claim is recognised according to the terms of the relevant contract.

Policy acquisition costs

Fees and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are amortised over the terms of the policies as takaful contribution is earned.

Provision for IBNR

Provision for Incurred But Not Reported ("IBNR") claims is made at the consolidated statement of financial position date based on an actuarial estimate obtained from an independent actuary in accordance with the financial regulations for takaful companies issued by the Central Bank of the United Arab Emirates.

Provision for ULAE

Provision for Unallocated Loss Adjustment Expenses (ULAE) which cannot be allocated to specific claims, is made at the consolidated statement of financial position date based on actuarial estimates obtained from an independent actuary in accordance with the financial regulations for takaful companies issued by the Central Bank of the United Arab Emirates.

Liability adequacy test

All recognised takaful contract liabilities including provision for outstanding claims are subject to liability adequacy test at each reporting date. This involves comparison of current estimates of all contractual cash flows attached to these liabilities with their carrying amounts.

Estimates of contractual cash flows include expected claim handling costs and recoveries from third parties. Any deficiency in carrying amounts is charged to the income statement by establishing a provision for losses arising from liability adequacy test.

Claims reported unsettled

Contract liabilities are recognised when contracts are entered into and contributions are charged. These liabilities are known as the claims reported unsettled provision, which are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, after reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of claims cannot be known with certainty at the reporting date. The liability is not discounted for the time value of money. No provision for equalisation or catastrophic reserves is recognised. The liability is derecognised when the contract expires, is discharged or is cancelled.

3. Summary of significant accounting policies (continued)

Unearned premium reserve

Unearned Premium Reserve (UPR) represents that portion of premiums earned, gross of retakaful, which relates to the period of takaful subsequent to the statement of financial position date and is mainly computed on linear method based on the outstanding period from the date of statement of financial position up to the date of the maturity of the policy based on actuarial estimates obtained from an independent actuary in accordance with the financial regulations for takaful companies issued by the Central Bank of the United Arab Emirates.

Retakaful assets

Amounts recoverable under retakaful contracts are assessed for impairment at each statement of financial position date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'available-for-sale' (AFS) financial assets and 'other financial assets'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets

The effective profit method is a method of calculating the amortised cost of a financial asset and of allocating profit income over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

'Other financial assets' comprise of cash and cash equivalents, takaful and other receivables.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or profit earned on the financial asset and is included in the statement of comprehensive income.

Available-for-sale (AFS) financial assets

The Group has investments that are not traded in an active market and are classified as AFS financial assets and stated at fair value because management considers that fair value can be reliably measured. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the cumulative change in fair values with the exception of impairment losses, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the cumulative change in fair values is reclassified to profit or loss. The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Held-to-maturity (HTM)

Held-to-maturity (HTM) investments carried at amortised cost are non-derivative financial assets with fixed or determinable payments and fixed maturities, where the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost using the effective profit method less any impairment.

Other financial assets

Other financial assets are measured at amortised costs using the effective profit method, less any impairment. Profit income is recognised by applying the effective profit rate, except for short-term receivables when the recognition of profit would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in profit or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties

For certain categories of financial assets, such as takaful receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective profit rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of takaful receivables, where the carrying amount is reduced through the use of an allowance account. When a takaful receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in consolidated statement of income.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to consolidated statement of income in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained profit in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective profit rate method or at FVTPL.

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide an Islamic financing at below market profit rate are measured in accordance with the specific accounting policies set out below.

Takaful, retakaful and other payables

Takaful, retakaful and other payables and due to shareholders are initially measured at fair value, plus transaction costs and are subsequently measured at amortised cost using the effective profit method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective profit method. Profit expense that is not capitalised as part of costs of an asset is included in the consolidated income statement.

The effective profit method is a method of calculating the amortised cost of a financial liability and of allocating profit expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated income statement.

Receivables and payables related to takaful contracts

Receivables and payables are recognised when due. These include amounts due to and from takaful brokers, re-insurers and takaful contract holders. If there is objective evidence that the takaful receivables are impaired, the Group reduces the carrying amount of the takaful receivables accordingly and realises the impairment loss in the income statement.

Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and bonuses) is recognised in the period in which the service is rendered.

Provision for employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item under non-current liabilities. The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

Foreign currency transactions

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date.

3. Summary of significant accounting policies (continued)

Foreign currency transactions (continued)

Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognised in the income statement. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Short term operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, current accounts and fixed deposits which have original maturities of less than 3 months and are free from lien.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

Segment reporting

Under IFRS 8 "Operating Segments", reported segments' profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The measurement policies used by the Group for segment reporting under IFRS 8 are the same as those used in its financial statements.

4. Critical accounting estimates and judgements in applying accounting policies

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially 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.

Fair value of investment properties

Fair value of investment property is estimated by two independent professional valuers, considering the rental yield (income 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 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.

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 statement of income. 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.

5. Investment properties

	2022 AED'000	2021 AED'000
Balance at 1 January	39,682	36,068
Transfer due to merger (note 30)	21,420	-
Transfer from property and equipment (note 13)	2,820	-
Gain on fair value during the year (note 29)	1,299	3,614
Balance at 31 December	65,221	39,682
Attributable to:		
Policyholders	49,774	-
Shareholders	15,447	39,682
	65,221	39,682

The investment properties represent the fair value of the properties located in U.A.E.

The fair value of the Group's investment properties as at 31 December 2022 and 2021 has been arrived at on the basis of valuations carried on the respective dates by two independent valuers who are not related to the Group and have appropriate qualification and recent market experience in the valuation of properties in the United Arab Emirates. The fair value is mainly based on unobservable inputs (i.e. Level 3).

The fair value was determined based on the market comparable approach that reflects recent transactions prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

The property rental income earned by the Group from its investment properties which are leased under operating leases and the direct operating expenses arising in the management of investment properties were as follows:

	2022 AED'000	2021 AED'000
Rental income	1,853	1,940
Direct operating expenses	(601)	(937)
Income from investment property (note 29)	1,252	1,003

6. Investment in securities

Held to maturity investments

Held to maturity investments comprises the following:

	2022 AED'000	2021 AED'000
Quoted debt securities inside U.A.E.	24,867	3,802
Unquoted debt securities inside U.A.E.	22,132	5,627
Quoted debt securities outside U.A.E.	354	8,909
Unquoted debt securities outside U.A.E.	-	3,677
	47,353	22,015
Attributable to:		
Policyholders	25,221	7,464
Shareholders	22,132	14,551
	47,353	22,015

The fair value of the investments held to maturity amounted to AED 47.57 million as of 31 December 2022 (2021: AED 23.01 million).

6. Investment in securities (continued)

Available-for-sale investments

Available-for-sale investments comprise the following:

	2022 AED'000	2021 AED'000
Quoted equity securities in U.A.E.	64,681	-
Unquoted equity securities in U.A.E.	5,943	5,943
Unquoted debt securities in U.A.E.	1,000	1,000
	71,624	6,943
Attributable to:		
Policyholders	34,417	-
Shareholders	37,207	6,943
	71,624	6,943

Investments at fair value through profit or loss

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

	2022 AED'000	2021 AED'000
Investment in mutual funds	344,073	450,904
Investment in equity securities	47,709	50,933
	391,782	501,837
Quoted securities inside U.A.E.	47,709	50,933
Unquoted securities inside U.A.E.	19,577	28,422
Unquoted securities outside U.A.E.	324,496	422,482
	391,782	501,837
Attributable to:		
Policyholders	358,142	450,904
Shareholders	33,640	50,933
	391,782	501,837

The movement in securities are as follows:

2022	Held to maturity investments AED'000	Available-for-sale investments AED'000	Investments at fair value through profit and loss AED'000	Total AED'000
At 1 January	22,015	6,943	501,837	530,795
Acquired through merger (note 30)	31,100	49,665	-	80,765
Addition during the year	-	32,092	77,800	109,892
Disposal during the year	(5,618)	(13,768)	(132,335)	(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	47,353	71,624	391,782	510,759

6. Investment in securities (continued)

2021	Held to maturity investments AED'000	Available-for-sale investments AED'000	Investments at fair value through profit and loss AED'000	Total AED'000
At 1 January	22,113	6,943	429,885	458,941
Additions during the year	-	-	133,632	133,632
Disposal during the year	-	-	(133,845)	(133,845)
Amortisation of premiums	(98)	-	-	(98)
Fair value gain recorded in the consolidated statement of income	-	-	72,165	72,165
At 31 December 2021	22,015	6,943	501,837	530,795

7. Takaful contract liabilities and retakaful assets

	2022 AED'000	2021 AED'000
Gross		
Takaful contract liabilities:		
Unearned contribution	**368,360**	229,241
Claims reported unsettled	**228,483**	226,226
Claims incurred but not reported	**51,958**	31,357
Unallocated loss adjustment expense	**4,762**	5,583
Unexpired risk reserve	**4,185**	1,507
Mathematical reserve	**9,720**	12,719
Total takaful contract liabilities, gross	**667,468**	506,633
Recoverable from retakaful		
Retakaful contract assets:		
Unearned contribution	**108,142**	93,538
Claims reported unsettled	**140,196**	132,721
Claims incurred but not reported	**27,140**	16,731
Mathematical reserve	**7,363**	9,678
Total retakaful share of takaful contract liabilities	**282,841**	252,668
Net		
Unearned contribution	**260,218**	135,703
Claims reported unsettled	**88,287**	93,505
Claims incurred but not reported	**24,818**	14,626
Unallocated loss adjustment expense	**4,762**	5,583
Unexpired risk reserve	**4,185**	1,507
Mathematical reserve	**2,357**	3,041
	384,627	253,965

7. Takaful contract liabilities and retakaful assets (continued)

The business class wise movement in takaful contract liabilities and retakaful contract assets is given below:

	Motor AED'000	Medical AED'000	General takaful AED'000	Life AED'000	Total AED'000
2022					
Unearned contribution	94,433	135,658	30,127	-	260,218
Claims reported unsettled	27,835	40,025	19,451	976	88,287
Claims incurred but not reported	7,181	13,030	4,607	-	24,818
Unallocated loss adjustment expenses	2,684	446	1,632	-	4,762
Unexpired risk reserve	-	4,185	-		4,185
Mathematical reserve	-	-	-	2,357	2,357
	132,133	193,344	55,817	3,333	384,627
2021					
Unearned contribution	35,635	86,613	13,455	-	135,703
Claims reported unsettled	38,932	38,991	14,700	882	93,505
Claims incurred but not reported	7,798	4,742	2,086	-	14,626
Unallocated loss adjustment expenses	3,225	1,325	1,033	-	5,583
Unexpired risk reserve	-	1,507	-	-	1,507
Mathematical reserve	-	-	-	3,041	3,041
	85,590	133,178	31,274	3,923	253,965

8. Due from shareholders and due to policyholders

The balance consists of the net of Wakala fees and Qard Hassan balances that is due from the shareholders to the policyholders amounting to AED 37.42 million (2021: AED 22.18 million).

9. Takaful and other receivables

	2022 AED'000	2021 AED'000
Contribution receivable	279,103	212,855
Receivable from retakaful and other takaful companies	132,750	77,048
Other receivables	3,784	3,784
	415,637	293,687
Less: Provisions for doubtful receivables	(40,784)	(18,703)
	374,853	274,984

Movements in provision for doubtful receivables is given below:

	2022 AED'000	2021 AED'000
As at 1 January	18,703	18,508
Transferred from merger	7,550	-
Charge for the year, net of write-off (note 26)	14,531	195
	40,784	18,703

9. Takaful and other receivables (continued)

	2022 AED'000	2021 AED'000
Takaful and other receivables - Inside UAE		
Contribution receivables	279,103	212,855
Less: Provision for doubtful receivables	(27,278)	(13,187)
	251,825	199,668
Receivables from retakaful and other takaful companies	29,651	65,466
Other receivables	3,784	3,784
Less: Provision for doubtful receivables	(10,415)	(4,944)
	23,020	64,306
Takaful and other receivables - Outside UAE		
Receivable from retakaful and other takaful companies	103,099	11,582
Less: Provision for doubtful receivables	(3,091)	(572)
	100,008	11,010
Total takaful and other receivables	374,853	274,984

The amounts due from retakaful are settled on a quarterly basis.

Ageing of takaful and other receivables is given below:

2022	Contribution receivables AED'000	Receivable from retakaful and other takaful companies AED'000	Other receivables AED'000	Total AED'000
Takaful and other receivables - inside UAE				
Current	146,463	9,660	-	156,123
30 - 90 days	29,318	2,409	-	31,727
91 - 180 days	28,113	859	-	28,972
181 - 360 days	20,833	1,808	-	22,641
More than 360 days	54,376	14,915	3,784	73,075
Less: Provision for doubtful receivables	(27,278)	(6,631)	(3,784)	(37,693)
	251,825	23,020	-	274,845
Takaful and other receivables - outside UAE				
Current	-	23,249	-	23,249
30 - 90 days	-	23,249	-	23,249
91 - 180 days	-	44,854	-	44,854
181 - 360 days	-	3,514	-	3,514
More than 360 days	-	8,233	-	8,233
Less: Provision for doubtful receivables	-	(3,091)	-	(3,091)
	-	100,008	-	100,008
	251,825	123,028	-	374,853

9. Takaful and other receivables (continued)

2021	Contribution receivables AED'000	Receivable from retakaful and other takaful companies AED'000	Other receivables AED'000	Total AED'000
Takaful and other receivables - inside UAE				
Current	80,038	15,765	-	95,803
30 - 90 days	39,597	22,536	-	62,133
91 - 180 days	33,444	4,198	-	37,642
181 - 360 days	22,075	8,043	-	30,118
More than 360 days	37,701	14,924	3,784	56,409
Less: Provision for doubtful receivables	(13,187)	(1,160)	(3,784)	(18,131)
	199,668	64,306	-	263,974
Takaful and other receivables – outside UAE				
Current	-	8,397	-	8,397
30 - 90 days	-	484	-	484
91 - 180 days	-	697	-	697
181 - 360 days	-	694	-	694
More than 360 days	-	1,310	-	1,310
Less: Provision for doubtful receivables	-	(572)	-	(572)
	-	11,010	-	11,010
	199,668	75,316	-	274,984

10. Prepayments and other receivables

	2022 AED'000	2021 AED'000
Prepaid expenses	13,378	8,374
Deposits	392	651
Advance	687	307
Other receivables	17,584	6,051
	32,041	15,383
Attributable to:		
Policyholders	16,549	3,961
Shareholders	15,492	11,422
	32,041	15,383

11. Wakala deposits

Wakala deposits yield a profit rate of 1.70% p.a. to 5.35% p.a. (2021: 0.2% p.a. to 5.0% p.a.). Wakala deposits worth AED 40 million are hypothecated against Murabaha facility (note 20).

12. Cash and bank balances

	2022 AED'000	2021 AED'000
Cash in hand	**147**	147
Bank balances		
Current accounts	**102,828**	32,625
Call accounts	**80**	1,067
	103,055	33,839
Attributable to:		
Policyholders	**79,748**	15,773
Shareholders	**23,307**	18,066
	103,055	33,839

13. Property and equipment

2022	Building AED'000	Leasehold improvements AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Vehicles AED'000	Capital work in progress AED'000	Right to use assets AED'000	Total AED'000
Cost								
At 1 January	10,228	1,795	8,540	6,403	1,154	2,262	14,662	45,044
Additions	-	-	-	198	-	1,314	-	1,512
Addition from merger (note 30)	-	-	247	1,433	8	-	4,703	6,391
Transfer to investment property (note 5)	(10,228)	-	-	-	-	-	-	(10,228)
Disposal	-	-	(343)	-	-	(146)	-	(489)
At 31 December	-	1,795	8,444	8,034	1,162	3,430	19,365	42,230
Accumulated depreciation								
At 1 January	7,313	1,271	8,201	5,501	1,082	26	5,721	29,115
Charge for the year	95	184	147	1,063	49	-	3,609	5,147
Transfer to investment property (note 5)	(7,408)	-	-	-	-	-	-	(7,408)
Disposal	-	-	(279)	-	-	-	-	(279)
At 31 December	-	1,455	8,069	6,564	1,131	26	9,330	26,575
Carrying amount								
At 31 December 2022	-	340	375	1,470	31	3,404	10,035	15,655

13. Property and equipment (continued)

2021	Building AED'000	Leasehold improvements AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Vehicles AED'000	Capital work in progress AED'000	Right to use assets AED'000	Total AED'000
Cost								
At 1 January	10,228	1,795	8,534	5,714	1,154	4,234	14,662	46,321
Additions	-	-	6	258	-	3,184	-	3,448
Write off	-	-	-	-	-	(182)	-	(182)
Transfer	-	-	-	431	-	(431)	-	-
Transfer to intangible assets (note 14)	-	-	-	-	-	(4,543)	-	(4,543)
At 31 December	10,228	1,795	8,540	6,403	1,154	2,262	14,662	45,044
Accumulated depreciation and impairment								
At 1 January	7,057	1,087	7,947	4,891	1,035	26	2,470	24,513
Charge for the year	256	184	254	610	47	-	3,251	4,602
At 31 December	7,313	1,271	8,201	5,501	1,082	26	5,721	29,115
Carrying amount								
At 31 December 2021	2,915	524	339	902	72	2,236	8,941	15,929

14. Intangible assets

2022	Trade name AED'000	Life takaful contracts AED'000	Non-life takaful contracts AED'000	Customer relationship AED'000	Software AED'000	Total AED'000
Cost						
At 1 January	6,728	70,034	3,339	11,962	16,378	108,441
Additions during the year	-	-	-	-	93	93
Addition from merger (note 30)	6,092	-	-	13,552	2,039	21,683
Write-off	(6,728)	-	-	-	-	(6,728)
31 December	6,092	70,034	3,339	25,514	18,510	123,489
Accumulated amortisation						
At 1 January	-	3,388	3,339	2,858	9,718	19,303
Charge for the year	-	2,658	-	6,791	4,187	13,636
31 December	-	6,046	3,339	9,649	13,905	32,939
Carrying amount						
31 December 2022	6,092	63,988	-	15,865	4,605	90,550
2021						
Cost						
At 1 January	6,728	70,034	3,339	11,962	11,792	103,855
Additions during the year	-	-	-	-	43	43
Transfer from property and equipment (note 13)	-	-	-	-	4,543	4,543
31 December	6,728	70,034	3,339	11,962	16,378	108,441
Accumulated amortisation						
At 1 January	-	730	3,339	1,108	5,563	10,740
Charge for the year	-	2,658	-	1,750	4,155	8,563
31 December	-	3,388	3,339	2,858	9,718	19,303
Carrying amount						
31 December 2021	6,728	66,646	-	9,104	6,660	89,138

15. Restricted deposit

Wakala deposits held as restricted deposits are maintained in accordance with the requirements of U.A.E. Federal Law No. (6) of 2007 and are not available to finance the day-to-day operations of the Group.

These deposits have a fixed maturity of one year from the date of deposit and yield a profit rate of 1.70% p.a. to 5.35% p.a. (2021: 0.2% to 1.1% p.a).

16. Deferred policy cost

	2022 AED'000	2021 AED'000
At 1 January	**22,145**	12,994
Booked during the year	**115,971**	92,164
Charged for the year	**(104,335)**	(83,013)
At 31 December	**33,781**	22,145

17. Takaful and investment contracts liabilities

	2022 AED'000	2021 AED'000
Investment contract liabilities with takaful risk	**344,073**	450,904

Movement in investment liabilities with takaful risk is given below:

	2022	2021
As at 1 January	**450,904**	429,885
Add: investment contracts received	**41,390**	50,482
Less: investment contracts repaid	**(80,931)**	(90,970)
(Loss)/ gain on fair value	**(58,695)**	68,918
Wakala fees and other charges	**(8,595)**	(7,411)
	344,073	450,904

18. Takaful and retakaful payables

	2022 AED'000	2021 AED'000
Due to takaful companies, garages and other third parties	**111,244**	84,440
Due to retakaful companies	**226,455**	140,227
Other payables	**42,234**	25,583
	379,933	250,250
Inside UAE	**164,561**	118,589
Outside UAE	**215,372**	131,661
	379,933	250,250

	2022 AED'000	2021 AED'000
Takaful payables - Inside UAE		
Due to takaful companies, garages and other third parties	**111,244**	84,440
Due to retakaful companies	**11,579**	8,931
Other payables	**41,738**	25,218
	164,561	118,589

18. Takaful and retakaful payables (continued)

	2022 AED'000	2021 AED'000
Takaful payables - Outside UAE		
Due to retakaful companies	**214,876**	131,296
Other payables	**496**	365
	215,372	131,661

19. Qard Hassan

	2022 AED'000	2021 AED'000
(i) Qard Hassan		
As at 1 January	**(229,138)**	(213,741)
Amount transferred on merger	**(156,728)**	-
Deficit during the year	**(91,573)**	(15,397)
As at 31 December	**(477,439)**	(229,138)
(ii) Provision against Qard Hassan		
As at 1 January	**229,138**	213,741
Amount transferred on merger	**156,728**	-
Provision during the year	**91,573**	15,397
As at 31 December	**477,439**	229,138

20. Murabaha payable

The Group got engaged in Murabaha facility of AED 215 million with bank on 27 February 2021 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 profit rate 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 profit rate of 3 months EIBOR plus 2.05% having a maturity period of 5 years ending 30 July 2025.

Other Murabaha arrangements are as follows:

Pledged collateral

- Registered mortgage over investment properties and other real estate properties valued up to AED 45 million;
- Pledge over the shares of target entities i.e. NTF and NTG;
- Marketable securities (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.

20. Murabaha payable (continued)

Other covenants

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

At the reporting date, the Group is in breach of the covenant related to minimum solvency coverage ratio of 100% and currently in negotiation with the lender to restructure the Murabaha facility terms.

21. Other liabilities

	2022 AED'000	2021 AED'000
Accrued expenses and other payables	**14,391**	19,852
Acquisition cost payable	**31,138**	35,364
Employees' end of service benefits*	**17,585**	6,368
Lease liabilities	**8,899**	9,101
Accrued leave salary	**331**	736
Other payable	**8,999**	8,057
	81,343	79,478

* Movements in the provision for employees' end of service benefits during the year were as follows:

	2022 AED'000	2021 AED'000
As at 1 January	**6,368**	6,014
Transfer from merger (note 30)	**11,084**	-
Charged during the year	**4,340**	1,553
Paid during the year	**(4,207)**	(1,199)
As at 31 December	**17,585**	6,368

22. Share capital

	2022 AED'000	2021 AED'000
Issued and fully paid: 260,156,250 ordinary shares of AED 1 each (31 December 2021: 150,000,000 ordinary shares)	**260,156**	150,000

On 1 July 2022, the Company issued additional share capital upon merger to the shareholders of National Takaful Company (Watania) PJSC (Note 30).

No dividend was declared and paid during the current year (2021: dividend of AED 0.092 (fils) per share amounting to AED 13.8 million was declared and paid).

23. Reserves

Statutory reserve

In accordance with the Commercial Companies Law No. (32) of 2021, Article No. 241 and the Company's Articles of Association, a minimum 10% of profit for the year is required to be transferred to statutory reserve. The Group may resolve to discontinue such annual transfers when the statutory reserve is equal to 50% of the paid-up share capital. The reserve is not available for distribution except in the circumstances stipulated by the law.

For the year ended 31 December 2022, balance amounting to AED 0.86 million from the profit of Noor Takaful General (PJSC) (subsidiary) was transferred to statutory reserves (2021: AED 2.16 million).

23. Reserves (continued)

Retakaful reserve

In accordance with Central Bank of the United Arab Emirates' Board of Directors' Decision No. 23, Article 34, an amount of AED 1.6 million (2021: AED 1.43 million) was transferred from retained earnings to retakaful reserve. The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of the United Arab Emirates (formerly, the UAE Insurance Authority).

24. Net contributions

	Motor AED'000	Medical AED'000	General takaful AED'000	Life AED'000	Total AED'000
2022					
Takaful contracts:					
Gross contribution written	**127,178**	**398,205**	**229,438**	**52,770**	**807,591**
Movement in unearned contributions	**(5,413)**	**40,645**	**19,304**	**-**	**54,536**
Change in unexpired risk reserve	**-**	**(2,678)**	**-**	**-**	**(2,678)**
Takaful contribution revenues	**121,765**	**436,172**	**248,742**	**52,770**	**859,449**
Retakaful share of contribution	**(2,004)**	**(125,340)**	**(180,578)**	**(4,703)**	**(312,625)**
Movement in unearned contributions	**(8,395)**	**(11,316)**	**(19,106)**	**-**	**(38,817)**
Retakaful contribution revenues	**(10,399)**	**(136,656)**	**(199,684)**	**(4,703)**	**(351,442)**
Total contribution revenues	**111,366**	**299,516**	**49,058**	**48,067**	**508,007**
2021					
Takaful contracts:					
Gross conribution written	90,665	325,957	226,344	63,164	706,130
Movement in unearned contributions	22,568	(5,014)	(32,282)	-	(14,728)
Change in unexpired risk reserve	-	2,039	-	-	2,039
Takaful contribution Revenues	113,233	322,982	194,062	63,164	693,441
Retakaful share of contribution	(7,617)	(89,369)	(185,164)	(3,956)	(286,106)
Movement in unearned contributions	(3,006)	18,782	25,787	-	41,563
Retakaful contribution revenues	(10,623)	(70,587)	(159,377)	(3,956)	(244,543)
Total contribution revenues	102,610	252,395	34,685	59,208	448,898

25. Claims incurred

2022	Motor AED'000	Medical AED'000	General takaful AED'000	Life AED'000	Total AED'000
Gross					
Takaful claims paid	84,282	386,288	75,417	1,746	547,733
Movement in provision for outstanding claims	(20,979)	6,356	(13,904)	(424)	(28,951)
Movement in provision for incurred but not reported	(1,412)	(917)	1,382	-	(947)
Movement in provision for ULAE	(869)	(1,070)	(402)	-	(2,341)
Change in investment contracts and mathematical reserves	-	-	-	(26,431)	(26,431)
Net gain on assets held at fair value through profit or loss	-	-	-	58,695	58,695
Total	61,022	390,657	62,493	33,586	547,758
Retakaful					
Retakaful share of claims paid	(7,101)	(136,730)	(66,034)	(1,091)	(210,956)
Movement in provision for outstanding claims	5,218	(11,011)	16,254	518	10,979
Movement in provision for incurred but not reported	(863)	1,833	(477)	-	493
Total	(2,746)	(145,908)	(50,257)	(573)	(199,484)
Claims recorded in the consolidated statement of income	58,276	244,749	12,236	33,013	348,274
2021					
Gross					
Takaful claims paid	66,198	289,267	66,157	306	421,928
Movement in provision for outstanding claims	(2,722)	(26,791)	(8,828)	1,150	(37,191)
Movement in provision for incurred but not reported	(5,321)	241	1,756	-	(3,324)
Movement in provision for ULAE	1,506	(968)	(685)	-	(147)
Change in investment contracts and mathematical reserves	-	-	-	112,734	112,734
Net gain on assets held at fair value through profit or loss	-	-	-	(68,918)	(68,918)
Total	59,661	261,749	58,400	45,272	425,082
Retakaful					
Retakaful share of claims paid	(8,628)	(67,000)	(61,468)	(111)	(137,207)
Movement in provision for outstanding claims	1,193	(1,850)	9,783	(703)	8,423
Movement in provision for incurred but not reported	3,024	(1,308)	(1,618)	-	98
Total	(4,411)	(70,158)	(53,303)	(814)	(128,686)
Claims recorded in the consolidated statement of income	55,250	191,591	5,097	44,458	296,396

26. Other Takaful expenses

	2022 AED'000	2021 AED'000
Provision for doubtful debts (note 9)	14,531	195
Other expenses	17,209	4,637
	31,740	4,832

27. Wakala fees and Mudarib's fee

Wakala fees

Wakala fee for the year ended 31 December 2022 amounted to AED 235.85 million (2021: AED 176.08 million). The fee is calculated at maximum of 25% (2021: 25%) without any deduction of policy acquisition cost. Wakala fee is charged to the consolidated statement of income when incurred.

Mudarib's fee

The shareholders also manage the policyholders' investment funds and charge Mudarib's fee. Mudarib fee is charged at 35% (2021: 35%) of realised investment income. During the year, Mudarib's fee amounted to AED 0.55 million (2021: AED 0.47 million).

28. General and administrative expenses

	2022 AED'000	2021 AED'000
Staff cost	53,773	34,899
Administrative expenses	19,729	21,194
Depreciation and amortisation	18,782	13,164
Trade name written off (note 14)	6,728	-
Marketing expenses	-	764
Other expenses	576	-
	99,588	70,021

29. Investment and other income

2022	Policyholders AED'000	Shareholders AED'000	Total AED'000
Fair value gain			
Fair value gain on investment properties (note 5)	503	796	1,299
Fair value (loss)/gain on financial assets at FVTPL	(97)	1,619	1,522
Other investment income			
Income from wakala deposits	2,744	1,748	4,492
Dividend income	1,597	2,000	3,597
Income from debt securities	460	1,164	1,624
Fund management income	-	4,228	4,228
Surrender income	-	7,469	7,469
Rebates	-	1,339	1,339
Rental income from investments properties - net (note 5)	67	1,185	1,252
Other income	-	41	41
	5,274	21,589	26,863

29. Investment and other income (continued)

	Policyholders AED'000	Shareholders AED'000	Total AED'000
2021			
Fair value gain			
Fair value gain on investment properties (note 5)	-	3,614	3,614
Fair value gain on financial assets at FVTPL	-	3,247	3,247
Other investment income			
Income from available-for-sale investments	-	746	746
Income from wakala deposits	1,391	1,089	2,480
Dividend income	-	225	225
Income from debt securities	550	716	1,266
Fund management income	-	4,928	4,928
Surrender income	-	10,369	10,369
Rebates	-	1,590	1,590
Rental income from investments properties - net (note 5)	151	852	1,003
Other income	1	89	90
	2,093	27,465	29,558

Investment income has been allocated to the shareholders and policyholders on the basis of investments held by each fund.

30. 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. The Company 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 260.16 million.

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:

Recognised amounts of identifiable net assets	**Net book value AED'000**	**Fair value adjustments AED'000**	**Provisional fair values AED'000**
Assets			
Property and equipment (note 13)	6,391	-	6,391
Intangible assets (note 13)	2,039	19,644	21,683
Investment properties (note 5)	21,420	-	21,420
Restricted deposits	2,000	-	2,000
Statutory deposits	6,000	-	6,000
Investments in securities (note 6)	80,765	-	80,765
Deferred policy acquisition cost	19,268	(19,268)	-
Retakaful contract assets	85,278	-	85,278
Contribution receivables	140,174	-	140,174
Other receivables	17,218	-	17,218
Wakala deposits	17,249	-	17,249
Cash and cash equivalents	48,290	-	48,290
Total assets	**446,092**	**376**	**446,468**

30. Merger with National Takaful Company (Watania) PJSC (continued)

Recognised amounts of identifiable net assets	Net book value AED'000	Fair value adjustments AED'000	Provisional fair values AED'000
Liabilities			
Takaful and related payables	61,870	-	61,870
Takaful and investment contract liabilities	247,966	-	247,966
Lease liabilities	4,094	-	4,094
Other liabilities	10,576	-	10,576
Unearned retakaful commission income	4,161	(4,161)	-
Employees' end of service benefits (note 21)	11,084	-	11,084
Total liabilities	**339,751**	**(4,161)**	**335,590**
Fair value of consideration transferred			
Non-cash consideration – shares issued			(110,156)
Identifiable net assets			110,878
Gain on merger transaction			**722**
Cash and cash equivalents acquired			48,290
Net cash inflow on merger			**48,290**

Merger-related costs amounting to AED 8.11 million (2021: AED 3.17 million) 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.

31. (Loss)/earnings per share

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

	2022	Restated 2021
(Loss)/profit for the year attributable to shareholders (in AED'000)	**(55,037)**	21,580
Weighted average number of shares outstanding at 31 December	**260,156,250**	260,156,250
Basic and diluted (loss)/earnings per share (in AED)	**(0.212)**	0.083

During the year, the Company issued 110,156,250 new shares as a result of merger with Watania (refer to note 22). Accordingly, additional number of shares have been adjusted retrospectively in computing the earnings per share for the prior year.

32. Available-for-sale investments reserve

This reserve records gains and losses arising from changes in fair value of available-for-sale investments (AFS).

33. 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.

Balances with related parties

Balances with related parties included in the consolidated statement of financial position are given on the next page:

33. Related party transactions (continued)

Balances with related parties (continued)

	2022 AED'000	2021 AED'000
Takaful and other receivables		
Other related parties	(44)	(58)

Transactions with related parties

Transactions with related parties included in the consolidated financial statements are as follows:

	2022 AED'000	2021 AED'000
Contributions earned		
Other related parties	-	-
	-	-

Compensation of key management personnel

	2022 AED'000	2021 AED'000
Short-term benefits	7,971	8,159
Employees' end of service benefits	579	311
	8,550	8,470

Outstanding balances at the year-end arise in the normal course of business. For the years ended 31 December 2022 and 31 December 2021, the Group has not recorded any impairment of amounts owed by related parties.

34. Fatwa and Sharia'a supervisory board

The Group's business activities are subject to the supervision of a Fatwa and Shari'a Supervisory Board (FSSB) consisting of three members appointed by the shareholders. FSSB performs a supervisory role in order to determine whether the operations of the Group are conducted in accordance with Shari'a rules and principles.

According to the Group's FSSB, the Group is required to identify any income deemed to be derived from transactions not acceptable under Islamic Shari'a rules and principles, as interpreted by FSSB, 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.

35. Zakat

Zakat as approved by the Group's Sharia'a Supervisory Board amounted to 0.00543 per share (2021: AED 0.01630 per share).

The Management has opted to communicate the amount of Zakat payable to each shareholder, requiring them to pay their share of Zakat directly.

36. Segmental information

For management purposes the Group is organised into two business segments; general takaful management and investment. The general takaful segment comprises the takaful business undertaken by the Group on behalf of Policyholders. Investment comprises 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 consolidated financial statements.

Except for Wakala fees, Mudarib's fees and Qard Hassan, no other inter-segment transactions occurred during the year. 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 following.

2022	General takaful AED'000	Group life (employee benefits) AED'000	Life AED'000	Investment AED'000	Total AED'000
Attributable to policyholders					
Takaful income					
Gross contribution written	656,169	98,652	52,770	-	807,591
Retakaful share of ceded business	(218,968)	(88,954)	(4,703)	-	(312,625)
Net takaful contributions	437,201	9,698	48,067	-	494,966
Net transfer to unearned contributions reserve	14,436	1,283	-	-	15,719
Change in provision for contribution deficiency reserve	(2,678)	-	-	-	(2,678)
Net takaful contributions earned	448,959	10,981	48,067	-	508,007
Discount earned	18,608	3,800	152	-	22,560
Total takaful income	467,567	14,781	48,219	-	530,567
Takaful expenses					
Takaful claims paid	(518,679)	(27,308)	(1,746)	-	(547,733)
Retakaful share of ceded business paid	184,847	25,019	1,090	-	210,956
Net takaful claims paid	(333,832)	(2,289)	(656)	-	(336,777)

36. Segmental information (continued)

2022	General takaful AED'000	Group life (employee benefits) AED'000	Life AED'000	Investments AED'000	Total AED'000
Provision for outstanding claims	18,777	9,750	424	-	28,951
Retakaful share of outstanding claims	(694)	(9,767)	(518)	-	(10,979)
Change in incurred but not reported claims	679	(225)	-	-	454
Change in unallocated loss adjustment expenses reserve	2,224	117	-	-	2,341
Change in investment contracts and mathematical reserves	-	-	26,431	-	26,431
Net gain on assets held at fair value through profit or loss	-	-	(58,695)	-	(58,695)
Net claims incurred	(312,846)	(2,414)	(33,014)	-	(348,274)
Excess of loss of takaful contribution	(10,994)	-	-	-	(10,994)
Other takaful (expenses)/ recoveries	(27,764)	(74)	(3,902)	-	(31,740)
Total takaful income	115,963	12,293	11,303	-	139,559
Wakala (fee)/income	(219,494)	(5,415)	(10,943)	235,852	-
Mudarib's (fee)/income	(540)	-	(14)	554	-
Investment and other income	4,922	211	141	21,589	26,863
General and administrative expenses	-	-	-	(99,588)	(99,588)
Policy acquisition cost	-	-	-	(104,335)	(104,335)
Finance cost	-	-	-	(4,221)	(4,221)
Changes in bonus reserve	-	-	-	(1,951)	(1,951)
Other underwriting expenses	-	-	-	(3,973)	(3,973)
Cost of merger	-	-	-	(8,113)	(8,113)
Gain on merger				722	722
(Loss)/profit for the year	(99,149)	7,089	487	36,536	(55,037)

36. Segmental information (continued)

2021	General takaful AED'000	Group life (employee benefits) AED'000	Life AED'000	Investments AED'000	Total AED'000
Attributable to policyholders					
Takaful income					
Gross contribution written	534,140	108,683	63,163	-	705,986
Accepted business	144	-	-	-	144
Retakaful share of ceded business	(185,631)	(96,520)	(3,955)	-	(286,106)
Net takaful contributions	348,653	12,163	59,208	-	420,024
Net transfer to unearned contributions reserve	28,631	(1,796)	-	-	26,835
Changes in contribution deficiency reserve	1,966	73	-	-	2,039
Net takaful contributions earned	379,250	10,440	59,208	-	448,898
Discount earned	19,280	3,742	-	-	23,022
Total takaful income	398,530	14,182	59,208	-	471,920
Takaful expenses					
Takaful claims paid/(recovered)	(367,687)	(53,936)	(305)	-	(421,928)
Retakaful share of ceded business paid	86,496	50,600	111	-	137,207
Net takaful claims paid	(281,191)	(3,336)	(194)	-	(284,721)
Provision for outstanding claims	31,301	7,040	(1,150)	-	37,191
Retakaful share of outstanding claims	(1,485)	(7,641)	703	-	(8,423)
Change in incurred but not reported claims	3,151	75	-	-	3,226
Change in unallocated loss adjustment expenses reserve	(191)	338	-	-	147
Change in investment contracts and mathematical reserves	-	-	(112,734)	-	(112,734)
Net gain on assets held at fair value through profit or loss	-	-	68,918	-	68,918
Net claims incurred	(248,415)	(3,524)	(44,457)	-	(296,396)

36. Segmental information (continued)

2021	General takaful AED'000	Group life (employee benefits) AED'000	Life AED'000	Investments AED'000	Total AED'000
Excess of loss of takaful contribution	(11,632)	-	-	-	(11,632)
Other takaful (expenses)/ recoveries	(1,861)	1,425	(4,396)	-	(4,832)
Total takaful income	136,622	12,083	10,355	-	159,060
Wakala (fee)/income	(143,661)	(22,127)	(10,293)	176,081	-
Mudarib's (fee)/income	(459)	(3)	(7)	469	-
Investment and other income	1,899	125	68	27,466	29,558
General and administrative expenses	-	-	-	(70,021)	(70,021)
Policy acquisition cost	-	-	-	(83,013)	(83,013)
Finance cost	-	-	-	(5,155)	(5,155)
Changes in bonus reserve	-	-	-	(2,282)	(2,282)
Other underwriting expenses	-	-	-	(3,398)	(3,398)
Cost of merger				(3,169)	(3,169)
(Loss)/profit for the year	(5,599)	(9,922)	123	36,978	21,580

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

	Takaful AED'000	Investment AED'000	Total AED'000
2022			
Total assets	**1,445,111**	**375,828**	**1,820,939**
Total liabilities	**1,399,115**	**217,525**	**1,616,640**
2021			
Total assets	1,216,632	366,418	1,583,050
Total liabilities	1,215,319	215,496	1,430,815

37. Capital management

Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Group's risk management function is carried out by the Board of Directors, with its associated committees. This is supplemented with a clear organisational structure with delegated authorities and responsibilities from the Board of Directors to the Managing Director.

37. Capital management (continued)

Governance framework (continued)

The Board of Directors meets regularly to approve any commercial, regulatory and organisational decisions. The Management under the authority delegated from the Board of Directors defines the Group's risk and its interpretation, limits structure to ensure the appropriate quality and diversification of assets, aligns underwriting and retakaful strategy to the corporate goals, and specifies reporting requirements.

Capital management framework

The primary objective of the Group's capital management is to comply with the regulatory requirements in the U.A.E. and to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group has not fully complied with the externally imposed capital requirements (refer note 39).

Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the takaful companies to meet unforeseen liabilities as these arise.

38. Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

Categories of financial instruments

	2022 AED'000	2021 AED'000
Financial assets		
At amortised cost	804,228	624,156
At fair value	484,097	508,780
	1,288,325	1,132,936
Financial liabilities		
At amortised cost	872,672	879,990

39. Capital risk management

The Group's objectives when managing capital are:

- to comply with the insurance capital requirements required by UAE Federal Law No. 6 of 2007. The Group manages its capital on a basis of its minimum regulatory capital position presented in the table on the next page;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

39. Capital risk management (continued)

The table below summarises the Minimum Capital Requirement, Solvency Capital Requirement and Minimum Guarantee Fund of the Subsidiaries of the Group and the total capital held to meet these solvency margins as defined in the Financial Regulations for Insurance Companies issued by the Central Bank of UAE. In accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022, the Group has disclosed the solvency position for the immediately preceding period as the current year solvency position is not yet finalised.

	Noor Takaful Family (Unaudited) 30 September 2022 AED'000	Noor Takaful General (Unaudited) 30 September 2022 AED'000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	98,364	58,079
Minimum Guarantee Fund (MGF)	48,860	19,360
Basic Own Funds	82,367	50,003
MCR Solvency Margin – Deficit	(17,633)	(49,997)
SCR Solvency Margin – Deficit	(15,997)	(8,076)
MGF Solvency Margin – Deficit	33,507	30,643

As per Article (8) of Section 2 of the Financial Regulations for Insurance Companies issued by the Central Bank of UAE, a company shall at all times comply with the requirements of Solvency Margins. As at 30 September 2022, the Noor Takaful Family had minimum capital and solvency capital deficits of AED 17.6 million and AED 16 million as compared to requirements of AED 100 million and AED 98.4 million respectively and Noor Takaful General had minimum capital and solvency capital deficits of AED 50 million and AED 8 million as compared to requirements of AED 100 million and AED 58.1 million respectively.

As Parent Company (Dar Al Takaful (PJSC)) insurance license has been cancelled subsequent to the year end (refer note 45) the solvency margins position has not been disclosed in the table above.

40. Risk management

Asset liability management (ALM) framework

Financial risks arise from open positions in profit rate, currency and equity products, all of which are exposed to general and specific market movements. The Group manages these positions to achieve long-term investment returns in excess of its obligations under Takaful contracts. The principal technique of the Group's ALM is to match assets to the liabilities arising from Takaful contracts by reference to the type of benefits payable to contract holders.

The Managing Director actively monitors the ALM to ensure in each period sufficient cash flow is available to meet liabilities arising from Takaful contracts.

The Managing Director regularly monitors the financial risks associated with the Group's other financial assets and liabilities not directly associated with Takaful liabilities.

The risks faced by the Group and the way these risks are mitigated by management are summarised as follows:

Takaful risk

The principal risk the Group faces under takaful contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations.

40. Risk management (continued)

Takaful risk (continued)

This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The variability of risks is improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements.

i) Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly property, motor, marine, fire and medical risks. These are regarded as short-term Takaful contracts, as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate Takaful risk.

Motor

Motor takaful is designed to compensate contract holders for damage suffered to their vehicles or liability to third parties arising through accidents. Contract holders could also receive compensation for the fire or theft of their vehicles.

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles.

The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims.

Property

Property takaful is designed to compensate contract holders for damage suffered to properties or for the value of property lost. Contract holders could also receive compensation for the actual loss caused by the inability to use the insured properties.

For property takaful contracts the main risks are fire and business interruption. The Group's policies aim careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements.

These contracts are underwritten by reference to the replacement value of the properties and contents insured. The cost of rebuilding properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions are the main factors that influence the level of claims.

Liability

For miscellaneous accident classes of takaful such as loss of money, infidelity of employees, personal accident, workmen's compensation, travel, general third party liability and professional indemnity are underwritten.

Medical

Medical takaful is designed to compensate the contract holders for medical costs. Personal accident takaful entitles the contract holders or their beneficiaries to specified amounts in case of death or permanent or partial disability.

For medical takaful, the main risks are illness and related healthcare costs. The Group generally does not offer medical takaful to walk-in customers and is mainly offered to corporate customers with large population to be covered under the policy. The Group has retakaful to limit losses for any individual claim to 75%-80% of the claim amount.

Marine

Marine takaful is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in the total or partial loss of cargoes. For marine takaful the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

40. Risk management (continued)

Takaful risk (continued)

i) Frequency and amounts of claims (continued)

Marine (continued)

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

Fire

Fire takaful is designed to compensate contract holders for damage and liability arising through loss or damage to the insured assets.

The Group's policies aim careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements.

Long term takaful contracts (life)

For unit-linked contracts, the capital risk element of the takaful liabilities can be matched against the investment for policyholders and therefore any change in the variables used to calculate these liabilities does not have any impact on the net asset or profit of the Group. In respect of unit-linked contracts, there is no uncertainty as to the amount to be paid by the Group on mortality or disability, as these are normally the coverage amounts under the policy. Reserves for mortality risk under unit-linked contracts include the reasonable possibility of significant loss due to the uncertainty of deaths among policyholders and rates of disability among policyholders.

ii) Concentration of risks

The Takaful risk arising from Takaful contracts is concentrated mainly in the United Arab Emirates. The geographical concentration of risks is similar to prior year.

The table below sets out the concentration of contract liabilities by type of contract:

	Gross liabilities AED'000	Retakaful share of liabilities AED'000	Net liabilities AED'000
2022			
Medical	**66,506**	**(26,480)**	**40,026**
Motor	**39,206**	**(11,371)**	**27,835**
Marine	**1,864**	**(1,450)**	**414**
Engineering	**10,212**	**(7,179)**	**3,033**
Fire	**55,665**	**(53,154)**	**2,511**
Liability	**16,148**	**(12,127)**	**4,021**
General Accident	**8,104**	**(6,863)**	**1,241**
Group Family	**28,979**	**(20,749)**	**8,230**
Individual Family	**1,799**	**(823)**	**976**
Total	**228,483**	**(140,196)**	**88,287**
2021			
Medical	49,032	(10,041)	38,991
Motor	54,057	(15,125)	38,932
Marine	11,868	(11,012)	856
Engineering	6,691	(5,814)	877
Fire	44,061	(41,703)	2,358
Liability	3,245	(1,643)	1,602
General Accident	14,979	(14,188)	791
Group Family	40,070	(31,854)	8,216
Individual Family	2,223	(1,341)	882
Total	226,226	(132,721)	93,505

40. Risk management (continued)

Takaful risk (continued)

iii) Retakaful risk

As general industry practice and in order to minimise financial exposure arising from large Takaful claims, the Group, in the normal course of business, enters into arrangements with other parties for retakaful purposes. Such retakaful arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the retakaful is effected under treaty, facultative and excess of loss retakaful contracts.

To minimise its exposure to significant losses from retakaful insolvencies, the Group evaluates the financial condition of its retakaful and ensure diversification of retakaful providers. The Group deals with retakaful approved by the Board of Directors.

Financial risk

The Group's principal financial instruments are investment securities, wakala deposits, takaful receivables, other receivables and cash and cash equivalents.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk, profit risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

The Group does not enter into any derivative transactions.

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Group, the maximum exposure to credit risk to the Group is the carrying value as disclosed in the consolidated statement of financial position.

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- The Group only enters into Takaful and retakaful contracts with recognised, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from Takaful and retakaful contracts are monitored on an ongoing basis in order to reduce the Group's exposure against defaults.
- The Group seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- The Group's investments are managed by the Managing Director in accordance with the guidance of the investment committee and the supervision of the Board of Directors.
- The Group's bank balances are maintained with a range of international and local banks in accordance with limits set by the management.

At 31 December 2022, there are impaired contribution receivables and retakaful receivable of AED 40.785 million (2021: AED 18.703 million). The Group records impairment allowances in a separate impairment allowance account.

ii) Collateral

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Collateral is mainly obtained in the form of postdated cheques and guarantees.

40. Risk management (continued)

Financial risk (continued)

ii) Collateral (continued)

Financial instruments - investments

Investments in financial assets represent investments in quoted and unquoted equity and debt instruments of companies incorporated in the United Arab Emirates, and outside United Arab Emirates (note 6).

Cash and cash equivalents

Cash and cash equivalents of the Group are with Banks and other financial institutions registered and operate in the United Arab Emirates.

iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with its financial liabilities when they fall due.

Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

The table below summarises the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements is given below:

	Less than one year AED'000	More than one year AED'000	No term AED'000	Total AED'000
2022				
Assets				
Investment securities	391,782	112,034	6,943	510,759
Restricted deposits	22,000		-	22,000
Wakala deposits	252,766		-	252,766
Takaful receivables	334,330	40,523	-	374,853
Other assets	18,664	-	-	18,664
Bank balances	102,908	-	-	102,908
	1,122,450	152,557	6,943	1,281,950
Liabilities				
Takaful and retakaful payables	379,933	-	-	379,933
Other liabilities	81,343	-	-	81,343
Murabaha payable	20,700	74,750	-	95,450
Takaful and investment contracts liabilities	344,073	-	-	344,073
	826,049	74,750	-	900,799

40. Risk management (continued)

Financial risk (continued)

iii) Liquidity risk (continued)

	Less than one year AED'000	More than one year AED'000	No term AED'000	Total AED'000
2021				
Assets				
Investment securities	501,837	22,015	6,943	530,795
Restricted deposits	16,000	-	-	16,000
Wakala deposits	270,309	-	-	270,309
Takaful receivables	235,968	39,016	-	274,984
Other assets	7,009	-	-	7,009
Cash and cash equivalents	33,692	-	-	33,692
	1,064,815	61,031	6,943	1,132,789
Liabilities				
Takaful and retakaful payables	250,250	-	-	250,250
Other liabilities	79,478	-	-	79,478
Murabaha payable	13,800	95,450	-	109,250
Takaful and investment contracts liabilities	450,904	-	-	450,904
	794,432	95,450	-	889,882

iv) Market risk

Market risk arises from fluctuations in foreign exchange rates, profit rates and equity prices. The value of risk that may be accepted by the Group is monitored on a regular basis by management.

v) Profit rate risk

Profit rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market rates. Floating rate instruments expose the Group to cash flow risk.

The Group is exposed to profit rate risk on certain of its investments and bank balances and cash. The Group limits its risk by monitoring changes in such rates.

The sensitivity analysis below has been determined based on the exposure to profit rates for profit-bearing financial assets assuming the amount of assets at the end of the reporting period were outstanding for the whole year:

	Increase in basis points	Effect on profit for the year AED'000
2022		
Profit bearing assets	**+100**	**4,407**
2021		
Profit bearing assets	+100	3,662

Any movement in profit rates in the opposite direction will produce exactly opposite results.

The impact of changes in profit rate risk is not expected to be significant for the Group, as all financial assets and financial liabilities bears fixed profit rates.

40. Risk management (continued)

Financial risk (continued)

vi) Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group has no significant concentration of price risk. The price risk is managed by outsourcing the trading of securities held by the Group to professional brokers. However, the activities of brokers are also monitored and supervised by the management.

The following table shows the sensitivity of fair values to 20% increase or decrease as at 31 December:

	Reflected in profit or loss		Reflected in other comprehensive income	
	Favourable change AED'000	Unfavourable change AED'000	Favourable change AED'000	Unfavourable change AED'000
2022				
Equity securities	**78,356**	**(78,356)**	**14,125**	**(14,125)**
2021				
Equity securities	100,367	(100,367)	1,189	(1,189)

vii) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

41. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market policyholders at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

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

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

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2021.

Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period.

The table on the next page provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Group into Levels 1 to 3 based on the degree to which the fair value is observable.

41. Fair value measurements (continued)

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at 2022 AED'000	2021 AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Available for sale investments						
Quoted equity securities	**64,681**	-	Level 1	Quoted bid prices in an active market	N/A	N/A
Unquoted equity securities	**5,943**	5,943	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Unquoted debt securities	**1,000**	1,000	Level 3	Discounted cash flows	N/A	Higher the discounted cash flow, higher the fair value.
Financial assets at FVTPL						
Quoted equity securities	**47,709**	50,933	Level 1	Quoted bid prices in an active market	N/A	N/A
Mutual funds units	344,073	450,904	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value

The management considers that the carrying amounts of financial assets held to maturity in the consolidated financial statements approximate their fair values. The fair value is mainly based on unobservable inputs (i.e. Level 3).

There were no changes during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

42. Contingencies and commitments

Commitments

The Group has capital commitments amounting to AED 0.08 million as at year end (2021: AED 4.01 million).

Guarantees

As at 31 December 2022, the Group has bank guarantees against labour and third-party commitments for AED 267,000 (2021: AED 267,000).

Legal claims

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

43. Social contribution

No social contributions (including donations and charities) were made during the year 2022 (2021: AED 190,000).

44. Comparatives

Comparative figures have been reclassified in order to conform to current period's presentation and to improve the quality of information presented. However, there is no effect on previously reported total equity and profit for the year.

45. Post reporting date events

Subsequent to the year end, the Group has resolved to change the name of its subsidiaries from Noor Takaful Family (PJSC) and Noor Takaful General (PJSC) to Watania Takaful Family (PJSC) and Watania Takaful General (PJSC) respectively.

Subsequent to the year end, the Parent Company's (Dar Al Takaful (PJSC)) insurance license has been cancelled and it will be a holding company.

Except for the above events, there are no other adjusting or significant non-adjusting events that have occurred between the reporting date and the date of authorisation of these consolidated financial statements.

دار التكافل
Dar Al Takaful
Premium Islamic Insurance التأمين الإسلامي الأمثل

CORPORATE GOVERNANCE REPORT 2022

Index:

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1.Introduction:

Dar Al Takaful PJSC was established in 2008 with a paid-up capital of AED 150 million, as a national Islamic Insurance company based in the emirate of Dubai and providing insurance services in accordance with the provisions of Islamic law.
Dar Al Takaful PJSC is committed to perform its work in accordance with the best practices followed in business safety and integrity and maintaining the highest standards of corporate governance. Efficient corporate governance is an important part of our identity at Dar Al Takaful PJSC. The principles of corporate governance at Dar Al Takaful PJSC have been established to support sustainable growth and protect the interests of our shareholders, as well as to create value for shareholders and stakeholders. We are proud to adhere to the highest standards and best practices in accordance with the UAE governance regulation and the companies' law. The company adopts international best practices and is committed to the UAE SCA's chairman's decision no. (03) of 2020 and its amendments pertaining to the standards of corporate discipline and governance of Joint Stock companies.

Dar Al Takaful corporate governance is one of the key factors to enhance the company's image internally and externally by adhering to a culture based on motivating Board of Directors, Executive Managers, Head of Departments, Employees, and In-Charge Personnel to improve all activities and operations therein the company and adhere to best conduct, as well as secure lucrative returns on investment and long-term productivity growth.

Governance was not only considered a requirement to be fulfilled but was considered an integral part of the legal structure of the company and presents its own legislation aimed at strengthening other regulations applicable in the United Arab Emirates in order to dedicate transparency and credibility that everyone has examined in all company's transactions.

The Board of Directors and Executive Management believe that governance is a key element to enhance shareholder confidence by increasing the level of transparency of ownership and control and creating an effective system to monitor the management of business strategies. Based on this belief, the company aligned all efforts to be committed to the highest standards of transparency, accountability, and best management practices. This includes adopting and monitoring appropriate corporate strategies, objectives and procedures that are consistent with the company's legal and ethical responsibilities. Strict application of the Good Governance code of conduct ensures the performance of business activities therein the various departments of the company.

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2. Procedures taken to complete the corporate governance system during 2022:

The Board of Directors of Dar Al Takaful (PJSC) demonstrates due diligence to implement the adequate principles of the corporate governance as stipulated in the Authority Chairman's Decision No. (03R/M) for the year, 2020 and its amendments pertaining to standards of institutional discipline and governance of the public joint stock companies. The company implemented the best practices and guidelines to ensure transparency and integrity in transactions as well as to ensure effectiveness of the company's internal audit system to improve business transactions. Therefore, procedures taken in 2022 could be summarized as follows:

1. The company has demonstrated adherence to activate the internal audit systems, by matching data/ reports presented by the company with data verified by the external auditor; thus, providing reinforcement to the role of the audit Committee members to practice their supervisory role in more efficiently.
2. The company has affirmed commitment to spreading awareness amongst Board and senior executive management members on developments in the corporate governance system by providing training.
3. The company has exhibited adherence to updating all policies pertaining to the company's governance in accordance with the developments stipulated in the Governance System No. (3 R/M) for 2020 and its amendments.
4. The company has confirmed commitment to practice its business in accordance with the stipulated transparency regarding compliance with the dates and disclosure methods of the financial statements, in conformity with all provisions and decisions of the Securities and Commodities Authority and Dubai Financial Market.
5. The Board of the company has persistently followed up the committees emanating from it, such as the Nomination and Remuneration Committee, the Audit Committee, the Risk Management Committee, and the Investment Committee in accordance with the provisions and stipulations of the corporate governance regulation.
6. The investment committee therein the company has shown commitment to the application of the investment policy, which is pursuant to the approved international standards. Moreover, the committee has reviewed the company's investments and has taken the necessary decisions to diversify investments and improve its returns.
7. The company has adhered to publish the corporate governance report and the annual financial statements report before a sufficient period of the convening date of the general assembly meeting enabling shareholders to review and approve it.

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3. Ownership and transactions of Board members and their spouses, their children in the company securities during 2022.

Statement of Board members ownership in the company's securities during 2022:

No.	Name	Position	Total Sale	Total Purchase	Owned Shares as of 31/21/2022
1	Dr. Ali Saeed Bin Harmal Aldhaheri	Chairman	-	-	20,855,486
2	Matar Hamdan Sultan Hamad Al Ameri	Vice -Chairman	-	-	2,000,000
3	Dr. Mohamed Ali Mohamed Al Barwani	Director	-	-	-
4	Shahab Ahmad Lutfi	Director	-	-	180,258
5	Eng. Usama Mohamed Barwani	Director	-	-	-
6	Mohamed Nael Al Shamsi	Director	-	-	-
7	Abdallah Malek Osseiran	Director	-	-	-
8	Sultan Ali Saeed Bin Harmal Aldhaheri	The Chairman's son	-	-	135,191
9	Mohammed Ali Saeed Bin Harmal Aldhaheri	The Chairman's son	-	-	134,999
10	Mouza Ali Saeed Bin Harmal Aldhaheri	The Chairman's daughter	-	-	142,826
11	Maha Ali Saeed Bin Harmal Aldhaheri	Director	-	-	120,000
12	Maitha Ali Saeed Bin Harmal Aldhaheri	Director	-	-	194,617
13	Hind Habib Mohammed Sharif Al-Mulla	Director wife	-	-	258

4. Board Formation:

The Board consists of seven independent and non-executive members, who were elected at the General Assembly meeting held on 25/04/2022. The term of the membership is for three fiscal years. The current Board members enjoy high competencies, capabilities and long-standing expertise in the monetary and financial business that enable them to analyze, digest and understand the financial statements accurately. These qualities have proven their qualifications and competency to develop the strategy of the company effectively. Board members are provided with the required information and periodic reports to be discussed during the Board meetings regarding the company's financial position, the main topics related to the company's activity, any other relevant matters should be addressed.

The members have effectively and dynamically contributed to the formation of a cohesive and highly efficient Board to meet the challenges of the changing economic environment in order to create better value for shareholders, enhance the confidence of stakeholders and maintain business sustainability. We list herein below the names of the members of the Board, their educational qualifications, and their work expertise, detailing the positions they occupied in other joint stock companies.

Dr. Ali Saeed Bin Harmal Aldhaheri
Chairman
Election Date: 2022
Term of Membership: 8 Months
Category: Independent
Non-Executive Director

Experience and Qualifications:

Dr. Aldhaheri has over two decades of experience in business and a proven track record of success. Upon completing his MBA with distinction from the American University in Washington DC, Aldhaheri put his knowledge to work in founding, launching, and managing several successful business entities across a number of different sectors: IT, finance, education, tourism, and real estate. Recently, in keeping with his philosophy of continual learning, Dr. Ali completed his PhD studies with Durham University.

Dr. Aldhaheri has been involved at a high level with government tourism and development strategy, MICE and education management, to name a few.

Other Positions:

- Chairman & Founder of Abu Dhabi University.
- Chief Executive Officer of Nema Holding Company.
- Managing Director of Bin Harmal Group.
- Chairman of Liwa Education.
- Chairman of Magna Investments.
- Dr. Aldhaheri serves on various boards and committees, such as, Amanat Holding PJSC, Al Ramz Corporation, the Economic Cooperation Committee for Government and Private Sectors Abu Dhabi, and Sandooq al Watan.
- First Vice Chairman of the Abu Dhabi Chamber of Commerce Board of Directors.

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Experience and Qualifications:

Mr. Al Ameri holds a bachelor's degree in accounting and information Systems from the United Arab Emirates University, and the Certified Public Accountant license (CPA) from the United States of America. He has held senior executive positions in public and private institutions, and he has over 30-years of experience in finance and investment roles. Previously, he held the position of Director of Finance and Control at Abu Dhabi National Oil Company (ADNOC) and formerly the Director of Finance and Investment Department at ADNOC, which includes ADNOC headquarters and several subsidiaries of the ADNOC Group.

Mr. Matar Hamdan Sultan Al Ameri
Chairman
Election Date: 2020
Term of Membership: 2 Year and 4 Months
Category: Independent
Non-Executive Director

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Dr. Mohamed Ali Mohamed Al Barwani
Election Date: 2020
Term of Membership: 8 Months
Category: Independent
Non-Executive Director

Experience and Qualifications:

Dr. Mohammed Al Barwani is the founder and Chairman of MB Holding group of companies (www.mbholdingco.com). He has a bachelor's degree in science from Miami University, USA & was awarded a Master's degree and Honorary PhD in Petroleum Engineering from Herriot-Watt University, UK.

MB Holding is the parent firm of several companies with wide-ranging interests in oilfield services, oil and gas exploration & production, mining, marine, and engineering services. MB Holding also has investments in financial services, hotels and resort development. The MB Group has operations in more than 20 countries and employs more than 4,000 employees.

Dr. Al Barwani has been appointed as non-executive Chairman of Oman Air SAOC, the Omani national airline. He is also a non-executive Director of several publicly traded and joint-stock companies, such as Al Madina Insurance Co. SAOG, and Watania Insurance Company (Abu Dhabi). He was formerly a non-executive board member of the National Bank of Oman, Shell Oman Marketing Company, Taageer Leasing Company (Oman), Nautilus Minerals Inc (Toronto Stock Exchange), and UCL Resources Pty Limited (Australian Stock Exchange). He was also the Honorary Consul of the Republic of Poland in Oman from April 2006 to November 2018.

Dr. Al Barwani has received the Royal Order of Commendation- Second Class from His Majesty the Sultan Haitham bin Tariq for his effective societal contributions. Also, he been serving as the honorary consul of Monaco for Oman since 2021. He was felicitated with a Lifetime Achievement award by the Al-Iktissad Wal-Aamal magazine (2008) and selected by Ernst & Young as a Global Entrepreneur to represent Oman in 2012. He was conferred "COMMANDEUR" IN DE ORDE VAN ORANGE-NASSAU by Her Majesty the Queen of The Netherlands in January 2012. Additionally, Dr Al Barwani was awarded the Order of Merit of the Republic of Poland in March 2014.

Experience and Qualifications:

Mr. Shahab Ahmad Lutfi
Election Date: 2015
Term of Membership: 9 Years
Category: Independent Non-Executive Director

Mr. Lutfi holds a bachelor's degree in Business Administration from Boston University, USA, and an MBA from City University Cass Business School University, the UK. He has completed executive learning courses at Harvard and Stanford. He has held key management positions in the banking and real estate sectors, and project and facility management for several years, in addition to his family history in the business sector, The International Property Awards presented him with the "Best Building and Design of a New Hotel" award in 2018-2019. As part of Lutfi's responsibilities, Bright Star plans to continue expanding its portfolio of investments, particularly in luxury hospitality, high-end residential, and retail sectors.

He is also the founder of H&H Development, a Dubai-based real estate development company that provides turn-key and comprehensive real estate development, design, procurement, and property management solutions. He served as a Director at Dubai Properties where he headed the $10 billion master planning project for Business Bay. His experience in real estate development, his insight and hard work have ensured the successful marketing and development of many projects within the Business Bay area with over 10 million square feet of construction.

Other Positions

- CEO of Bright Star Company (LLC).
- CEO of DXB-LAB Architecture.
- Founding member and CEO of H&H.

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Experience and Qualifications:

Mr. Barwani holds a BSc degree in Petroleum Engineering from the University of Tulsa in Tulsa, Oklahoma and an MSc degree in Energy, Trade, and Finance from City University's Cass Business School in London and a graduate of the 'President Leadership program' from Harvard Business School through the YPO Harvard Program.

He is a shareholder of MB Holding Co, a family-controlled conglomerate which operates across the Middle East, Europe, and Africa in Oil & Gas, Engineering, and Tourism.

Eng. Usama Mohamed Al Barwani
Election Date: 2020
Term of Membership: 8 Months
Category: Independent Non-Executive Director

Other Positions

- The Chief Executive Officer of Petrogas E&P, a privately held upstream producer with oil and gas assets in Oman, the Netherlands, and Egypt
- Managing director of Mawarid Mining, a copper mining producer based in Oman.
- a Member of the Board of Bahrain based Arcapita Bank, a Bahrain based Islamic Merchant Bank and Private Equity Company.
- Member of the Board of Directors Dutch based Oceanco Yachts which is one of the world's leading super yacht builders.
- He is the Honorary council of Uganda in Oman
- A member of YPO since 2009 as well a member of the board of the Oman Chapter.

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Experience and Qualifications:

Mr. Shamsi holds a bachelor's degree in business administration from Emirates University. He is the General Manager of Nael and Bin Harmel, one of the largest companies in the contracting sector. In addition, he held the position of General Manager for a diverse group of companies in the fields of contracting, education, hospitality, and property management.

Eng. Mohamed Nael Al Shamsi
Election Date: 2020
Term of Membership: 8 Months
Category: Independent
Non-Executive Director

Experience and Qualifications:

Abdallah Malek Osseiran
Election Date: 2020
Term of Membership: 2 Year and 4 Months
Category: Independent Non-Executive Director

Mr. Osseiran holds a bachelor's degree in Business Administration from the Lebanese American University, and a Diploma in Banking from Saint Joseph's University.

He started his career at the Arab Bank, one of the leading banking institutions in the Arab world, where he spent 16 years during which he developed solid foundations in the financial and administrative fields. He has held numerous positions and has managed to excel in a several disciplines ranging from corporate finance, corporate banking, private equity, strategic planning, and business development. In late 2001, he moved to the United Arab Emirates as a financial advisor to a member of the ruling family. He devoted his four-year career to overseeing a large investment portfolio and he successfully negotiated strategic investments in various sectors such as real estate, fixed income, and private equity, as well as providing sound financial advice and secured strategic business partnerships.

Since January 2006, Abdullah Osseiran has been the General Manager of Magna Investments in Abu Dhabi which controls several entities in key sectors with investments including education, hospitality, takaful, financial services, real estate, private equity, and venture capital.

Other Positions:

- General Manager of Magna Investment.
- Member of the Board of Directors of Nema Holding.
- Member of the Board of Directors of Abu Dhabi University.
- Member of the Board of Directors of Khawarizmi Holding Company.
- Member of the Board of Directors of Khawarizmi International College.
- Member of the Board of Directors of Liwa Education.
- Member of the Board of Directors of the National Takaful Company – Watania (Formerly).

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Resigned Board Members in 2022:

Experience and Qualifications:

Mr. Sharaf obtained a bachelor's degree in science in 1998 from Boston University, USA. He started his career in Sharaf Group after graduation. He has diversified his areas of expertise by taking on different roles and responsibilities in the shipping industries across Germany and Hong Kong. He has the qualities of an entrepreneur with excellent management skills and acute business acumen. He also has extensive knowledge in the field of shipping and maintenance, and he is actively participating in planning organizational strategy and day-today operations.

Salah Ibrahim Sharaf
Election Date: **2011**
Term of Membership: **11 Years**
Category: Independent Non-Executive Director

Other Positions:

- Head of Shipping, Logistics and Transportation Department at Sharaf Group.
- Member of the Board of Directors and Vice Chairman at Sharaf Group.
- Chairman of the Board of Emirates Logistics.
- Vice-president of Star Feeders.
- Chairman of the Board of Sharaf Tours and Travels Company.
- Chairman of the Board of Directors of Sharaf Shipping Company.
- Member of the Board of Directors of the United Arab Emirates Shipping Association.
- Member of the UAE International Investors Council.
- Member of the Board of Directors of (Sovcomflot) SCF.
- Member of the Board of Directors of WaterFront.

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Experience and Qualifications:

Meitha is an ardent banker with over 21 years of experience in the financial industry. She is a skilled strategist who transforms strategic plans into workable solutions and benchmarks performance against key target & goals.

Her current position is Group Chief Credit Officer at Abu Dhabi Islamic bank (ADIB) where she is responsible for taking Key strategic lending decisions for ADIB Group. Prior to ADIB, Meitha worked for Emirates NBD Group where she has held several leadership roles viz. Chief Risk Officer – Emirates Islamic and Chief Credit Officer, Group Credit at ENBD.

She was also involved in strategic and critical projects viz. Emirates Bank International and National Bank of Dubai merger and acquisition of BNP Paribas Egypt business by Emirates NBD.

She is also a permanent member of several senior management committees spanning all critical areas of the bank where her wisdom is looked upon for good governance. Meitha's core focus has always been on minimizing the overall impact to the business in terms of Financial, Regulatory and Reputational.

Her professional qualifications include a Dual Bachelor's degree in Business management and Computer Science from Switzerland.

Meitha Mohamed Al-Sharif Al-Hashemi
Election Date: 2018
Term of Membership: 4 Years
Category: Independent Non-Executive Director

Other Positions:

- Group Chief Credit Officer at Abu Dhabi Islamic bank (ADIB).

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Khalaf Sultan Rashed Saeed Al Dhaheri
Election Date: 2020
Term of Membership: 1 Year and 4 Months
Category: Independent Non-Executive Director

Experience and Qualifications:

Mr. Dhaheri holds an MBA from Zayed University – Dubai, and a Certified Public Accountant license – CPA from the California Board of Accountancy and the American Institute of Certified Public Accountants in USA, and he has an accredited certification from Ashridge – Hertfordshire, UK in advanced management programs.

Other Positions:

- Vice-Chairman of the Board of Directors of H.E. Sultan bin Rashed Al Dhaheri.
- Member of the Audit Committee of Abu Dhabi National Oil Company (ADNOC).
- Member of the Board of Directors of Abu Dhabi National Hotels (ADNH).
- Member of the Board of Directors of Arab Bank for Investment and Foreign Trade (Al Masraf).

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Experience and Qualifications:
Qualification: Associate of the Insurance Institute of South Africa (AIISA). Mr. Akoob has international experience in general management, strategy, economics, technical insurance, reinsurance underwriting, takaful, re-takaful, risk management and financial management affairs. He is also a member of the Boards of Directors of international insurance and reinsurance companies and others. He is a speaker in various seminars and conferences around the world.

Mahomed Akoob
Election Date: 2020
Term of Membership: 1 Year and 4 Months
Category: Independent Non-Executive Director

Other Positions:
- Chairman of Credit Guarantee Insurance Company Limited in South Africa.
- Member of Green Vision in United Kingdom
- Member of the Board of Directors of Chedid Capital Holding – Lebanon.

Dar Al Takaful (PJSC) board members acknowledge that the above information contained therein clauses 2 and 3 is valid.

5. **Statement of the percentage of female representation in the Board for 2022:**
The company has exhibited commitment to female representation in the Board with a ratio of one member out of a total of 7 members, in accordance with the decision of the Chairman of the authority No. (03 R/M) of 2020, and its amendments regarding standards of institutional discipline and governance of Joint Stock companies.

6. **The total remunerations paid to the Board members for 2021.**
In its meeting held on 25/04/2022, the General Assembly approved the remuneration to the members of the Board in total of AED 1,400,000.

7. **The total remunerations to the Board members, which are proposed for 2022, and will be presented in the annual general assembly meeting for approval.**
The Board members' remuneration for the year of 2022 will be discussed at the next General Assembly Meeting, provided that the competent authorities will be notified in due course.

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8. **A statement detailing the allowances for attending the meeting of the committees emanating from the Board of Directors for the fiscal year 2022.**

Names of members	**Investment & Strategic committee**	**The Audit committee**	**The Risk committee**	**Nomination and remunerations Committee**	**Number of attended meetings**	**Amount paid in AED**
Dr. Ali Saeed Bin Harmal Aldhaheri	2	—	—	—	2	20,000
Matar Hamdan Sultan Al Ameri	—	2	—	—	2	20,000
Dr. Mohamed Ali Al Barwani	—	—	—	—	0	—
Shahab Ahmad Lutfi	2	2	—	1	5	50,000
Eng. Usama Mohamed Al Barwani	2	—	—	2	4	40,000
Mr. Mohamed Nael Al Shamsi	—	—	—	2	2	20,000
Abdallah Malek Osseiran	2	2	—	1	5	50,000
Youssef Sami Alami **(Advisor)**	2	—	—	—	2	20,000
Khalaf Sultan Rashed AlDhaheri **(Resigned Member)**	—	—	—	1	1	10,000
Meitha Mohamed Al-Hashemi **(Resigned Member)**	—	1	1	—	1	20,000
Mahomed Akoob **(Resigned Member)**	—	2	2	—	2	40,000
Salah Ibrahim Sharaf **(Resigned Member)**	—	1	1	_	1	10,000
Marwan Ahmad Lutfi	—	1	1	—	2	20,000

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a. **Details of the allowances, salaries or additional fees received by a Board member other than the allowances for attending the committees and their reasons.**

As part of the merger project and the post-merger between the company and Watania Takaful Company "Watania", the below allowances were paid to Board members who exerted ample effort to attend meetings during the year 2022.

Name of Board Members	Paid up amount in UAE dirhams
Shahab Ahmad Lutfi	355,000.00
Eng. Usama Mohamed Al Barwani	355,000.00
Abdallah Malek Osseiran	355,000.00
Youssef Sami Alami **(Advisor)**	355,000.00

b. **Number of Board Meetings:**

No	Meeting date	Number of attendees	Number of attendees by proxy	Names of absent members
1	31/01/2022	7	None	None
2	16/03/2022	7	None	None
3	13/05/2022	6	None	Salah Ibrahim Sharaf
4	21/07/2022	7	None	None
5	11/08/2022	7	None	None
6	14/11/2022	7	None	None
7	06/12/2022	7	None	None

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c. **Number of Board resolutions passed during fiscal year 2022, along with its meeting convention dates.**
A resolution was passed by the Board of Directors on 21/03/2022 to appoint Mr. Gautam Datta as the new Chief executive officer.

d. **A statement of the duties and responsibilities of the Board members or the executive management during 2022, in accordance with Board authorization, indicating the duration and validity of the authorization as follows:**

Name and Position	Delegated Authority	Delegation period
Mr. Gautam Datta CEO	Since 21/03/2022, Mr. Gautam Datta has been managing the daily and operational business of the company, which includes the following duties: **1.** Signing all transactions and correspondences of the company pertaining to its activities within the United Arab Emirates. **2.** Representing the company Board before any of the departments belonging to the local governments in any of the emirates of the state, such as the economic department, municipality, health department, police, courts, arbitration courts, notary public and others. **3.** Practicing any business or activity and performing any act that is related to the company's activity which is permissible under Islamic law in accordance with the law and regulation, provided that it is related, affiliated, or complementary to any of the company's purposes, and its funds, assets and properties. **4.** Signing any legal documents or procedures required to be filed with the authorities. **5.** Delegating lawyers and other individuals in all or part of what he has been entrusted with, and dismissal, withdrawing, cancellation, increasing or decreasing powers from those previously entrusted to him. **6.** Appointing and dismissing employees and consultants and determining their duties and remunerations. **7.** Arranging the annual budget.	Executive management of the company undertakes the duties and authority entrusted to him by virtue of attested authorization by the Board, which shall be subject to a continuous review by the Board. Unless canceled or abolished by the Board, these powers will remain in effect.

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e. A statement of the details of transactions made with the related parties:

Transactions made with related parties are those in which one party has a material influence over the other party in making financial and operational decisions. A transaction with a related party can create potential or actual conflicts in the company, giving the impression that business decisions are influenced by factors that contradict the company's and shareholders' interests. Transactions with related parties can sometimes be beneficial to the company and its shareholders. Consequently, related party transactions must be approved by the Board. Additionally, the company's management must specify the terms and conditions for these transactions. Related parties represent the major shareholders, the Board members and the key management personnel of the group and companies that have significant influence over the company.

f. Details of transactions made with the related parties:

During 2022, no transactions are made with related parties.

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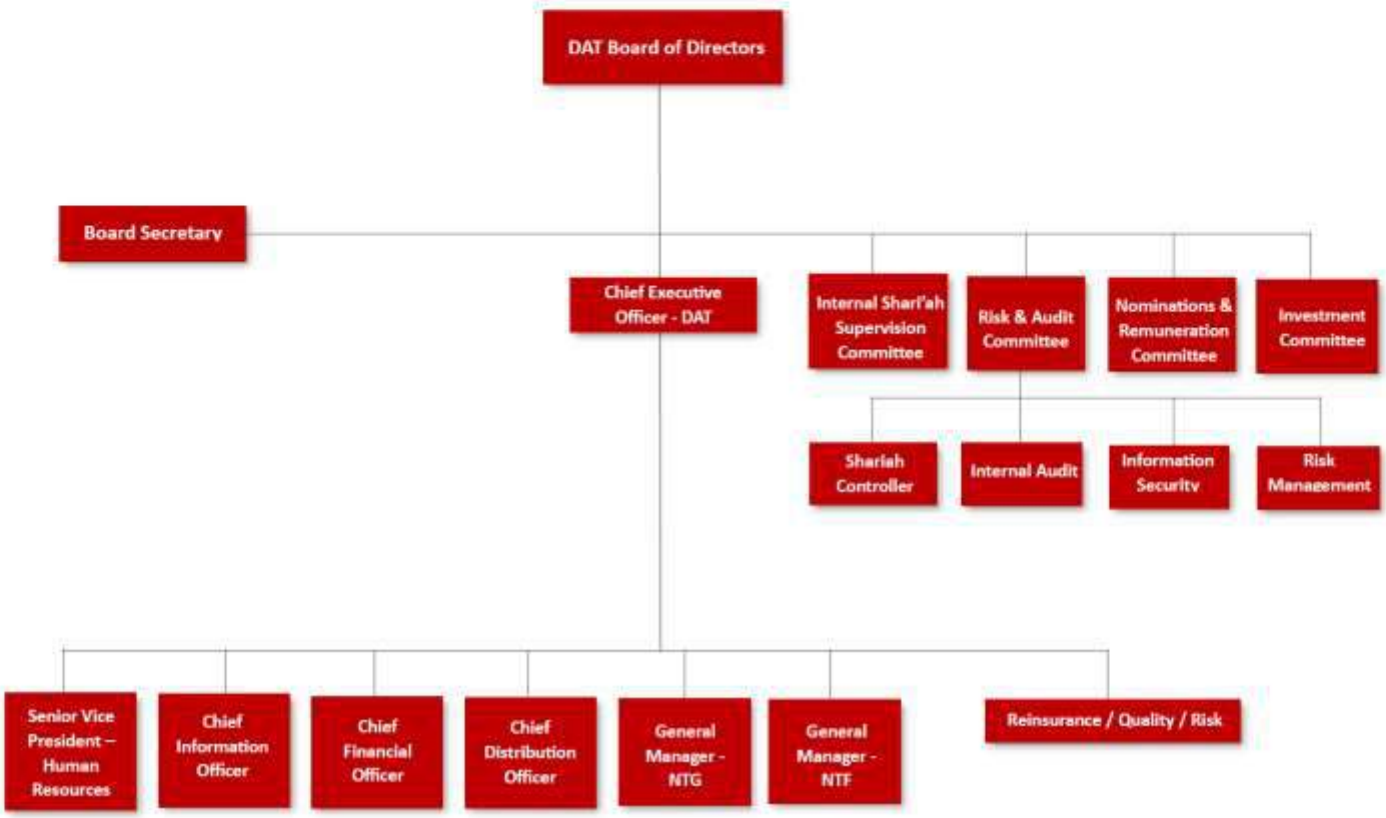
g. The organizational structure of the company:



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h. **Detailed statement of the senior executives in the first grade, according to the company organizational structure:**

Sr.	Position	Date of Appointment	Total salaries and allowances paid in 2022	Total Bonuses paid in 2022	Any other Cash/In-Kind Reward for 2022 or payable in the future
1	Chief Executive Officer	21/03/ 2022	1,712.052	—	—
2	Chief Financial Officer	01/07/2022	465,000.00	—	—
3	General Manager – Noor Takaful General	14/05/2017	780,600.00	—	—
4	General Manager – Noor Takaful Family	01/07/2022	420,000.00	—	—
5	Senior Vice President - Human Resources	27/04/2022	480,000.00	—	—
6	Chief Information Officer	01/07/2022	435,000.00	—	—
7	Head of Internal Audit	01/07/2022	266,316.00	—	—
8	Deputy General Manager – Noor Takaful Family	20/11/2011	600,000.00	—	—
9	Chief Technical Officer (CTO) **(Resigned on 30/06/2022)**	01/08/2016	341,880.00	—	—
10	Chief Executive Officer **(Resigned on 01/06/2022)**	26/07/2020	700,000.00	376,034.26	—
11	Chief Financial Officer **(Resigned on 30/09/2022)**	26/07/2020	995,520.00	248,880.00	—
12	Chief Sales & Marketing Officer **(Resigned on 30/09/2022)**	26/07/2020	843,600.00	—	—
13	Chief Risk Officer **(Resigned on 30/09/2022)**	26/07/2020	849,000.00	212,250.00	—
14	General Manager – Noor Takaful General **(Resigned on 17/06/2022)**	23/01/2011	352,560.00	—	—
15	Chief Family Takaful Officer **(Resigned on 30/09/2022)**	10/09/2019	660,000	—	—
16	Senior Vice President – Human Resources **(Resigned on 30/04/2022)**	26/07/2020	180,000.00	—	—

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9. The External Auditor of the Company:

a. Overview of the company auditor.

The Board has submitted its recommendations for the external auditor selection, and they were reviewed at the General Assembly to express opinion and ratify it. The General Assembly, in its meeting held on 25/04/2022, decided to approve the appointment of Grant Thornton Company, which is the sixth largest professional services network in the world and is one of the independent companies recognized by financial markets, regulators and one of the international standards-setting bodies. Grant Thornton has a long legacy of more than 50 years of continuous support for the economic advancement of companies in various fields. The local team in the UAE has on board more than 200 professionals supported by a large-scale of regional team in more than 12 branches around the world.

b. Statement of fees and costs for the audit or the services provided by the external auditor:

Name of the Audit Office and Name of the Partner Auditor	Grant Thornton - Mr. Mohamed Farouk Reg. No. 86
No. of years that he served as an external auditor for the Company.	3
Total audit fees for the financial statements for 2022 (AED).	AED 178,333
Fees and costs of other private services other than auditing the financial statements for 2022 (AED), if any, and in case of absence of any other fees, this should be expressly stated.	AED 100,850
Details and nature of other services (if any). If there are no other services, this matter shall be stated expressly.	IFRS3 Business combination review and AUP
Statement of other services that an external auditor other than the company accounts auditor provided during 2022 (if any). In the absence of another external auditor, this matter is explicitly stated.	No other services

c. Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for 2022.

In Grant Thornton's opinion, the consolidated financial statements present the Group's consolidated financial position fairly in every material respect as of December 31, 2022. Furthermore, the consolidated financial performance and its cash flows for the year ended on the same date are made in accordance with the International Financial Reporting Standards.

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10. Audit committee:

The Audit Committee demonstrates its persistence in interacting with the external auditors, fostering a productive relationship with them, as well as reviewing the financial statements. As part of its responsibilities, the committee supervises the Internal Control Department and plays an active role in ensuring that the company adheres to competent regulatory requirements while also ensuring that accounting practices are efficient.

a. Names of the Audit Committee members:

The Audit Committee consists of the following Board members:

1	Matar Hamdan Sultan Al Ameri	**Committee Chairman**
2	Shahab Ahmad Lutfi	Member
3	Abdallah Malek Osseiran	Member
4	Meitha Mohamed Al-Hashemi **(Resigned on 31/03/2022)**	Former Chairperson
5	Salah Ibrahim Sharaf **(Resigned on 01/07/2022)**	Member
6	Mahomed Akoob **(Resigned on 01/07/2022)**	Member
7	Marwan Ahmad Lutfi **(Resigned on 01/07/2022)**	Member

b. Duties of the audit committee:

1. Review the company financial and accounting policies and procedures.
2. Monitor the integrity of the company financial statements; its (annual, semi-annual, and quarterly) reports, its control systems, and reviewing them as part of its normal work during the year, with particular attention being provided to the following:

   - Any changes in the accounting policies and practices.
   - Highlighting aspects which are subject to management discretion.
   - Ensure that the company updates its policies, procedures, and control systems annually.
   - Substantive amendments resulting from the audit.
   - Ensure the continuity of the company's business.
   - Assumption of business continuity.
   - Compliance with accounting standards established by the competent Authorities.
   - Compliance with listing and disclosure regulations and the relevant legal requirements related to financial reporting.

3 Coordinate with the company Board, the senior executive management and the financial manager or the manager delegated with the same tasks in the company in order to perform its assigned duties

4 Consider any significant and unusual terms contained or to be contained in such reports and accounts and shall give due consideration to any matters raised by the Company Chief Financial Officer, the manger delegated with the same duties, the compliance officer or the auditor.

5 Raise recommendations to the Board regarding the selection, resignation, or dismissal of the auditor. In case the Board does not approve the Audit Committee recommendations in this regard, the Board shall attach to the governance report a statement explaining the Audit Committee recommendations and the reasons why the Board has not followed them.

6 Develop and implement the policy of contracting with the auditor, and submit a report to the Board, outlining the issues that it deems necessary to be taken, along with providing recommendations for steps to be taken.

7 Ensure that the auditor meets the conditions stated in the applicable laws, regulations, and decisions and in the company articles of association, along with following up and monitoring its independence.

8 Meet the auditor of the company without presence of any senior executive management personnel or its representatives and discuss the same with regard to the nature and scope of the audit process and its effectiveness in accordance with the audited standards.

9 Approve any additional works made by an external auditor for the company and the fees received in consideration for that works.

10 Examine all matters related to the auditor's work, his work plan, correspondence with the company, his observations, suggestions and reservations, and any substantial queries raised by the auditor to the senior executive management regarding the accounting records, financial accounts or control systems, in addition to following up the response of the company management and provision of the necessary facilities to do his work.

11 Ensure that the Board responds in a timely manner to the clarifications and substantive issues raised in the auditor's letter.

12 Review and evaluate the company internal audit and risk management systems.

14 Discuss the internal audit system with the Board and ensure that it performs its duty with regard to establishing an effective internal audit system.

15 Consider the results of the main investigations regarding the internal auditing matters mandated to it by the Board or at the initiative of the Committee and the approval of the Board.

16 Review the auditor evaluation of the internal control procedures and ensure that there is coordination between the internal and external auditors.

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17 Ensure of the availability of necessary resources for the internal auditing department, review and monitor the effectiveness of such department.

18 Examine the internal auditing reports and follow up on the implementation of corrective actions for the observations contained therein.

19 Establish controls to enable company employees to report confidentially on any potential violations in financial reporting, internal audit or other matters and steps to ensure that such violations are independently and fairly investigated.

20 Monitoring the company's compliance with the code of conduct.

21 Review related party transactions with the Company, ensure that there are no conflicts of interest and raise recommendations about them to the Board before concluding them.

22 Ensure the implementation of the business rules of its functions and powers entrusted in it by the Board.

23 Ensure that all the matters mentioned above are reported to the Board as well as recommendations.

c. Mandate of the Audit Committee:

The board mandates the audit committee to review all activities within its scope. It has unfettered access to external auditors and can seek professional advice on any matter relating to the company's financials. In addition, the committee shall have the power to request information from any Board member or employee it needs. It is the responsibility of the Board members and staff to cooperate with any request made by the committee.

Periodically, the committee's chairman submits reports to the board on matters that the committee evaluates and recommends. During the General Assembly meeting, the committee's chairman attends, answers shareholders' queries, and ensures that the governance guidelines are implemented.

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d. Statement of the number of meetings held by the Audit Committee during 2022:

The committee held four meetings during 2022 as follows:

The Audit Committee	**Date of meetings**			
Member's name	**15/03/2022**	**12/05/2022**	**11/08/2022**	**11/11/2022**
Matar Hamdan Sultan Al Ameri	—	—	✓	✓
Shahab Ahmad Lutfi	—	—	✓	✓
Abdallah Malek Osseiran	—	—	✓	✓
Meitha Mohamed Al-Sharif Al-Hashemi	✓	—	—	—
Salah Ibrahim Sharaf	×	×	—	—
Mahomed Akoob	✓	✓	—	—
Marwan Ahmad Lutfi	—	✓	—	—

Number of personal attendances for all audit committee members:

#	Member's Name	Number of personal attendances
1	Matar Hamdan Sultan Al Ameri	2/4
2	Shahab Ahmad Lutfi	2/4
3	Abdallah Malek Osseiran	2/4
4	Meitha Mohamed Al-Sharif Al-Hashemi	1/4
6	Salah Ibrahim Sharaf	0/4
6	Mahomed Akoob	2/4
7	Marwan Ahmad Lutfi	1/4

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The audit committee Chairperson's acknowledgement of her responsibility for the committee mandates, in the Company and review of its mechanism and ensuring its effectiveness:

The Chairman of the Audit Committee acknowledges his responsibility for implementing the committee mandate's in the Company and conducting regular periodic reviews of the committee mechanism and its effectiveness, in accordance with the decision of the Securities and Commodities Authority No. (3/ R.M) for 2020 and its amendments regarding the implementation of governance, institutional discipline, and governance standards for public joint stock companies.

11. The Nomination and Remuneration Committee:

As part of its responsibilities, the nominations and remuneration committee develops and reviews the remuneration policy for the Board, executive management, and determines total compensation in accordance with the approved salary and remuneration structures. Additionally, the committee prepares and reviews the human resources policy to ensure compliance with applicable laws and regulations and oversees the nomination process for Board members.

a. Names of the Nomination and Remuneration Committee Members:

The Nomination and Remuneration Committee consists of the following Board members:

1	Eng. Usama Mohamed Barwani	**Committee Chairman**
2	Matar Hamdan Sultan Al Ameri	Member
3	Mohamed Nael Al Shamsi	Member
4	Shahab Ahmad Lutfi	Former Chairman
5	Abdallah Malek Osseiran	Member
6	Khalaf Sultan Rashed AlDhaheri **(Resigned on 01/07/2022)**	Member

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b. The Main Duties of the Nomination and Remuneration Committee are:

1. Develop a policy to nominate for membership of the Board and executive management. aiming at considering gender diversity within the formation and encouraging females through benefits, incentive, training programs, and provides the authority with a copy of this policy and any amendments thereto.
2. Organize and pursue the procedures for nomination for membership of the Board in accordance with the decision of the Board of the Securities and Commodities Authority No. (3/ R).M) for 2020 and its amendments.
3. Ensure the continuity of the membership conditions on the Board.
4. Prepare the policy for granting remunerations, benefits, incentives, and salaries of the members of the Board, the executive management, and employees, and review it annually. The committee shall verify that the remunerations and benefits granted to the senior executive management are reasonable and commensurate with the performance of the company.
5. Annually, review the required skills needed for the membership of the Board and prepare a description of the capabilities and qualifications required for Board membership, including determining the time required to be devoted by the member to the work of the Board.
6. Identify the company needs of competencies at the level of senior executive management, employees, and the basis of their selection.
7. Prepare the human resources, training policy for the company, monitor its implementation, and review it annually.
8. Any other matters determined by the Board.

c. Statement of the number of meetings held by the Committee during 2022:

Nomination and Remuneration Committee	Date of the meetings		
Member's name	**06/04/2022**	**31/10/2022**	**23/11/2022**
Eng. Usama Mohamed Barwani	×	✓	✓
Matar Hamdan Sultan Al Ameri	—	×	×
Mohamed Nael Al Shamsi	—	✓	✓
Shahab Ahmad Lutfi	✓	—	—
Abdallah Malek Osseiran	✓	—	—
Khalaf Sultan Rashed AlDhaheri **(Resigned on 01/07/2022)**	✓	—	—

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- **Number of personal attendance of times for all nomination and remuneration members:**

#	Member's name	Number of personal attendances
1	Eng. Usama Mohamed Barwani	2/3
2	Matar Hamdan Sultan Al Ameri	0/3
3	Mohamed Nael Al Shamsi	2/3
4	Shahab Ahmad Lutfi	1/3
5	Abdallah Malek Osseiran	1/3
6	Khalaf Sultan Rashed Saeed AlDhaheri	1/3

The nomination and remuneration Committee Chairman acknowledgement of his responsibility for the committee, review of its work mechanism and ensuring its effectiveness:

The Chairman of the Nomination and Remuneration Committee acknowledges his responsibility for ensuring that the committee's mandate is implemented in the Company and to review its effectiveness and function regularly, in accordance with Securities and Commodities Authority Board decision No. (3/ R.M) for 2020 and its amendments on the implementation of governance standards, institutional discipline, and governance for public joint stock companies.

12. The Risk committee:

a. Names of Risk Committee Members:

1	Meitha Mohamed Al-Hashemi	Former Chairperson
2	Salah Ibrahim Sharaf	Member
3	Mahomed Akoob	Member

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b. The Mandate and Duties of the Risk Management Committee are Summarized as Follows:

1. Establish a comprehensive risk management strategy and policies that are appropriate to the company's nature and scale, monitor their implementation, review, and continuously update them to address internal and external risks.
2. Set and maintain an acceptable level of risk for the company and take measures to ensure that this level is not exceeded.
3. Assess the effectiveness of the company's risk management framework and its mechanisms to identify and control risks.
4. Assist management in improving risk management practices and/or mitigating certain risks, as well as hiring qualified personnel to handle risk management responsibilities.
5. Ensure that processes and systems are operating effectively with adequate controls and are complying with policies approved by the executive management as well as the internal audit.
6. Provide reports detailing the level of risk exposure, recommendations for managing them, etc. Share the information with the Board of Directors.
7. To provide recommendations to the Board on matters pertaining to risk management.
8. Ensure that adequate resources and systems are available to manage risks.
9. Provide the Board with regular updates on the Company's risk profile and immediately alert the Board of any significant changes in risk volume.
10. Ensure that risk management personnel are independent from any activities that could expose the company to risks.
11. Identify any issues that may affect the risk management of the Company that are raised by the Audit Committee.
12. Monitor the overall effectiveness of the risk management unit, including the appointment, performance, and termination of the chief risk officer.

c. A statement of the number of meetings held by the committee during the year, 2022:

Risk Committee	Date of the meetings	
Member's Name	**15/03/2022**	**12/05/2022**
Meitha Mohamed Al-Sharif Al-Hashemi	✓	—
Salah Ibrahim Sharaf	✓	—
Mahomed Akoob	✓	✓
Marwan Ahmad Lutfi	—	✓

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The Number of personal attendance times for Committee Members:

#	Member's name	Number of personal attendances
1	Meitha Mohamed Al-Sharif Al-Hashemi	1/2
2	Salah Ibrahim Sharaf	1/2
3	Mahomed Akoob	2/2
4	Marwan Ahmad Lutfi	1/2

The Risk committee chairperson acknowledgement of her responsibility for the committee, review of its work mechanism and ensuring its effectiveness:

The Chairperson of the Audit Committee acknowledges the responsibility for the implementation of the committee mandates in the Company and the regular periodic review of the function of the committee mechanisms and its effectiveness, according to the decision of the Board of the Securities and Commodities Authority No. (3/ R).M) for 2020 and its amendments on the implementation of standards of governance, institutional discipline, and governance of public joint stock companies.

13. The Strategic and investment committee:

a. Names of the members of the Strategic and investment committee:

1	Dr. Ali Saeed Bin Harmal Aldhaheri	**Committee Chairman**
2	Eng. Usama Mohamed Barwani	Member
3	Shahab Ahmad Lutfi	Member
4	Abdallah Malek Osseiran	Member
5	Youssef Sami Alami	Advisor

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b. The strategic and investment committee terms of reference:

1. Prepare and review investment plans and policies including risk limits and exposures in the company's investment activities periodically to ensure their suitability for the current market conditions.
2. Evaluate prospective strategic investment proposals that require Board approval, prior to submitting such proposals to the Board, and make recommendations to the Board accordingly.
3. Review and present proposals submitted to the committee, in accordance with the delegated powers granted to the committee and ensure that clear processes are in place to provide guidance and support regarding approved transactions / contracts, as well as monitoring progress, whenever necessary.
4. Considering and dealing with any other matters referred to or vested in it by the Board as stipulated in the authorities register.
5. Monitor the performance of the investment portfolio.

c. A statement of the number of meetings held by the Committee during 2022:

Strategic and investment Committee	**Date of the meetings Date**	
Member's name	**31/08/2022**	**30/11/2022**
Dr. Ali Saeed Bin Harmal Aldhaheri	✓	✓
Eng. Usama Mohamed Barwani	✓	✓
Shahab Ahmad Lutfi	✓	✓
Abdallah Malek Osseiran	✓	✓
Youssef Sami Alami	✓	✓

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Number of personal attendance of times for the Strategic and investment committee members:

#	Name of member	Number of personal attendances
1	Dr. Ali Saeed Bin Harmal Aldhaheri	2/2
2	Eng. Usama Mohamed Barwani	2/2
3	Shahab Ahmad Lutfi	2/2
4	Abdallah Malek Osseiran	2/2
5	Youssef Sami Alami **(Advisor)**	2/2

The Strategic and investment committee Chairman acknowledgement of his responsibility for the committee system, review of the mechanism, and ensure its effectiveness:

The Chairman of the strategic investment committee acknowledges his responsibility for implementing the committee's mandates and conducting regular reviews of the committee's mechanism and effectiveness, in accordance with the decision of the Board of the Securities and Commodities Authority No. (3/ R.M) for 2020 and its amendments on the Implementation of the standards of governance, institutional discipline, and governance for public joint stock companies.

14. Insider Trading Supervision Committee:

The company has implemented procedures designed to prevent insiders from exploiting confidential inside information for material or moral gain.

The transactions made by the insiders and their ownership are supervised, their records are kept, and periodic statements and reports are submitted to the market as determined by the chairman of the Securities and Commodity Authority. (3/ R.M) regarding standards of institutional discipline and governance for joint stock companies for 2020.

In addition, the company has demonstrated commitment to updating its disclosure policy, ensuring the implementation of the transparency policy conforms to the regulatory authorities' and applicable regulations' requirements, which included the obligations to disclose periodic reports, material information, as well as the ownership of insiders and their first-degree relatives. The company has also complied to provide information to shareholders and investors on the website of the company and the Dubai Financial Market in an accurate, clear, non-misleading, and timely manner, facilitating their decisions and enhancing disclosure.

In addition to updating insider transactions policies, disclosure policies, and transparency policies, the company has taken the following actions through 2022.

1. Prepared a comprehensive record of all insiders, including those who may be considered temporarily insiders and their disclosures.
2. An updated list of insiders is provided to the relevant authority and the DFM market each fiscal year, as well as any changes made during the year.
3. D An insider's register and data were submitted to the competent authority upon request.

Insider Trading Supervision Chairman acknowledges responsibility for the transactions made by insiders, reviews the mechanism, and ensures its effectiveness.

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15. The internal control:

The company updated its internal policies and procedures related to risk and internal controls in 2022. Internal controls are implemented in accordance with the applicable regulations. Following are the updated policies:

- Anti-money laundering and compliance management framework.
- Whistleblowing policy.
- Conflict of interest policy.
- Stock Trading Policy.
- Anti-money laundering policies and procedures.

1. **The Internal Control Management function was established in July 2022.**
It is directly responsible to the board of directors. Internal Control Management relies on absolute transparency, and periodically, the board of directors is given a written report about the organization's procedures, the results, and the recommendations that it builds upon. Knowing that the board, during its meeting, has decided to outline in detail the responsibilities assigned to the internal control management in accordance with the special ministerial resolution on governance.

2. **Work mechanism of the Internal Control management in the Company:**

The company's Internal Control management mechanisms include monitoring the control environment along with the auditing committee on behalf of the board of directors, which is a part of the Internal Control management framework for the company. In addition to reviewing reports and recommendations related to how the company's departments and entities are adhering to the company's objectives and special policies as defined by the board of directors almost every three months, the company's management meets with the committee almost every three months.

The responsibilities of the Internal Control management are as follows: -

1. To evaluate procedures of risk management in a company
2. To follow up on the sound implementation of governance rules.
3. To make sure the company and the employees comply with the applicable provisions of the laws, regulations and resolutions that organize its work, policies, and internal procedures.
4. To evaluate the work of the internal committees and its efficiency to reduce risks faced by the company and to relay proper recommendations to rectify the weaknesses therein.
5. To review the financial data relayed to the company’s higher management used in preparing the financial statements.
6. To compare and analyse the actual financial results along with its previous estimates and to put the explanations, solutions, and recommendations about it.
7. Coordinate with the external auditors and other control authorities regarding information provision and exchange, answer their explanations and remarks in cooperation with the company's relevant entities, and follow up on rectifying the violations and recommendations contained in the report.
8. To prepare periodical reports, upon request, when necessary, regarding the process of control and auditing, relaying it to the board of directors to take decisions accordingly.

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9. To impose additional controls over some departments through following up on:
    a. Effectiveness and efficiency of the company's related activity operations
    b. Restraints of the financial operations (payment, cashing, transfer, deductions. Etc)
    c. Accountants' accurate records
    d. Data transfer and the company's information systems and internal programs operations
    e. Matching the internal data with the data emanating from external sources
    f. Matching the accounts' yearly results with the records and books
    g. Appropriate measures are taken to preserve tangible assets and records
    h. Internal Control management dealing with any arising big problem

3. **Name of the Head of the Department, his qualifications and date of appointment.**

Abraham George is an Indian national who assumes internal control management, he holds masters degree, M. Com in financial management from Kerala University in India in 1985, and an MBA in Audit, Finance and Insurance. He is also an associate in general insurance AIII, a Certified Internal Control Auditor and a Certified Fraud Examiner with more than 32 years of experience. A strong background in internal audit & internal control, quality management (business excellence), financial accounting and general insurance, including life, individual, group and health insurance, with several reputable organizations in the Middle East. He served as Head of Internal Audit & Internal Control for National Takaful Company (Watania) until 30th June 2022, and he is currently Chief Audit Executive for DAT & NOOR Takaful Company.

4. **Name and qualifications of the Compliance Officer:**

On December 05, 2021, Ms. Sumaya Haj Al Balushi took charge of the compliance department. She holds a bachelor's degree in management information system and a diploma in anti-money laundering and compliance. She previously worked for Noor Bank for 8 years in the compliance department. She is successor of Hessa Saeed, who resigned in September 2021.

5. **How the Internal Control Department deals with major issues in the company:**

In the event of any crisis or any exceptional issue that affects the company's course of action, such as big problems, the internal control management shall define the problem and assess its impact on the company, then call on the auditing committee to meet and discuss the problem, its causes, and the measures needed to mitigate its impact and limit its recurrence, along with relaying these recommendations to the board of directors for their consideration. There were no major problems faced by the company during the course of the year.

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6. **Number of reports issued by the Internal control Department to the Board.**
   There are periodic meetings of the Internal Control Department with the risk management committee and audit committee to discuss internal control and compliance issues.
   The Board of Directors is responsible for overseeing the internal control system of the company, reviewing the mechanism for its operation, and ensuring that it is effective to prevent fraud.

The Board acknowledges responsibility for the company's internal control system, review its work mechanism, and ensure its efficiency.

16. Details of violations committed during 2022, explaining their causes, how to address them and avoid their recurrence in the future:

The company commits to complying with all the regulatory requirements of the regulatory authorities and updates the internal control procedures continuously in order to prevent any violation of any of the applicable regulations by the company.
In the year 2022, no violations were detected within the organization.

17. Statement of the cash and in-kind contributions made by the Company during 2022 in developing the local community Environmental Conservation.

A donation of AED 6,000 was made to Rashid Hospital and Al Jalila Foundation for the Breast Cancer Awareness Program.

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18. General information:

a. Statement of the company share price in the market (closing price; highest price, and lowest price) at the end of each month during the financial year, 2022.

Month	High (AED)	Low (AED)	Closing (AED)
Jan-22	1.270	1.140	1.180
Feb-22	1.140	1.120	1.330
Mar-22	1.380	1.140	1.180
Apr-22	1.150	1.050	1.130
May-22	1.150	0.954	1.010
Jun-22	1.080	0.941	0.981
Jul-22	1.130	0.941	0.990
Aug-22	1.090	0.859	0.926
Sep-22	0.935	0.767	0.767
Oct-22	0.962	0.659	0.720
Nov-22	0.837	0.623	0.745
Dec-22	0.780	0.640	0.698

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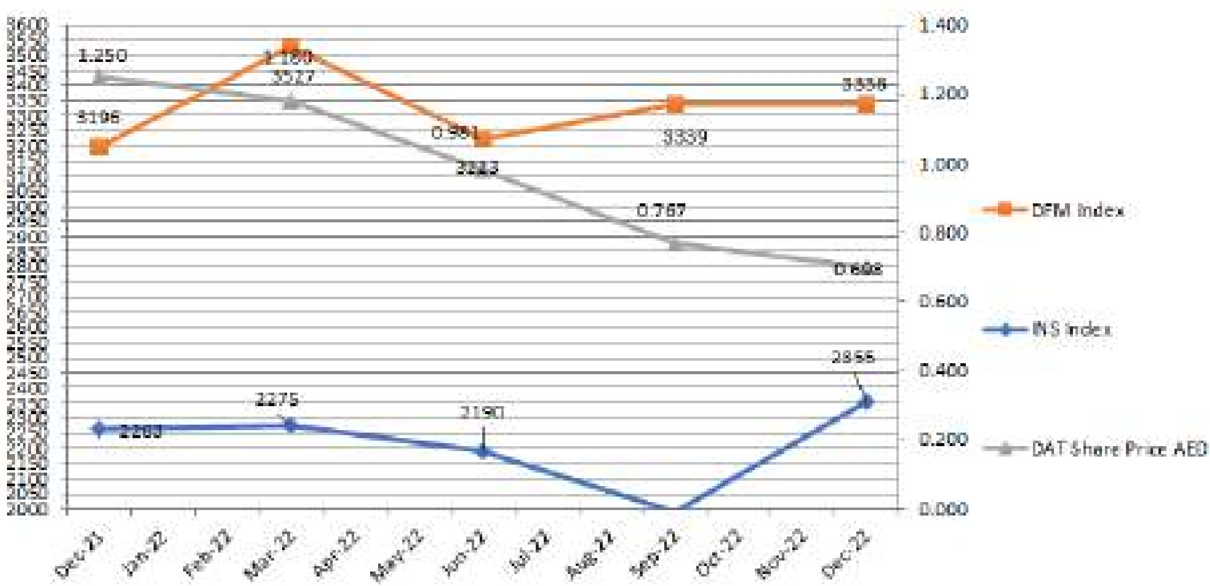
b. **A statement of the comparative performance of the company's shares with the general market index and sector index to which the company belongs during the 2022.**

Year	DFM Index	INS Index	DAT Share Price AED
Dec-21	3196	2263	1.250
Mar-22	3527	2275	1.180
Jun-22	3223	2190	0.981
Sep-22	3339	1987	0.767
Dec-22	3336	2355	0.698



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c. **Statement of shareholders' ownership distribution as on 31/12/2022 (individuals, companies, governments) classified as follows: Local, Gulf, Arab, and Foreign.**

Shareholder's classification	**Percentage of owned shares**			
	Individuals	**Companies**	**Government**	**Total**
Local	44.2868 %	43.3884 %	—	87.6752 %
Gulf	1.6017 %	4.4639 %	—	6.0656 %
Arab	4.7389 %	0.0928 %	—	4.8317%
Foreign	1.4274 %	—	—	1.4274 %
Total	52.0548 %	47.9451%	—	100 %

d. **Statement of shareholders owning 5% or more of the company's capital as on 31/12/2022:**

Name	**No. of Shares**	**Percentage of Shareholding**
MB UAE Investment	56,179,687	21.5946 %
Magna Investment LLC	32,507,781	12.4955 %
Mohammed Sultan Mohammed Hashel Al Khyeli	29,717,123	11.4228 %
Ali Saeed Sultan Bin Harmal Aldhaheri	20,855,486	8.0165 %
Mohammed Qusai Mohammed Al Ghusssein	14,900,657	5.7276 %

e. **Statement of shareholders distribution according to the size of the ownership as on 31/12/2022 as detailed herein below:**

Share (s) ownership	Number of Shareholders	Number of owned Shares	Percentage of owned shares of the Capital
Less than 50,000	2,049	6,771,897	2.6030 %
From 50,000 to less than 500,000	142	21,013,718	8.0769 %
From 500,000 to less than 5,000,000	26	40,847,984	15.7013 %
More than 5,000,000	10	191,522,651	73.6183 %

19. Statement of the measures taken regarding the controls of investor relationships, and an indication of the following:

Dar Al Takaful (PJSC) has updated and developed its investor relations website in order to be compliant with the requirements and controls of the Securities and Commodities Authority's investor relations department. Shareholder, investor, as well as the public, can access the Company website at: www.dat.ae.

a. Contact details for the investor relationship manager:

- **Investor Relationship Manager contact Details:**
  - Mrs. Nawal Maally, Investor Relationship Manager.
  - Email address: ir@dat.ae
  - Contact No. **800-TAKAFUL (8252385)**
  - Link for the investor relations page on the Company's website https://www.dat.ae/investor-relation

b. Statement of special decisions presented in the general assembly held during 2022 and the procedures taken in their regard.

Following are the special resolutions adopted by the General Assembly on 25/04/2022:

1. The merger between the Company and Wataniya Takaful Company PJSC ("Watania") was approved by way of consolidation in accordance with the provisions of Article 285 (1) of Federal Decree-Law No. (32) of 2021 regarding commercial companies ("Law"), by issuing 0.734375 new shares in the company for every 1 share of a national company, in accordance with the terms and conditions of the merger.
2. Merger agreements between the company and Wataniya have been approved in accordance with the provisions of Articles 285 (1) and Article 287 (1) of the Law and the timetable for the merger.
3. The evaluation report issued by KPMG (the independent valuer) regarding National Assets and Dar Al Takaful Company has been approved.
4. As a result of the merger, the following decisions were made and amendments to the company's Articles of Association were approved:
   a. As of the effective date of the merger, the company's capital has been increased from AED 150,000,000 to AED 260,156,250;
   b. Amending Article 7 of the Company's Articles of Association to reflect the increase in the Company's capital as stated in Paragraph (a) above; And
   c. The approval of the amended Articles of Association of the company as published on the company's website and uploaded on the Dubai Financial Market portal.
5. Election of seven members of the Board of Directors of the Company for a period of three years, and as of the entry into force of the merger, these members shall be:
   a. Dr. Ali Saeed Bin Harmal Aldhaheri
   b. Matar Hamdan Sultan Al Ameri
   c. Dr. Mohamed Ali Al Barwani
   d. Shahab Ahmad Lutfi
   e. Eng. Usama Mohamed Al Barwani
   f. Mohamed Nael Al Shamsi
   g. Abdallah Malek Osseiran

c. Board Secretary:

- **Name of the Board Secretary and his appointment date:**
  - Mrs. Nawal Ma'ally was appointed on 21/03/2022.

- **Qualifications:**
  - A certificate of qualification for the Secretary of the Board of Directors awarded from (The Chartered Governance Institute UK & Ireland).
  - Bachelor's degree from Al-Balqa Applied University - Jordan

- **Statement of his duties during the year:**
  - Coordinate the dates of Board meetings with all members.
  - Prepare the agenda for the board of directors' meetings in coordination with the executive management.
  - Prepare the minutes of the Board meetings and sending them to all members for review and approval.
  - Follow up the implementation of the Board resolutions with the executive management.
  - Ensure effective management within the company.
  - Ensure compliance and integrity of the organizational structure with legal requirements of governance.
  - Providing Dubai Financial Market and the Securities and Commodities Authority with the necessary disclosures.

d. Detailed statement of major events and important disclosures that the company encountered during 2022.

Upon completion of the merger between the company and the National Takaful Company "Watania" PJSC, the company's capital increased from 150,000,000 UAE dirhams to 260,156,250 UAE dirhams.

e. Statement of Emiratization percentage in the company at the end of 2022.

The percentage of Emiratization reached:

Year	Total targeted points	Total scored points
2022	86	123
2021	110	112
2020	102	109

f. Statement of the innovative projects and initiatives carried out by the company or being developed during 2022.

None

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Dr. Ali Saeed Bin Harmal Aldhaheri
Chairman of the Board of Directors

Eng. Usama Mohamed Al Barwani
Chairman of Nomination and Remuneration Committee

Matar Hamdan Sultan Al Ameri
Chairman of Audit Committee

Abraham George
Head of Internal Audit

Date: 21/03/2023

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دار التكافل
Dar Al Takaful
Premium Islamic Insurance التأمين الإسلامي الأمثل

INTERNAL SHARI'AH SUPERVISION COMMITTEE REPORT 2022

دار التكافل
Dar Al Takaful
Premium Islamic Insurance التأمين الإسلامي الأمثل

Annual Report of the Internal Shari'ah Supervision Committee of

Dar Al Takaful P J S C

Issued on: Sha'aban 22, 1444 H – March 14, 2023.

To: Shareholders of Dar Al Takaful P J S C ("the Company")

All praise be to Allah, Lord of the worlds, and Prayer and Peace be upon the Prophet Muhammad, his family, and the companions.

Assalamo Alaikum W R W B,

Pursuant to requirements stipulated in the relevant laws, regulations and standards ("the Regulatory Requirements"), the Internal Shari'ah Supervision Committee of the Company ("ISSC") presents to you the ISSC's Annual Report for the financial year ending on 31 December2022 ("Financial Year").

1. Responsibility of the ISSC

In accordance with the Regulatory Requirements and the ISSC's charter, the ISSC's responsibility is stipulated as to:

a. undertake Shari'ah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Company; and the Company's policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between participants' accounts and Shareholders' accounts ("Company's Activities") and issue Shari'ah resolutions in this regard, and
b. determine Shari'ah parameters necessary for the Company's Activities, and the Company's compliance with Islamic Shari'ah Provisions within the framework of the rules, principles, and standards set by the Higher Shari'ah Authority ("HSA") to ascertain compliance of the Company with Islamic Shari'ah Provisions.

The senior management is responsible for compliance of the Company with Islamic Shari'ah Provisions in accordance with the HSA's resolutions, Fatawa, and opinions, and the ISSC's resolutions within the framework of the rules, principles, and standards set by the HSA ("Compliance with Islamic Shari'ah Provisions") in all Company's Activities, and the Board bears the ultimate responsibility in this regard.

2. Shari'ah Standards

The ISSC shall comply with the Shari'ah standards that issued and approved by the HSA.

3. Duties Fulfilled by the ISSC During the Financial Year

The ISSC conducted Shari'ah supervision of the Company's Activities by reviewing those Activities, and monitoring them through the internal Shari'ah control division, internal Shari'ah audit division, in accordance with the ISSC's authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC's activities included the following:

a) Convening four meetings during the year 2022.
b) Issuing Fatawa, resolutions and opinions on matters presented to the ISSC in relation to the Company's Activities.
c) Monitoring compliance of policies, procedures, accounting standards, operating model and product structures, contracts, documentation, business charters, and other documentation submitted by the Company to the ISSC for approval.
d) Ascertaining the level of compliance in segregation of expenditures and costs, and distribution of profits between Takaful Contribution accounts and Shareholders accounts with parameters set by the ISSC.
e) Reviewing the investment policy and approving the Shari'ah screening criteria to ensure the investment activities in both Shareholders' accounts and participants' accounts, are comply with the Provisions of Islamic Shari'ah.
f) Supervision through the internal Shari'ah control division, internal Shari'ah audit division of the Company's Activities including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.
g) Providing guidance to relevant parties in the Company – to rectify (where possible) incidents cited in the reports prepared by internal Shari'ah control division, internal Shari'ah audit division – and issuing of resolutions to set aside revenue derived from transactions in which non-compliances were identified for such revenue to be disposed towards charitable purposes.
h) Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future.
i) Specifying the amount of Zakat due on each share of the Company is **AED 0.01020** per share.
j) Communicating with the Board and its subcommittees, and the senior management of the Company (as needed) concerning the Company's compliance with Islamic Shari'ah Provisions.

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Company is compliant with Islamic Shari'ah Provisions. (the phrase "External Shari'ah audit" is included in the report if applicable, otherwise it should be deleted.)

4. Independence of the ISSC

The ISSC acknowledges that it has carried out all of its duties independently and with the support and cooperation of the senior management and the Board of the Company. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari'ah requirements.

5. The ISSC's Opinion on the Shari'ah Compliance Status of the Company

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari'ah Provisions, the ISSC has concluded with a reasonable level of confidence, that the Company's Activities are in compliance with Islamic Shari'ah Provisions, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions to take appropriate measure in this regard.

The ISSC formed its opinion, as outlined above, exclusively based on information perused by the ISSC during the financial year.

Signatures of members of the Internal Shari'ah Supervision Committee of the Company

Pro. Dr Muhammad Abdul Rahim Sultan Al Olama (Chairman) ____________________

Sheikh Esam Muhammad Ishaq (V. Chairman) ____________________

Dr Ibrahim Ali Al Mansouri (Member) ____________________

دار التكافل
Dar Al Takaful
Premium Islamic Insurance التأمين الإسلامي الأمثل

SUSTAINABILITY REPORT 2022

DAR AL TAKAFUL

OUR SUSTAINABILITY JOURNEY

OUR SUSTAINABILITY JOURNEY

SUSTAINABILITY REPORT 2022

DAR AL TAKAFUL

ABOUT THIS REPORT

(GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-45, GRI 102-46, GRI 102-48, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54, GRI 102-56, G8, G9, G10)

REPORTING SCOPE

This is the 2022 Sustainability Report for Dar Al Takaful, which covers the period between the 1st of January to the 31st of December 2022, unless stated otherwise.

Dar Al Takaful PJSC was incorporated as a public joint stock company established in July 2008. The Company carries out general takaful, retakaful and medical insurance in accordance with the teachings of Islamic Shari'a and within the provisions of UAE Federal Law no. 6 of 2007 relating to takaful companies and takaful agents and the Memorandum and Articles of Association of the Company. The Company's headquarters is currently at the Offices 1 at Once Central, Level 4, Dubai World Trade Centre, P.O. Box 48883, Dubai – UAE.

At 31st of December 2022, the Company had the following subsidiaries that it fully owned:

Noor Takaful Family PJSC	*Family takaful and Medical insurance*
Noor Takaful General PJSC	*General takaful and Takaful activities*
Auto Crew Workshop LLC	*Auto mechanical repairing workshop*

Dar Al Takaful has been listed on the Dubai Financial Market since August 2008 and has an authorized capital of AED 150 million. The Company operates through its headquarters in Dubai, along with three branches in Dubai, Sharjah and Abu Dhabi. All the branches fall within the scope of this report.

The Company has acquired in July 2020 Noor Takaful General and Noor Takaful Family (listed above as subsidiaries). Both subsidiaries also fall within the scope of this report. As for the third subsidiary, Auto Crew Workshop LLC, although effectively legally owned by the Company, it does not fall within the scope of this report as it has no operational activities.

We take operational control as the boundary for reporting, unless stated otherwise.

BASIS OF PREPARATION

This report has been prepared in accordance with the GRI Standards (GRI): Core Option, as well as with the Dubai Financial Market's (DFM) ESG metrics. In addition, the report outlines Dar Al Takaful's alignment with the UAE Vision 2021, as well as the United Nations Sustainable Development Goals.

This report is issued in March 2023. It is expected that all subsequent reports will be issued within 90 days of the end of our fiscal year (which would fall on the 31st of March) or before our Annual General Meeting, whichever comes first.

EXTERNAL ASSURANCE

The content of this report has been reviewed and validated by Dar Al Takaful's internal audit function.

All financial figures extracted from our financial statements have been independently audited by internationally recognized audit firms. Our annual audited financial statements can be found on our website and DFM market.

FORWARD-LOOKING STATEMENTS

It is important to note that forward-looking statements involve uncertainty given the many external factors that could impact the environment in which the Company is operating.

The Company holds no obligation to publicly update or revise its forward-looking statements throughout the coming fiscal year except as required by applicable laws and regulations. It is therefore not within the scope of our internal audit team to form an opinion on these forward-looking statements.

COMMUNICATION & FEEDBACK

References to the GRI Standards and DFM ESG disclosures are found on the top part of each corresponding section. The GRI content index, which forms an integral part of Sustainability Reports is prepared in accordance with the GRI Standards and included on page 44. The index is also inclusive of DFM's ESG disclosures.

For any feedback about this report, please contact:

Name: Nawal Ma'ally
Email: nmaally@dat.ae
Phone: 04-3041603

TABLE OF CONTENT

OUR PURPOSE

(GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-9, GRI 102-10, GRI 102-12, GRI 102-13, GRI 102-16, G5)

OUR VISION
Protection and **peace of mind**

OUR MISSION
To offer the most innovative **ethical insurance** solutions and build a **culture of excellence**

VALUES
Our core values were derived through the mutual consensus of our employees, our board and our practices

Ethics I **Passion** I **Quality** I **Agility** I **Empathy**

About Dar Takaful
Dar Al Takaful was established in 2008 and over the past 15 years has developed to become one of the premier Takaful insurance companies in the region.

In 2022, the Company's total assets have increased from AED 1,583 million in 2021 to 1,903.7 million while its total equity increased 35% to reach AED 206.1 million

Shari'ah compliance and ethics are at the heart of our business model. As such the company is focused on a mission to provide protection and deliver peace of mind. Our long-term strategy is to deliver growth and enhance stakeholder value by means of instilling a culture of innovation and excellence.

We offer a broad range of General Takaful Insurance, Medical insurance and customized Islamic insurance products and services to individuals, families, and companies in the UAE.

Our main business segments include general, family life, and medical insurance which formed around **32%**, **19%,** and **49%** of our total contributions in 2022, respectively.

Dar al Takaful is a member of the Emirates Insurance Association.

Key 2022 event
Despite the challenging operational and economic circumstances, we successfully completed the merger between the Company and Watnia Takaful Company "Watania" one of the leading takaful company, established in 2011 by Abu Dhabi Watania Takaful offers a comprehensive range of general, and medical takaful solutions.

The strategic merger took place in July 2022 has brought us a step closer to becoming a leading Takaful provider in the region. As a result, this has diversified the range of products and solutions that we offer to our clients and scaled up our market share.

The merger brought about changes in most of our Board of Directors which gave the company a new vision and strategic direction, thereby further strengthening our business model and ambition to become the leading Takaful providers in the region.

Dar Al Takaful is supported by 'A' rated retakaful partners.

Our Products & Solutions

PERSONAL SEGMENT	CORPORATE SEGMENT	SME SEGMENT
• Medical • Car • Home • Travel • Board • Family (life)	• Engineering • Property • Marine • General Accident • Liability • Family • Medical • Fleet	• SME General Takaful • SME Medical • SME Fleet • SME Family

SME segment

Small and mid-size enterprises (SMEs) are the heart of the economy, they breathe life into the sectors in which they exist and combined are the largest employer. Simultaneously, such companies are founded and led by entrepreneurs, and risk taking is an integral part of their journey. Without insurance, it would be difficult for them to reach their aspirations and create the successful stories that ignite hope in everyone's heart and mind.

We are proud to serve this segment of the market, but more importantly to serve them with ethics. We are keen on providing them with a customized service and be a positive catalyst to their aspirations and growth.

We offer a comprehensive set of Takaful solutions to SMEs to ensure that they enjoy better protection while receiving value for money.

Growth Through Digital Innovation

Innovation forms an integral part of our culture and growth plan. It is by means of operational efficiency and providing full-service accessibility to our clients at their own comfort and preferred timing that we will be able to lead and contribute towards the growth of the Takaful sector in the region.

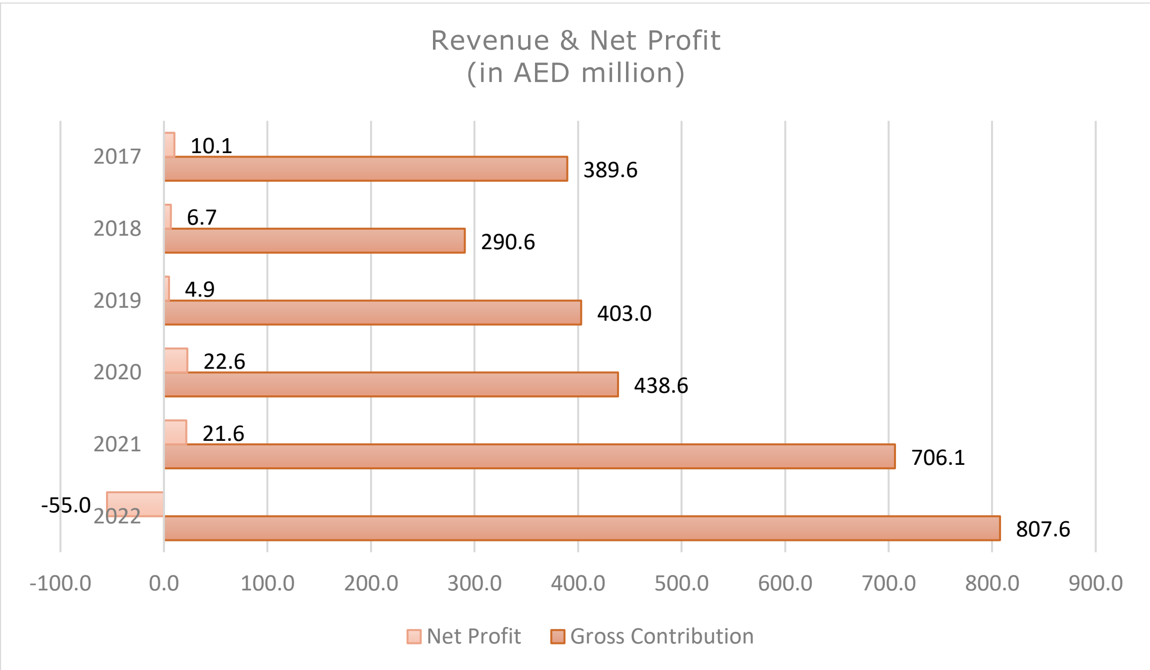
ISO 9001:2015 Standard Certified
The Company is ISO 9001:2015 Standard Certified, Such compliance refers to a quality management system used by an organization to demonstrate they provide high quality services and/or products that consistently meet client and regulatory requirements.

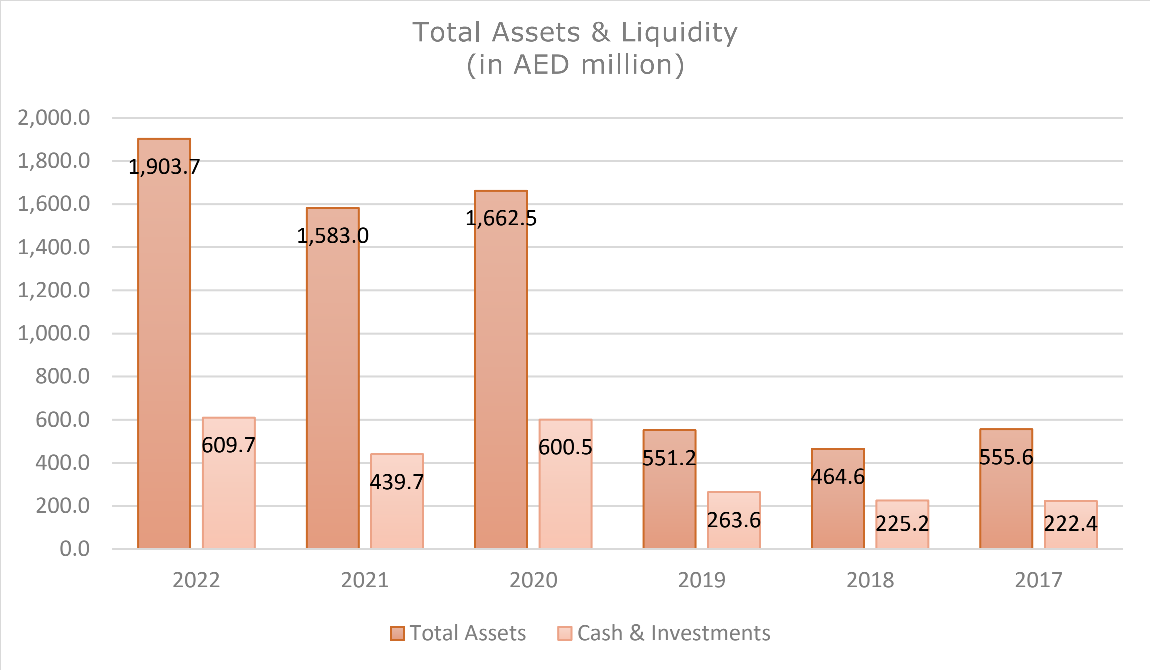
ISO 10004:2015
customer satisfaction certified, this international standard provides guidance, defining and implementing process to monitor and measure customer satisfaction. We believe that our customers are our most valuable assets, and the necessity to monitor and measure their satisfaction comes from the fact that it is one of the key elements of organizational success, such improvements can strengthen customer confidence in our services and support our Goals in becoming the "Impeccable Takaful solutions service provider."

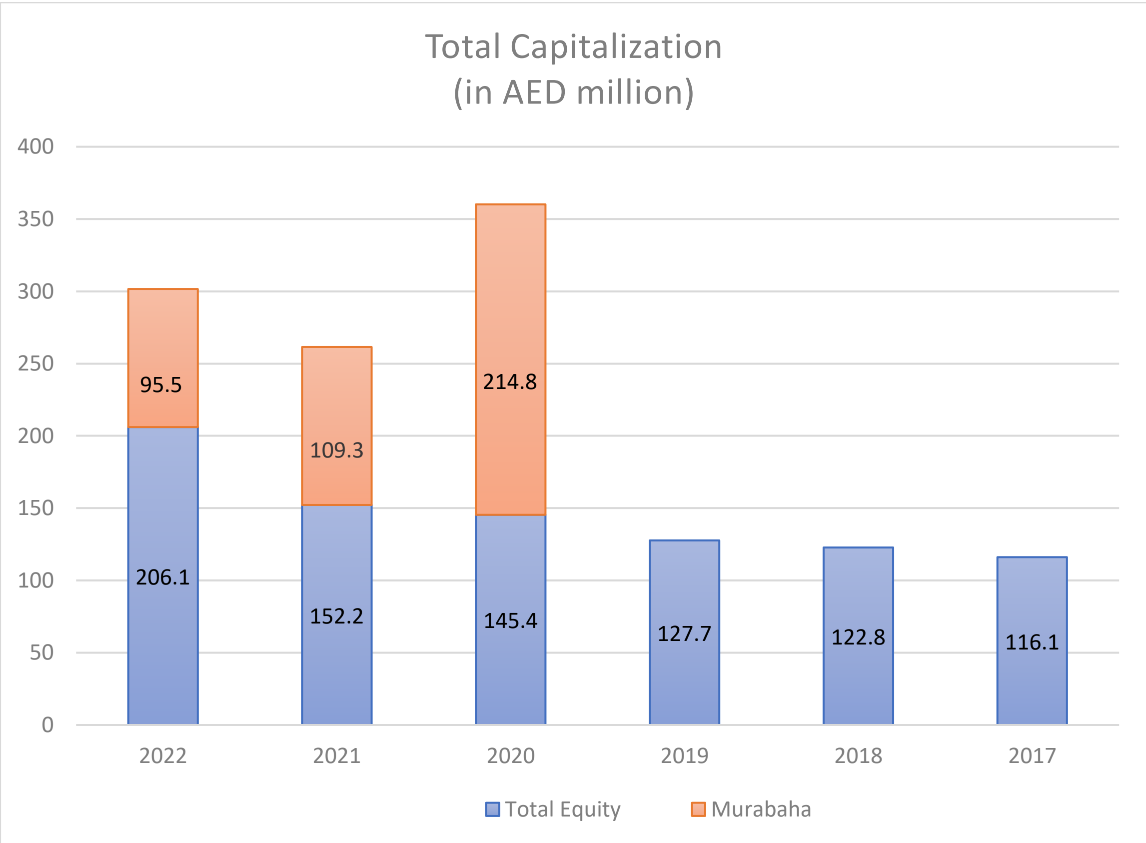
2022 Awards & Recognition Program

- '**The Best Engagement in the training & Emiratisation Award**' *at the* the Emirates Institute for Banking and Financial Studies (EIBFS).

Key Financial Highlights







Murabaha is an Islamic financing structure that works as a sales contract, fixing the price of goods or items as required by a customer, inclusive of a pre-agreed profit margin.

OUR SUSTAINABILITY MANAGEMENT

(GRI 102-20, GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-47, E8, E9)

OUR APPROACH TO SUSTAINABILITY

The Takaful & ESG Overlap
Takaful is strictly based on strong ethics and applies the values of fairness and transparency. Moreover, Takaful promotes stakeholder value creation as well as environmental stewardship, both of which form the very essence of Sustainable Development.

Takaful insurance is a participatory form of insurance whereby clients are insured but also act as insurers as they contribute to a risk pool. Such risk pool is managed by the operator whose ultimate objective is to create value to all stakeholders.

From an investor's perspective, Takaful operators link deposits and investments to real underlying assets, which enhances the investment portfolio's risk profile, and decreases potential volatility. As a further layer of safety, Takaful operators invest according to Shari'ah principles which promotes social well-being.

The above resonates and overlaps perfectly well with sustainability and ESG, as a result, creating a clear path for Takaful operators to swiftly progress along their sustainability journey.

With that in mind, our approach to sustainability is that of relevance and comprehensiveness. We look to apply sustainability and ESG as it specifically pertains to the insurance sector while ensuring that we cover all facets of our operation. This will result in Dar Takaful maximizing its impact on and contribution to a more sustainable UAE Economy.

Sustainability Oversight
The company is responsible for creating and monitoring sustainability-related initiatives in the Company. our team has allowed us to further organize ourselves, engage our senior staff on sustainability-related matters, Going forward, we will look to further enhance our sustainability efforts, by introducing a sustainability and ESG firm-wide framework that will clearly guide our actions in that regard.

Sustainable Workplace
Companies must lead by example, which is a trait implanted in Dar Al Takaful's values. Hence our starting point must include ensuring that our own workplace is sustainable. This would include the following:

- Decarbonize our operation by means of shifting to a circular workplace
- Continuously work to improve the society's well-being including those of our employees, clients, and the community
- Put in place a robust ESG governance system that establishes responsibilities, transparency, and accountability.
  We have already made important strides in that regard which is discussed throughout the report.

Shari'ah Investing with an ESG lens

As an institutional investor, we must consider ESG factors when analysing and making investment decisions. Environmental, Social, and Governance factors are bringing about new risks as well as opportunities that are reshaping the investment world. Investing through an ESG lens is not only a must to protect the value of our investments but also to contribute to greening the financial system and as a result financing the shift to sustainable development.

The above calls for Dar Al Takaful's investment operation to have an ESG framework that will enhance its investment decision making.

Sustainable Insurance

Providing sustainable insurance is a necessity to remain competitive to retain and grow our client base and become the leading Takaful operation in the region. More specifically, consumers are becoming more environmentally aware and conscious which is increasingly becoming apparent in their actions and needs. This requires that forward-looking insurance companies remain close to their clients and create the necessary products and solutions not only to keep up with their needs but also help them shape these needs towards a more sustainable world.

OUR COMMITMENT TO THE UAE VISION 2021 AND THE SUSTAINABLE DEVELOPMENT GOALS

The UAE Vision 2021

The UAE Vision 2021 was launched, in 2010, by H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai. The Vision aims to make the UAE among the best countries in the world by the Golden Jubilee of the Union.

To put the Vision into action, six National Priorities were created, representing the key focus sectors of the government up to 2021.

The **six National Priorities** include:

- World-Class Healthcare
- Competitive Knowledge Economy
- Safe Public and Fair Judiciary
- Cohesive Society and Preserved identity
- Sustainable Environment and Infrastructure
- First-Rate Education System

The Sustainable Development Goals

In 2015, all United Nations Member States adopted the 2030 Agenda for Sustainable Development which provides a shared blueprint for peace and prosperity for people and the planet. The key element of the 2030 Agenda lies in its 17 Sustainable Development Goals.

The 17 Sustainable Development Goals (SDGs or Global Goals) are an urgent call for action around a common set of objectives that define global sustainable development priorities. The aim of the Global Goals is to create a life of dignity and opportunity for all and can only be accomplished through a global partnership inclusive of governments, corporations, civil society, academia, and others.

Mapping the Vision 2021 with the SDGs:
The below map illustrates the alignment between the UAE Vision's six National Priorities and the UN Sustainable Development Goals, this alignment was performed by the Committee on SDGs, a UAE government entity established in 2017 tasked with ensuring the UAE's development agenda is aligned with the SDGs and directly contributes to them.

Dar Al Takaful's Approach
Our approach towards the UAE Vision 2021 and the SDGs is that of relevance. We have applied a focused approach to our alignment to ensure that we make the greatest impact. When selecting and referring to those SDGs that are relevant to the insurance industry (along with their key messages), we have relied on a study conducted by GIZ (*Deutsche Gesellschaft fur Internationale Zusammenarbeit),* a German development agency which published a special report aligning the insurance industry with the SDGs ("Inclusive insurance and the Sustainable Development Goals – How insurance contributes to the 2030 Agenda for Sustainable Development").

Below is a representation of our alignment with both initiatives in order of priority:

MAJOR FOCUS

These are the Priorities and Goals to which Dar Al Takaful directly impacts, and therefore to which the Company most contributes, they relate to our business model and the services we offer:

UAE Vision 2021	Alignment	Global Goals
Priority 1: World-Class Healthcare: The UAE aims to become among the best countries in the world in terms of quality of healthcare	• Insurance and social protection can play complementary roles to cover a range of household health care costs • Insurance improves healthcare seeking behaviour	**SDG3 │ Good Health and Well-Being:** Ensure healthy lives and promote well-being for all, at all ages
Priority 2: Competitive Knowledge Economy: The UAE aims for a knowledge-based and highly productive economy. One that is sustainable, diversified and harnesses full potential of human capital	• Insurance protects assets, thereby unlocking loans and other funds for investments (including for micro-, and small-to-medium size enterprises) • Insurance frees companies' private funds for productive investment. • Insurance supports the development of companies by protecting them from losses due to risks related to business, natural disasters, or other catastrophes	**SDG8 │ Decent Work and Economic Growth:** Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

COMMITMENT

These are increasingly becoming a major focus and represent key opportunities and impacts:

UAE Vision 2021	Alignment	Global Goals
Priority 2: Cohesive Society and Preserved Identity: The UAE Vision 2021 National Agenda strives to preserve a cohesive society proud of its identity and sense of belonging **Priority 3: Sustainable Environment and Infrastructure:** The UAE Government wants to ensure sustainable development while preserving the environment, and to achieve a perfect balance between economic and social development	• Insurance provides a safety net for those using it, preventing families from falling (back) into poverty after experiencing a shock • Insurance provides an economic protection mechanism for all • Insurance sustains other development efforts • There are gender differences in risks faced by women and men • Insurance protects women from the financial impact of losing family members, helping women to retain their homes, sustain their businesses, continue education of their children, and generally maintain the financial stability of their household • Insurance mitigates the effects of extreme weather events, thereby strengthening climate change resilience • Insurance complements and strengthens other climate change coping efforts • Catastrophe insurance protects a variety of stakeholders, from companies and infrastructure to the most vulnerable	**SDG1 │ No Poverty:** End poverty in all its forms everywhere **SDG5 │ Decent Work and Economic Growth:** Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all **SDG 13 │ Climate Action** Take urgent action to combat climate change and its impact

UNDERLYING

The underlying Priorities & SDGs are by default linked to our efforts in contributing to sustainable development:

UAE Vision 2021	Alignment	Global Goals
Priority 5: First-Rate Education System: Education is a fundamental element for the development of a nation and the best investment in its youth **Priority 6: Safe Public and Fair Judiciary** The UAE Vision 2021 National Agenda aims for the UAE to be the safest place in the world	It is only by means of partnerships and through business ethics that we will be able to create value to all stakeholders and contribute to sustainable development.	**SDG16** | Peace, Justice and Strong Institutions: Promote peaceful an inclusive society for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels **SDG17** | Partnerships for the Goals: Strengthen the means of implementation and revitalize the global partnership for sustainable development

OUR STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder Engagement

Engaging with our stakeholders lies at the core of our corporate strategy and is a fundamental contributor to our long-term success. More specifically, such engagement is important to understanding the priorities and expectations of our stakeholders which serve as a key input to an ESG framework that is impactful.

Our sustainability report is based on our company's existing engagement methods. The analysis of available material enables us to understand the interests of our key stakeholder groups and prioritize them according to the assessment conducted.

We have used the AA100 Stakeholder Engagement Standards Framework to select and prioritize our list of stakeholders. The following criteria were applied:

- Dependency: the degree to which the stakeholder's support is needed to achieve our strategic goals
- Influence: the degree to which the stakeholder can influence operational performance
- Interest: the degree to which the stakeholder can affect of be affected by our operations

Our engagement strategy will be continuously reviewed and improved allowing us to update our material sustainability or ESG-related topics whenever relevant.

Our key stakeholder groups are listed below. Please refer to the Appendices for the details related to our existing engagement methods:

CUSTOMERS	MANAGEMENT & EMPLOYEES	SHAREHOLDERS	GOVERNMENT*	BUSINESS PARTNERS	RATING AGENCIES	COMMUNITY

**Includes: Securities & Commodities Authority, Central Bank, Dubai Financial Market, Dubai Health Authority, Abu Dhabi Health Authority, Ministry of Finance, Ministry of Economy*

Materiality Assessment

In order to assess the economic, environmental, social and governance matters that are key to our long-term success, we have considered both internal and external factors and conducted a materiality assessment that captures the importance of various sustainability topics based on our business impact and our stakeholders' inputs.

Business Impact:

To build an understanding about our sustainability impact, we have conducted a comprehensive peer analysis and studied global trends affecting the industry. The final list of topics was then prioritized based on the expertise of our business leaders and in alignment with our company's strategic focus, operational processes, and impact.

Stakeholder Inputs:

Based on our existing methods of stakeholder engagement, we have assessed those topics that would be of most interest to our stakeholders and ranked them accordingly.

The below table lists the material topics that came out as a result of the above outlined stakeholder engagement and materiality assessment exercise. The table also includes the alignment of each material topic with its corresponding GRI disclosures and Dubai Financial Market ESG metrics. We have illustrated through a materiality matrix where our material topics would fall within the spectrum of priorities for both the company and our stakeholders. The matrix can be found in the Appendices.

In subsequent reports, we will look to engage with our key stakeholders on sustainability and ESG specific topics. We will plot such input into our materiality matrix and update our list of material topics where applicable.

ITEM	KEY MATERIAL TOPIC	CORRESPONDING GRI DISCLOSURE	CORRESPONDING DFM DISCLOSURE
1	Financial Performance	GRI 201 – Economic Performance	N/A
2	Customer Trust	GRI 418 – Customer Privacy	G7: Data Privacy
3	Ethical Business	GRI 417- Marketing & Labelling	N/A
4	Innovation & Digitalization	N/A	N/A
5	Happy Workplace	GRI 401 – Employment	S3: Employee Turnover
6	Equal Opportunity	GRI 405 – Diversity & Equal Opportunity	S2: Gender Pay Ratio S4: Gender Diversity
7	Learning & Development	GRI 404 – Training and Education	N/A
8	Sustainability Practices	GRI 302 – Energy GRI 305 – Emissions	E1: GHG Emissions E2: Emissions Intensity E3: Energy Usage E4: Energy Intensity E5: Energy Mix E6: Water Usage E7: Environmental Operations E8: Environmental Oversight E9: Environmental Oversight E10: Climate Risk Mitigation
9	Emiratization	N/A	S11: Nationalization
10	Community	N/A	S12: Community Investment

FOSTERING A GREAT WORKPLACE

(GRI 102-8, GRI 102-16, GRI 401-1, GRI 401-2, GRI 404-1, GRI 404-3, GRI 405-1, GRI 405-2, GRI 418-1, S2, S3, S4, S5, S6, S11, S12)

EMPLOYEE WELFARE & ENGAGEMENT

Valuable Employment

As a knowledge-based company, our success is based on our employees' performance, which reflects their qualifications, their skills and experience.

It is our duty as an employer to hire the right talents for the right positions, and to ensure our employees are working in an environment that fosters engagement, learning, and achievement.

Most important of all, we believe in 'Happiness at Work'; happiness at work is directly linked to success at work. Our aim is to have happy employees with a positive outlook and brilliant at formulating innovative solutions.

To achieve the above, we have in place a clear strategy to improve employee happiness, based on two primary objectives the first being **(1)** to promote a fun and positive work environment for our employees, and the second **(2)** to empower them by increasing their motivation and doing the necessary to boost their happiness.

Our strategy is based on the below listed six pillars:

1. Make our employees feel **valued**	**2.** Be **attentive** and **listening** to our employees' needs	**3.** Create the right **work life balance**
4. Encourage and help our employees to **learn and grow** in their specialties	**5.** **Appreciate** our employees and the work they do	**6.** Encourage a **team spirit**

Moreover, we have put in place several measures and processes including a comprehensive induction program to ensure our new joiners are warmly welcomed, swiftly feel they belong to the Dar Al Takaful family, and are able to be productive from the get-go.

In 2021 we have awarded the "Best Company To Work For" by International Business Excellence Award

In order to receive feedback and understand our own progress as a company in fostering a valuable employment, we have also designed **an online employee happiness survey** to which employees respond anonymously.

Finally, to show appreciation to all the hard work and achievements that our employees are continuously demonstrating, we have in place a **Reward and Recognition policy and programme** that recognizes on a monthly, quarterly, and yearly basis our high performing employees. Some of these awards would include:

- **Spotlight**: a monthly award provided by line managers for those employees that report to them for extra work done,
- **High Five**: a monthly award provided from one department to another to recognize cross-departmental support,
- **Long-Service Awards:** designed to recognize and value the contribution of employees who have worked in the company for a long time period

Below we list various employment related KPIs. We must indicate that the year 2022 was special given the transaction that took place with Dar Al Takaful merging with National Takaful "Watania". Such large transaction by nature causes significant employment-related activity which may lead to slightly more volatile numbers than normal, especially for what regards the turnover rate, which was 31% in 2022.

Employment KPIs

NEW HIRES

BY GENDER				
Year	Male	% of Total Hires	Female	% of Total Hires
2022	44	62%	27	38%
2021	43	53%	39	47%
2020	41	72%	16	28%
2019	41	54%	35	46%

BY AGE GROUP						
Year	Below 30 y.o.	% of Total Hires	30 to 50 y.o.	% of Total Hires	Over 50 y.o.	% of Total Hires
2022	16	23%	54	76%	1	1%
2021	19	23%	60	73%	3	4%
2020	12	21%	42	74%	3	5%
2019	22	29%	51	67%	3	4%

EMPLOYEE THAT LEFT

BY GENDER				
Year	Male	% of Total Leavers	Female	% of Total Leavers
2022	64	62%	39	38%
2021	52	61%	34	39%
2020	60	64%	34	36%
2019	31	62%	19	38%

BY AGE GROUP						
Year	Below 30 y.o.	% of Total Leavers	30 to 50 y.o.	% of Total Leavers	Over 50 y.o.	% of Total Leavers
2022	12	12%	78	76%	13	12%
2021	19	22%	65	76%	3	2%
2020	20	21%	66	70%	8	9%
2019	8	16%	42	84%	0	0%

TOTAL TURNOVER RATE

Year	Total Turnover Rate (%)
2022	31%
2021	35%
2020	36%
2019	16%

Diversity & Inclusion

We are proud of our diverse workforce and inclusive environment. In fact, diversity & inclusion is a core value at Dar Al Takaful and a key contributor to business success. Whether it is gender, multi-generations, different nationalities, or other diverse traits, they all shape Dar Al Takaful's character and future.

We currently have 333 employees, 93% of which are employed on permanent contracts and 38% of which are female. Our workforce is composed of 24 different nationalities.

In addition, we have in place a robust Code of Conduct the main purpose of which is to ensure our employees have written guidelines describing the expected ethical behavior by all.

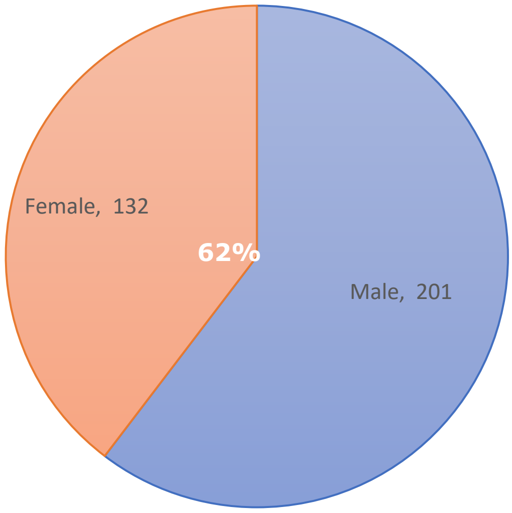
The Code of Conduct emphasizes on encouraging diversity and respect which entails acceptance and respect of individual differences including gender, religion, race, ethnicity, physical abilities, age, socio-economic status, or other.

The Company has ZERO tolerance for discrimination, harassment or intimidation.

We have also instilled as part of our Code the promotion of sustainability, the contribution to communities, as well as respecting human rights.

TOTAL EMPLOYEES

TOTAL 2022:



BY EMPLOYMENT CONTRACT				
	Permanent Contract		**Temporary Contract**	
Year	Male	Female	Male	Female
2022	189	122	12	10
2021	150	95	9	4
2020	150	91	12	6
2019	197	107	4	5

BY EMPLOYMENT TYPE				
	Full-Time Contract		**Part-Time Contract**	
Year	Male	Female	Male	Female
2022	201	132	0	0
2021	159	99	0	0
2020	168	91	0	0
2019	201	112	0	0

EMPLOYEE DIVERSITY

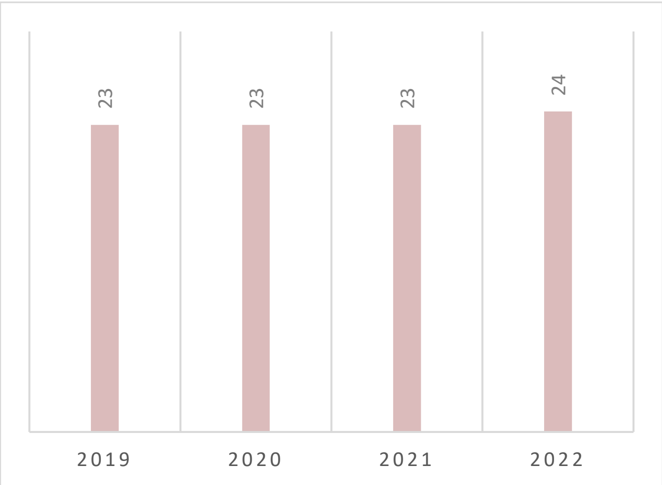
BY GENDER:

	Entry-to-Mid Level		Senior-to-Executive Level	
Year	Male	Female	Male	Female
2022	58%	42%	86%	14%
2021	60%	40%	80%	20%
2020	63%	37%	84%	16%
2019	61%	39%	90%	10%

BY AGE GROUP:

	Entry-to-Mid Level			Senior-to-Executive Level		
Year	Below 30 y.o.	30 to 50 y.o.	Over 50 y.o.	Below 30 y.o.	30 to 50 y.o.	Over 50 y.o.
2022	27%	67%	6%	0%	73%	27%
2021	15%	79%	6%	0%	70%	30%
2020	16%	79%	5%	0%	74%	26%
2019	18%	76%	5%	0%	69%	31%

TOTAL NATIONALITIES



LEARNING AND DEVELOPMENT

Foser a Culture of Learning

Developing our talent is a strategic element to our HR strategy and is a duty that we have towards the great individuals that entrust us with their career development paths. Moreover, learning reflects positively on our services and differentiates us from other competitors.

More specifically, we offer continuous learning opportunities to our employees, some of which are internal, and others organized with the help of third parties. In addition, some of our trainings are mandatory while others are selective based on performance.

Below are some of the learning experiences we offer our employees:

- Dar Al Takaful partnered with the **Emirates Institute for Banking and Financial Studies (EIBFS)** whose annual training plan is uploaded online to give access to all employees,
- **Diverse internal training** is offered and organized by different departments. Subject matters include Shari'ah training, risk and compliance, training, operational risk management, and other,
- **Mandatory 3-day sessions** on cyber security awareness,
- **University Partnership with Skyline University College** to provide quality trainings and education to our employees, such as internship opportunities, degree and certification programs, scholarship fund, sponsorship for collaborative projects amongst others,
- We also offer **internal customized training** allowing our high performers to progress and prepare for the next step or promotion in their careers with us,
- We also offer **Third-party specialized training** for specialized courses through external consultants,

We do encourage learning and award those with the most hours with certificates presented by the CEO.

Fair Performance Review Structure

We follow a fair and transparent performance review process and ensure to consistently engage our employees throughout. More specifically, we ask our employees to initially set their own goals and discuss them with their line managers early on during the year. All goals are matched with specific KPIs.

We encourage our employees to have unofficial regular reviews but ensure that this is officially done twice a year. The mid-year review offers our employees with the opportunity to assess how much has been achieved and discuss such results with the line manager. This session provides a good understand for our employees about where they stand in relation to their set goals and KPIs. Should the employee not be on track, we ensure to place him/her in a performance improvement program that allows them to overcome any challenges they may be facing.

Our end-of-year reviews serve to set a rating for each employee. This is done after three different levels of discussions, the first being the employee self-assessing her/his results, then the line manager discussing such results and finally the function head which closes the process.

Finally, we ensure that our employees can optimize their use of the process by ensuring they learn about all its different steps through dedicated workshops that we organize throughout the year as well as through a handbook that is distributed to all employees.

100% of our eligible employees go through their performance reviews every year

Learning & Development KPIs

AVERAGE NUMBER OF TRAINING HOURS		
Year	Male	Female
2022	913	541
2021	3,169	3,311
2020	2,662	2,470
2019	1,012	832

AVERAGE NUMBER OF TRAINING HOURS		
Year	Entry-to-Mid Level	Senior-to-Executive Level
2022	1,158	296
2021	5,111	1,369
2020	4,684	448
2019	1,633	211

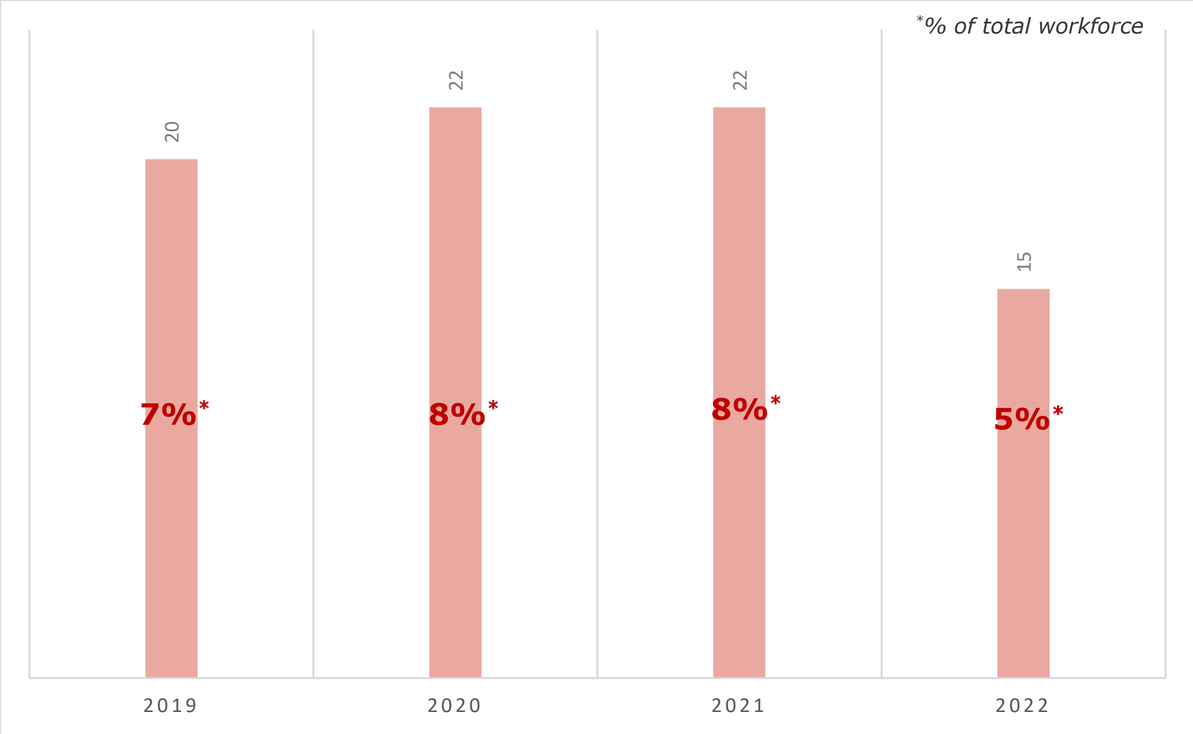
EMIRATISATION

Emiratization is an initiative by the government of the UAE to employ its citizens in a meaningful and efficient manner, particularly in the private sector. Moreover, Emiratization forms an integral part of the UAE Vision 2021.

The Ministry of Human Resources and Emiratization (MoHRE) is the governmental entity dedicated to driving this initiative. In fact, the MoHRE imposes on private sector employers a quota system, whereby a company with more than 100 employees is obliged to recruit a certain minimum number of Emiratis.

Although we have consistently achieved our Emiratization points, for Dar Al Takaful, Emiratization is neither about filling a gap nor about a point system but rather about employing capable and talented Emiratis with the potential to grow within and become leaders in the insurance sector. What matter to us is to engage with the right UAE talents and ensure their retention.

TOTAL UAE NATIONAL EMPLOYEES



SERVING THE COMMUNITY

As a UAE responsible company, we are committed to the community's welfare and seek to be an active corporate citizen.

We had invested AED6,000 in 2022 in the community mainly in relation to for the Breast Cancer Awareness Program at Rashid Hospital and Al Jalila Foundation, and

During Ramadan 2022 Watania Takaful has run a charity campaign "iftar meal to a needy". Where with every individual Motor or Medical policy issued, we donate an iftar meal to a needy on customer's behalf and from the company's profit share

We are proud to share that as part of our commitment to sustainability and social responsibility, we have implemented a program to provide meals to those in need during the holy month of Ramadan. For every motor policy purchased or Medical Individual policy purchased, we donate a meal to a person in need on behalf of our customers.

Ramadan is a time of giving, reflection, and compassion. We recognize the importance of supporting vulnerable communities during this time and beyond. By allocating a portion of our company's profits to this program, we can help alleviate food insecurity and contribute to building more resilient communities.

	2019	*2020*	*2021*	*2022*
Community Investment	150,761	154,820	13,000	6,000

We believe that serving the community and involving our employees accordingly creates a positive corporate environment where employees feel even more engaged and strengthens their connection with their peers and the Company itself.

PROTECTING OUR CUSTOMERS' TRUST

(GRI 417-2, GRI 417-3, GRI 418-1, G7)

Customer Satisfaction

We strive not only to meet our clients' expectations but to continuously exceed it. At Dar Al Takaful, our objective is to always provide our clients with a superior experience, which can only be achieved if we remain dedicated, close to our clients and listen to their evolving needs.

Our clients and their needs are at the heart of everything we do at Dar Al Takaful. It is only by offering them a personalized service and quality products that we will be able to maintain their trust.

Our Client's Voice

To ensure customer centricity, we have set up a high-quality customer centre that caters to all our clients' needs and provides them with a voice through which we can consistently track their thoughts towards our offering. The centre is operated by highly trained employees that follow a strict code of conduct and work to achieve clear KPIs with the aim to create a best-in-class centre.

We provide our clients with three different direct channels of communication with our customer centre, including email, phone, and WhatsApp. We have 17 highly trained staff that serve our clients and ensure their needs are being attended to.

We make sure to give the possibility for our clients to voice their satisfaction about their experience after every interaction. This would be through a scoring rating system via WhatsApp, a short survey sent as an SMS after each transaction, an email template as well as regular quality monitoring for phone interactions. In fact, to ensure a high-quality service, we perform three quality monitoring calls for each agent per month.

Some of our main KPIs include responding to any client complaints with a within a maximum turnaround time of Two days, in addition to maintaining a client feedback score. We strive to provide our customer service staff with a continuous learning programme inclusive training through both our internal training coordinator as well as through the Emirates Institute for Banking and Financial Studies.

Finally, we have in place a monthly recognition system “We Care” through which we provide different certificates and awards. Such mechanism keeps our staff motivated and ensures they are recognized for their great efforts.

Data Privacy and Information Security

Protecting our clients’ privacy and data is a priority to Dar Al Takaful and a responsibility that we take very seriously. Information security forms an integral part of maintaining trustworthiness as a corporation and especially during the increase in digitalization and the use of online and application-related modes of communication and interaction.

Solid Infrastructure

All our data resides inside the UAE, on Cloud and on-premises in Abu Dhabi, and is protected by multiple firewall layers. Moreover, to ensure security, we have segregated inbound and outbound traffic, which are forced to pass through firewall policies and rules. The two do not communicate.

Our systems, all equipped with anti-virus endpoints, are regularly tested, and any identified irregularities are immediately rectified.

In order to limit any internal risks stemming from our own users, we continuously provide security training to all our employees and ensure that they are aware of all related risks and are equipped to securely navigate our systems.

Robust Information Security and Data Management Policy

We have in place an IT policy that uses best-practice data governance that we rigorously follow. The policy is in full compliance with the NESA SIA, Insurance Authority, and AML regulations in terms of data protection, retention, and record keeping.

Conforming with our IT policy is part of all employees' duty of confidentiality towards our clients and their private information.

Moreover, we ensure that sensitive data is only used when needed and for specified purposes and that it is always secure. The Company adopts physical, technical, and organizational measures to ensure the security of personal data, including the prevention of alteration, loss, damage, and unauthorized processing or access.

Customer-related KPIs

CUSTOMER PRIVACY

Substantiated complaints concerning breaches of customer privacy and losses of customer data	
Number of complaints received from outside parties and substantiated by the organization	**ZERO**
Number of complaints from regulatory bodies	**ZERO**
Number of identified leaks, thefts, or losses of customer data	**ZERO**

MARKETTING AND LABELLING

Incidents of non-compliance concerning product and service information and labelling	
Number of incidents of non-compliance with regulations resulting in a warning, fine or penalty	**ZERO**
Number of incidents of non-compliance with voluntary codes	**ZERO**
Incidents of non-compliance concerning marketing communications	
Number of incidents of non-compliance with regulations resulting in a warning fine or penalty	**ZERO**
Number of incidents of non-compliance with voluntary codes	**ZERO**

CARING FOR THE ENVIRONMENT

(GRI 102-20, GRI 302-1, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-4, E1, E2, E3, E4, E5, E6, E7, E8, E9)

Climate change is one of the most pressing issues of our time. We must contribute to the decarbonization of the UAE's economy and contribute to the Government's efforts in reaching the targets set in its 'Second Nationally Determined Contribution' which calls for a reduction of 23.5% in GHG emission for the year 2030 (relative to 'business-as-usual' scenario emission in 2030 at about 310 million tonnes). It is every corporation's duty to do what it can to contribute to limiting global warming and being a responsible environmental steward.

We will look to have a clear environmental framework through which we shall gradually neutralize our impact on the environment and be at the lead of such initiatives within our sector.

In that regard, we are proud signatories to the **Dubai Declaration of financial institutions in the UAE on Sustainable Finance**. Through this declaration, all signatories commit to indorse the UAE government's commitment to the Paris Climate Agreement and the Sustainable Development Goals.

More specifically, the Declaration calls on signatories, among others matters to:

- Manage and improve their direct and indirect environmental and social performance,
- Provide insurance to the projects, businesses and customers with sustainable purposes as well as support the growth of a successful SME sector,
- Consider ESG risk in the institution's risk management processes,
- Promote CSR and sustainability within the institution,
- Reduce environmental footprint.

Our Environmental Priorities

Our main environmental priority as an insurance company is climate change. We must lower our carbon footprint and contribute to the UAE's decarbonization efforts. As such, this report will allow us to measure our impact on the environment through our energy consumption and emissions computations. Such measurement is the steppingstone to analysing our impact on the environment and putting in place the necessary strategy to minimize it and eventually neutralize it.

Our current on-going activities in that regard include:

- The reduction of our energy consumption,
- Reducing/restricting use of non-biodegradable materials,
- Increase use of recycled/recyclable material,
- Promote SMEs and not-for-profit organizations,
- Raise environmental stewardship awareness.

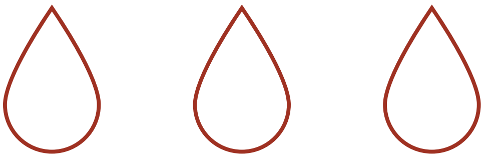
We will look to develop a clear sustainability framework through which we will include a set of objectives and KPIs that we will aim to achieve and on which we will continuously report through our Sustainability Reports.

Our Impact

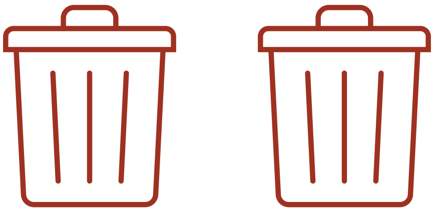
Our On-going Initiatives

We have focused below on one of our primary environmental initiatives which led to our company having recycled a total of 610 kgs of document and paper in 2022. Such initiative resulted in the following:

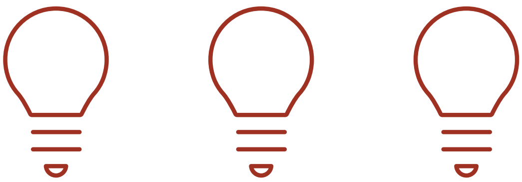
11.5 trees were saved from being cut and turned into wood pulp



41,654 Liters of water were saved from being used



1.96 m^3 of saved landfill space



236.11 kWh of electricity saved

Measuring our GHG emissions

We have used the GHG protocol as a guide to compute our GHG emissions and have set our organizational boundary according to the 'control approach' and seek to account for 100% of our GHG emissions from operations over which our company has control.

We have used the operational control option which is defined as accounting for those GHG emissions generated by all entities whereby the Company or any of its subsidiaries have the full authority to introduce and implement its operating policies.

As for our reporting scope, we have accounted for our Scope 1 and 2 computations. We shall look to continuously enhance our GHG emissions reporting and mainly to introduce, in subsequent reports, the major elements of our scope 3 emissions.

In relation to our reporting boundary, we have included our headquarters as well as all our branches. That being said, for all Noor Takaful branches, we have included their energy consumption since December 2022.

Energy Consumption

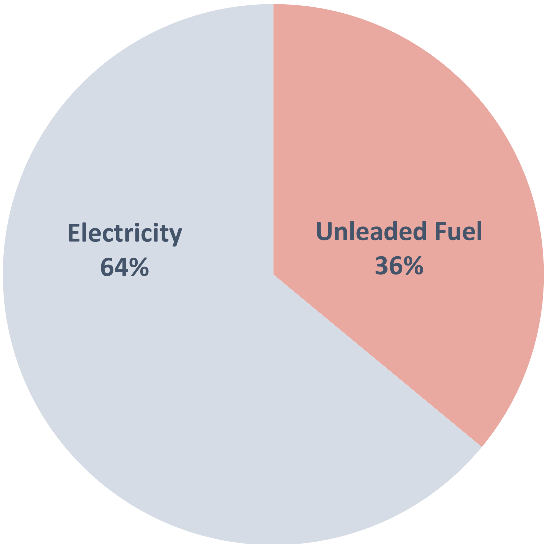
2022 Energy Consumption in GJ	
Direct Energy – (Fuel)	432.67
Indirect Energy – (Electricity)	775.99
Total Energy Consumption	1,208.66

2022 Energy Intensity in GJ per Employee	
Direct Energy – (Fuel)	1.299
Indirect Energy – (Electricity)	2.33
Energy Intensity	3.629

GHG Emissions

2022 Total GHG Emissions (MT CO_2 e)	
Direct Energy – Scope 1 emissions	21.64
Indirect Energy – Scope 2 emissions	267.39
Total Emissions	289.03

2022 Energy Mix



Water Consumption

2022 Water Consumption in m^3	
Total Water Consumption	518
Water Consumption per Employee	1.55

ETHICAL GOVERNANCE

(GRI 102-5, GRI 102-11, GRI 102-16, GRI 102-18, GRI 405-1, G1, G2)

Ethical Governance is about having strong ethical values within a company's processes, procedures, and offering. Corporate Governance instils in companies a system of accountability and influences the way they operate. With good corporate governance in place, companies can be managed sustainably, can reach their objectives, and create value to all stakeholders. Benefits would include efficient processes, controlling risk, ensuring compliance with regulations, and that all stakeholders' interests are being met.

When adding the element of ethics into a corporate governance structure, a company instils ethical values and conducts in its DNA, thereby enhancing its reputation, and building sustainable value over the short, medium and long-term.

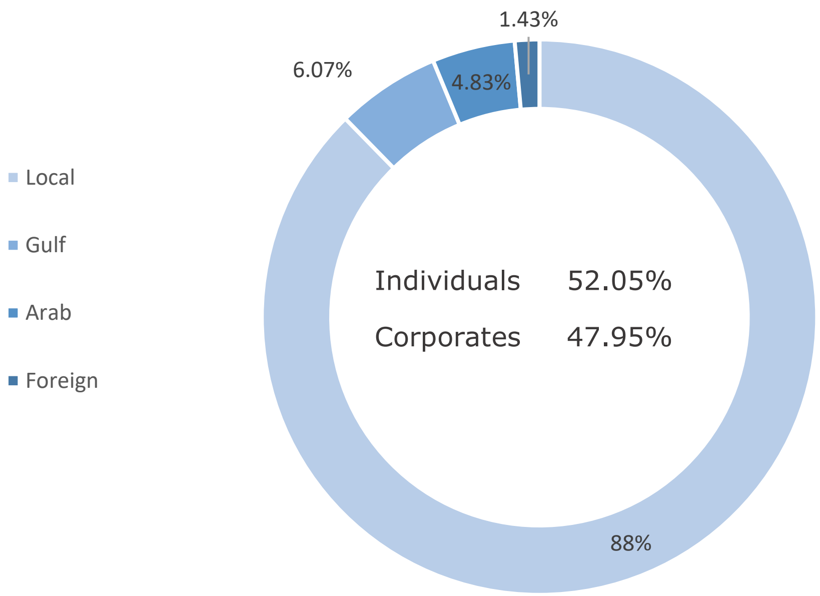
The practice of Takaful promotes universal ethical values and hence is an enabler of transparency, fairness, and shared value which form the basis of Dar Al Takaful's corporate governance structure.

CORPORATE STRUCTURE

Ownership Structure

We have a significantly large base of 2,272 shareholders rich in diversity and size. That being said, the majority of our shares, or 59.257 % are held through a total of 5 shareholders.

Shareholder Classification



Board of Directors Structure

Our board of directors is composed of reputable individuals with a successful business and leadership track record. Our board members have high-level skills, competencies and the experience required to provide our company with the necessary strategic direction and to protect all stakeholders' interests.

We currently have seven members on the board of directors, all of which are non-executive and independent. In addition, we are proud to be one of the few UAE listed corporations with a woman presence on the board of directors for four years now.

We have in place four committees that were established to strengthen our corporate governance structure by providing the necessary support to the board and by applying rigorous control on all key facets of our operation. More specifically, the committees include an audit committee, a remuneration committee, a risk committee, an investment committee, and insider trading follow-up & supervision committee.

Internal Control & Compliance

It is only through a robust compliance culture that a company can build customer trust. Being in compliance means being in conformity with the set rules and regulations determined by the law through the regulators. A company with a strong compliance culture offers its employees the ability to conduct their work with confidence and is a primary element that invites customers to remain with the company that they associate with trustworthiness.

Dar Al Takaful has in place a strong internal control and compliance system that follows a strict set of rules and procedures ensuring that the company is consistently in line with the applicable legislations and to protect the company's assets and stakeholders from any depletion in value due to regulatory matters. Should there be incidents of non-compliance, the internal control department swiftly suggests an action plan, and upon management and board approval, when necessary, executes the corrective measures.

The company regularly updates its policies and procedures to ensure they reflect all applicable legislations. More specifically the company reviewed and updated the following key policies:

1	The charter of duties of the Members of the Board committees
2	Enterprise Risk Management Framework
3	Internal Audit Management Framework
4	Compliance and Anti-Money Laundering Management Framework
5	Disclosure and Transparency Policy
6	Whistleblowing Policy
7	Conflict of Interest Policy

At the forefront of our compliance function is the Anti-Money Laundering and combating the financing of terrorism policy and procedures which is essential for the prevention of our employees and clients from being misused for money laundering, financing terrorism or other financial crimes.

In that regard, Dar Al Takaful has adopted a risk-based approach to identify, assess, understand and mitigate the ML/FT risks. Risk is assessed during the initial phase of the establishment of the business relationship and/or during the onboarding process. Below is a list of the risk factors that are considered when conducting the said assessment:

- Client risk
- Service/product risk
- Industry risk
- Geographical/jurisdiction risk
- Delivery channel risk
- Transaction risk

The document sets clear processes and procedures to be followed, as well as outlines the AML training requirements to ensure understanding and applicability of the policy. More specifically, we provide education and training for all staff in relation to AML/CFT matters at least on an annual basis. Moreover, we introduce a test element to the training with a minimum required pass rate so as to ensure the attention and engagement of all our employees.

Fraud Prevention and Anti-Bribery & Anti-Corruption Policy

This policy forms an integral part of our corporate governance. Dar Al Takaful stands for ethical business behaviour which by default is a force against bribery and corruption. As such, we are committed to combatting such behaviour within our company and to instil the necessary controls and procedures to detect any potential risks. **In other words, Dar Al Takaful has zero tolerance for fraudulent or dishonest conduct.**

Based on the above, all our employees are responsible to report any suspicious activity that may have come to their attention, and accordingly all reported incidents are thoroughly investigated.

In order to ensure we establish the right internal environment that would encourage early detection of such risks by means of prompt reporting, we have introduced a Whistleblower policy. While we ask our employees to report employment-related concerns through regular channels (e.g., line manager, compliance, HR, etc.), we have established an independent manager reporting line called Al Amanah for all sensitive matters. Through such hotline, an employee can report any issue of incident anonymously via email or phone.

Finally, all employees who report concerns in good faith will be protected from any dismissal, or any other form of detriment.

Risk Management

The risk management function within an insurance company is essential in identifying potential risks and applying the necessary mitigating measures to protect the company and all its stakeholders.

Risk management oversight is done by our Risk Management Committee which in turn directly reports to the board. Some of the committee's duties include defining our company's risk profile and appetite, developing the necessary risk management strategy and policies, and ensuring their proper implementation.

As such, we have in place a robust risk management policy to ensure that each potential risk is managed efficiently to maximize possible opportunities and minimize any adverse effects.

The risk management department is responsible for ensuring the said policy is updated and approved by management and the risk management committee.

The primary objective of our risk management framework is to communicate an unified commitment to risk management as well as formalize consistent processes to managing such risk. In addition, it emphasizes on the importance of identifying and assessing all possible risks and treating them by assigning different departmental responsibilities based on the type of risk.

We regularly review and monitor the implementation and effectiveness of all our policies including our risk management policy and related processes. In addition, whenever there are regulatory changes, we perform a gap analysis and update our policies accordingly.

Finally, we also ensure to instil the appropriate risk management culture across Dar Al Takaful, primarily by means of regularly conducting specialized trainings based on the sensitive functions. Such training is done at least three times a year.

APPENDICES

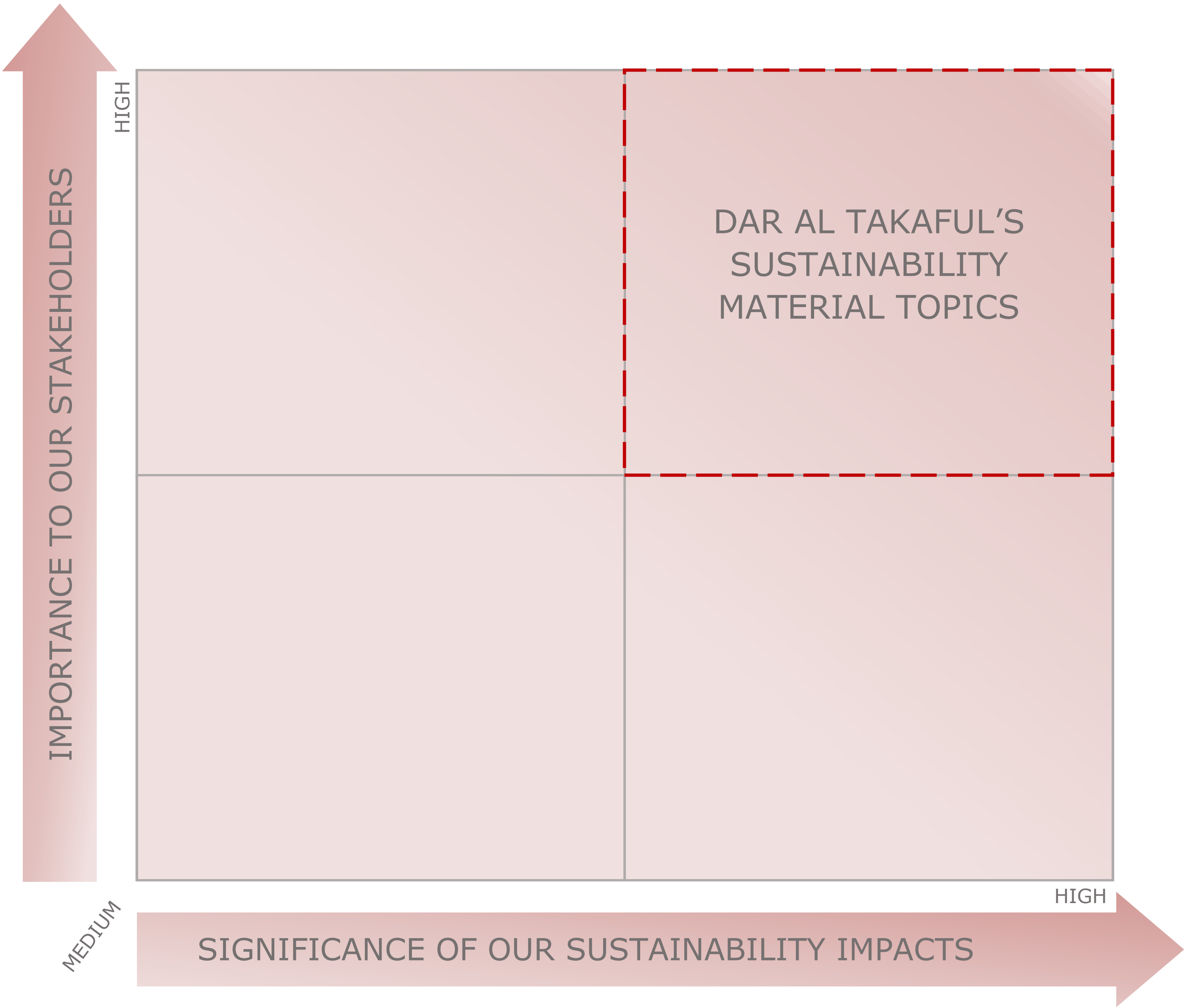
STAKHOLDER ENGAGEMENT OUTCOME

(GRI 102-40, GRI 102-44)

KEY STAKEHOLDERS	EXISTING METHODS OF ENGAGEMENT
CUSTOMERS	• Website • Marketing Material • Social Media • Online Reviews • Customer Care Centre • Insurance Authority/Central Bank complaint portal
MANAGEMENT & EMPLOYEES	• Training & Development Programs • Company Events • Company Internal Announcements • Performance Appraisals • Rewards & Recognition Programs • Exit Interviews
SHAREHOLDERS	• Regular Communication • Annual General Meeting • Corporate Regulatory Disclosures
GOVERNMENT (Securities & Commodities Authority, Central Bank, Dubai Financial Market, Dubai Health Authority, Abu Dhabi Health Authority, Ministry of Finance, Ministry of Economy)	• Regular interactions through reporting requirements • Regular interactions for new regulatory requirements • Webinars
BUSINESS PARTNER (Reinsurers, TPAs, Brokers)	• Regular interaction related to business coordination, development, and agreement renewal
RATING AGENCIES	• Yearly interaction when conducting rating review
COMMUNITY	• Local community-related initiatives • Sponsorships and donations • Volunteering activities

MATERIALITY MATRIX

(GRI 102-47)



GRI & DFM CONTENT INDEX

(GRI 102-55)

GRI DISCLOSURE	CONTENT	DFM DISCLOSURE	REFERENCE PAGE	NOTES
GENERAL DISCLOSURES				
Organizational profile				
102-1	Name of the organization		2,7	
102-2	Activities, brands, products, and services		7	
102-3	Location of headquarters		2	
102-4	Location of operations		2	
102-5	Ownership and legal form		2,40	
102-6	Markets served		7	
102-7	Scale of the organization		7	
102-8	Information on employees and other workers	S4: Gender Diversity S5: Temporary Worker Ratio	22	
102-9	Supply Chain	G5: Supplier Code of Conduct	7	
102-10	Significant changes to the organization and its supply chain		7	
102-11	Precautionary Principle or approach		40	
102-12	External initiatives		7	
102-13	Membership of associations		7	
Strategy				
102-14	Statement from senior decision-maker		5	
Ethics & Integrity				
102-16			7, 22, 40	

	Describe your organization's values, principles, standards and norms of behavior			
Governance				
102-18	Governance structure	G1: Board Diversity G2: Board Independence	40	
102-20*	Executive-level responsibility for economic, environmental, and social topics	E8, E9: Environmental Oversight	13,36	
Stakeholder Engagement				
102-40	List of stakeholder groups		13	
102-41	Collective bargaining agreements	G4: Collective Bargaining		*Not applicable for companies operating in UAE*
102-42	Identifying and selecting stakeholders		13	
102-43	Approach to stakeholder engagement		13	
102-44	Key topics and concerns raised		13	
Reporting Practice				
102-45	Entities included in the consolidated financial statements		2	
102-46	Defining report content and topic boundaries	G8: Sustainability Reporting G9: Disclosure Practices	2	
102-47	List of material topics		13	
102-48	Restatements of information		2	
102-49	Changes in reporting		2	
102-50	Reporting period		2	
102-51	Date of the most recent report		2	
102-52	Reporting cycle		2	
102-53	Contact point for questions regarding the report		2	

102-54	Claims of reporting in accordance with the GRI standards		2	
102-55	GRI content index		47	
102-56	External assurance	G10: External Assurance	2	
MATERIAL TOPICS				
GRI DISCLOSURE	**CONTENT**	**DFM DISCLOSURE**	**REFERENCE PAGE**	**NOTES**
GRI 200: Economic Standard Series				
GRI 201: Economic Performance 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		7,13	
103-2	The management approach and its components		7,13	
103-3	Evaluation of the management approach		7,13	
GRI 201 Topic Specific				
201-1	Direct economic value generated and distributed		Refer to our 2020 Annual Report pages 32-47	
GRI 300: Environmental Standard Series				
GRI 302: Energy 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,36	
103-2	The management approach and its components		13,36	
103-3	Evaluation of the management approach	E7: Environmental Operations	13,36	
GRI 302 Topic Specific				
302-1	Energy consumption within the organization	E3: Energy Usage E5: Energy Mix	36	

		E6: Water Usage		
302-3	Energy intensity	E4: Energy Intensity	36	
GRI 305: Emissions 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,36	
103-2	The management approach and its components		13,36	
103-3	Evaluation of the management approach		13,36	
GRI 305 Topic Specific				
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	36	
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	36	
305-4	GHG emissions intensity	E2: Emissions Intensity	36	
GRI 400: Social Standard Series				
GRI 401: Employment 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,22	
103-2	The management approach and its components		13,22	
103-3	Evaluation of the management approach		13,22	
GRI 401 Topic Specific				
401-1	New employee hires and employee turnover	S3: Employee Turnover	22	
401-2	Benefits provided to full-time employees that are not provided to part-time employees		22	
GRI 404: Training & Education 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,22	

103-2	The management approach and its components		13,22	
103-3	Evaluation of the management approach		13,22	
GRI 404 Topic Specific				
404-1	Average hours of training per year per employee		22	
404-3	Percentage of employees receiving regular performance and career development reviews		22	
GRI 405: Diversity and Equal Opportunity 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,22	
103-2	The management approach and its components		13,22	
103-3	Evaluation of the management approach		13,22	
GRI 405 Topic Specific				
405-1	Diversity of governance bodies and employees	S4: Gender Diversity S6: Non-Discrimination	22,40	
405-2	Ratio of basic salary and remuneration of women to men	S2: Gender Pay Ratio	22	
GRI 417: Marketing & Labelling 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,33	
103-2	The management approach and its components		33	
103-3	Evaluation of the management approach		33	
GRI 417 Topic Specific				

417-2	Incidents of non-compliance concerning product and service information and labeling		33	
417-3	Incidents of non-compliance concerning marketing communications		33	
GRI 418: Customer Privacy 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,33	
103-2	The management approach and its components		33	
103-3	Evaluation of the management approach		33	
GRI 418 Topic Specific				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7: Data Privacy	33	

Additional DFM disclosures			
DFM DISCLOSURE	**CONTENT**	**REFERENCE PAGE**	**NOTES**
Environmental			
E10	**Climate Risk Mitigation**		*We will be including this metric in our Environmental Policy*
	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	*Not Available*	
Social			
S1	**CEO Pay Ratio**		*The CEO's salary along with that of the executive team is currently disclosed in our Corporate Goverance Report*
	Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	*Not Available*	
	Does your company report this metric in regulatory filings?	*Yes*	
S6	**Non-Discrimination**		*Non- Discrimination is covered in our Code of Conduct and HR Policies*
	Does your company follow a sexual harassment and/or non-discrimination policy?	*Yes*	
S7	**Injury Rate**		*The industry in which we operate is not prone to injuries*
	Percentage: Frequency of injury events relative to total workforce time	*N/A*	
S8	**Global Health & Safety**		*Our HR Policies include Health & Safety clauses*
	Does your company follow an occupational health and/or global health & safety policy?	*N/A*	
S9	**Child & Forced Labor**		*We are in full support of combating child and/or forced labor, this risk is less applicable to the insurance sector*
	Does your company follow a child and/or forced labor policy?	*N/A*	
	If yes, does your child and/or forced labor policy also cover suppliers and vendors? **Yes/No**	*N/A*	
S10	**Human Rights**		

	Does your company follow a human rights policy?	*Yes*	*Or Code of Conduct and HR Policies include Human Rights clauses*
	If yes, does your human rights policy also cover suppliers and vendors?	*N/A*	
S11	**Nationalisation**		
	Percentage of national employees	*29*	
	Direct and indirect local job creation	*29*	
S12	**Community Investment**		
	Amount invested in the community, as a percentage of company revenues	*31*	
Governance			
G3	**Incentivized Pay**		*This will be considered as part of our Sustainability Strategy*
	Are executives formally incentivized to perform on sustainability?	*No*	
G6	**Ethics & Anti-Corruption**		*Ethics and Anti-Corruption is part of our Code of Conduct and HR Policies*
	Does your company follow an Ethics and/or Anti-Corruption policy?	*Yes*	
	If yes, what percentage of your workforce has formally certified its compliance with the policy	*100%*	