

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

Condensed interim consolidated financial information
(Unaudited)

For the period ended 31 March 2024

Review Report of the Independent Auditor To the Shareholders of Watania International Holding (PJSC)

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC)) (the “Group”) as at 31 March 2024 and condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity, condensed interim consolidated statement of cash flows for the three-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of review

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

Conclusion

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


GRANT THORNTON UAE

Dr. Osama El-Bakry
Registration No. 935
Dubai, United Arab Emirates


14 MAY 2024

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


Condensed interim consolidated statement of financial position
As at 31 March 2024

	Notes	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
ASSETS			
Investment properties	4	67,807	67,807
Property and equipment		15,133	15,131
Intangible assets		82,968	83,065
Investments at amortised cost	5	33,758	33,737
Investments at fair value through other comprehensive income (FVTOCI)	5	6,197	6,197
Investments at fair value through profit or loss (FVTPL)	5	432,794	427,521
Retakaful contract assets	6	152,338	103,519
Trade and other receivables	7	91,113	64,215
Cash and bank balances	8	400,781	409,949
TOTAL ASSETS		1,282,889	1,211,141
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	260,156	260,156
Statutory reserve	10	9,828	9,828
Restricted reserve	10	5,383	5,383
Cumulative change in fair value of securities		199	199
Accumulated losses		(40,067)	(45,972)
Total equity		235,499	229,594
Liabilities			
Employees' end of service benefits		20,340	19,893
Takaful contract liabilities	6	798,804	722,413
Retakaful contract liabilities	6	50,398	53,170
Trade and other payables	11	103,693	99,515
Current tax liability	15	457	-
Deferred tax liability		4,248	4,249
Lease liability		7,637	7,557
Borrowings	12	61,813	74,750
Total liabilities		1,047,390	981,547
TOTAL EQUITY AND LIABILITIES		1,282,889	1,211,141

The condensed interim consolidated financial information was authorised for issue in accordance with a resolution of the Directors on 14 May 2024.



 Director



 Director

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

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

Condensed interim consolidated statement of comprehensive income
For the period ended 31 March 2024

		(Unaudited) Three-month period ended Notes 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Income			
Takaful income	13	171,372	231,830
Takaful expenses	14	(165,058)	(242,384)
Investment income		5,963	13,485
Net operating income		<u>12,277</u>	<u>2,931</u>
Expenses			
General and administrative expenses		(5,232)	(7,659)
Amortisation of intangibles		(1,313)	(1,575)
Finance cost		(1,195)	(1,481)
Other income		1,824	5,027
Profit/ (loss) for the period before tax		<u>6,361</u>	<u>(2,757)</u>
Income tax expense	15	(456)	-
Profit/ (loss) for the period after tax		<u>5,905</u>	<u>(2,757)</u>
Other comprehensive income/ (loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Unrealised loss on investments at FVTOCI		-	(333)
		-	(333)
Total comprehensive income/ (loss) for the period attributable to shareholders		<u>5,905</u>	<u>(3,090)</u>
Earnings/ (loss) per share (AED)			
Basic and diluted	16	<u>0.023</u>	<u>(0.011)</u>

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

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

Condensed interim consolidated statement of changes in equity
For the period ended 31 March 2024

	Share capital AED'000	Statutory reserve AED'000	Restricted reserve AED'000	Cumulative change in fair value of securities AED'000	Accumulated losses AED'000	Total AED'000
Restated balance at 1 January 2023	260,156	8,500	3,636	(1,655)	(49,595)	221,042
Loss for the period	-	-	-	-	(2,757)	(2,757)
Other comprehensive loss	-	-	-	(333)	-	(333)
Transfer to accumulated losses on change on license	-	-	-	1,367	(1,367)	-
Total comprehensive income/(loss) for the period	-	-	-	1,034	(4,124)	(3,090)
As at 31 March 2023 (Unaudited)	260,156	8,500	3,636	(621)	(53,719)	217,952
As at 1 January 2024 (Audited)	260,156	9,828	5,383	199	(45,972)	229,594
Total comprehensive income for the period	-	-	-	-	5,905	5,905
As at 31 March 2024 (Unaudited)	260,156	9,828	5,383	199	(40,067)	235,499

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

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

Condensed interim consolidated statement of cash flows
For the period ended 31 March 2024

	(Unaudited)	(Unaudited)
	Three-month period ended 31 March 2024 AED'000	Three-month period ended 31 March 2023 AED'000
Cash flows from operating activities		
Profit/ (loss) before tax for the period	6,361	(2,757)
Adjustments for:		
Depreciation of property and equipment	714	1,427
Amortisation of intangibles	1,671	2,442
Investment held at amortised cost amortisation	(21)	34
Unrealised gain on financial assets at FVTPL	(516)	(22,689)
Realised gain on financial assets at FVTPL	(342)	(939)
Income from dividends	(278)	(1,160)
Income from deposits	(3,717)	(3,232)
Income from FVTOCI investments	-	(656)
Income from held to maturity investments	(682)	-
Finance cost	1,195	1,481
Finance cost on lease liability	80	196
Rental income	(582)	(662)
Provision for expected credit losses	(594)	(74)
Provision for employees' end of service benefits	447	340
Operating cash flows before changes in working capital	3,736	(26,249)
Change in trade and other receivables	(23,855)	(15,057)
Change in retakaful contract assets and liabilities – net	(51,592)	11,426
Change in takaful contract liabilities	55,141	(17)
Change in trade and other payables	4,179	18,926
Cash generated used in operations	(12,391)	(10,971)
Employee's end of service benefits paid	-	(628)
Net cash used in operating activities	(12,391)	(11,599)
Cash flows from investing activities		
Additions in property and equipment	(853)	(1,997)
Additions in intangible assets	(1,575)	-
Write-off of fixed assets	138	-
Proceeds from sale of FVTPL	33,237	26,682
Additions of equity investments carried at FVTPL	(16,401)	(66,141)
Proceeds from sale of FVTOCI	-	43,157
Income received on deposits	1,289	-
Income received on investment held at amortised cost	478	-
Proceeds from redemption of investment held at amortised cost	-	9,627
Rental income received	764	662
Dividend received	278	1,160
Finance costs paid	(1,195)	(1,481)
Proceeds from sale/ (Purchase) of investments in wakala deposits – net	10,900	(7,899)
Net cash generated from investing activities	27,060	3,770

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

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

Condensed interim consolidated statement of cash flows (continued)
For the period ended 31 March 2024

	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Cash flows from financing activities		
Repayment of borrowings	(12,937)	(10,350)
Lease payments	-	(705)
Net cash used in financing activities	<u>(12,937)</u>	<u>(11,055)</u>
Net change in cash and cash equivalents	1,732	(18,884)
Cash and cash equivalents, beginning of period	78,350	103,055
Cash and cash equivalents, end of period (note 8)	<u>80,082</u>	<u>84,171</u>

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

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

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

1 Legal status and activities

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC)) (the “Company”) was incorporated as a public joint stock company. During the year 2023, the Company’s insurance license has been cancelled as it will be an investment holding company and changed its name from Dar Al Takaful (PJSC) to Watania International Holding (PJSC). The address of the Company is P.O. Box 235353, Dubai, United Arab Emirates.

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

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

The primary activity of the company includes investment in subsidiaries and securities such as agricultural, commercial, educational, energy, industrial, technological, and tourist enterprises & management, outer space projects, health care, sports, and water enterprises & development, oil & natural gas projects.

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

Name of subsidiary	Proportion of ownership interest		Principal activities
	31 March 2024	31 December 2023	
Watania Takaful Family (PJSC)	100%	100%	Family takaful and retakaful activities
Watania Takaful General (PJSC)	100%	100%	General takaful and retakaful activities

2 Basis of preparation

The condensed interim consolidated financial information are for the three-month period ended 31 March 2024 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Group. This condensed interim consolidated financial information have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ and do not include all the information required in annual financial information in accordance with IFRSs and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The Group presents its condensed interim consolidated statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current).

Basis of consolidation

The condensed interim consolidated financial information comprise the financial information of the Group and its subsidiaries as at 31 March 2024.

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

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

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

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

2 Basis of preparation (continued)

Basis of consolidation (continued)

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

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

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

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

3 Material accounting policy information

The accounting policies used in the preparation of this condensed interim consolidated financial information are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2023, except for application of new standards effective as of January 2024 and several amendments and interpretations apply for the first time in 2024.

Standards, interpretations and amendments to existing standards

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

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

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

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

Critical accounting estimates and judgments in applying accounting policies

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

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

Insurance and financial risk management

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

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

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

4 Investment properties

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

Management estimates that there has been no change in the fair value of investment properties during the three-month period ended 31 March 2024. The carrying value of the investment properties as at 31 March 2024 is AED 67.80 million (31 December 2023: AED 67.80 million).

Investment properties are classified as Level 3 in the fair value hierarchy as at 31 March 2024 (31 December 2023: Level 3).

5 Investment in securities

Investment at amortised cost

Amortised cost investments comprises the following:

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Quoted debt securities inside U.A.E.	25,072	25,014
Unquoted debt securities outside U.A.E.	8,686	8,723
	<u>33,758</u>	<u>33,737</u>

Investments at fair value through profit or loss

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

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Investment in mutual funds	356,670	349,387
Investment in debt securities	43,912	47,384
Investment in equity securities	32,212	30,750
	<u>432,794</u>	<u>427,521</u>
Quoted securities inside UAE	76,124	78,134
Unquoted securities inside U.A.E.	16,225	17,139
Unquoted securities outside U.A.E.	340,445	332,248
	<u>432,794</u>	<u>427,521</u>

Investments at fair value through other comprehensive income

Fair value through other comprehensive income comprise the following:

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Unquoted equity securities in U.A.E.	5,197	5,197
Unquoted debt securities in U.A.E.	1,000	1,000
	<u>6,197</u>	<u>6,197</u>

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

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

5 Investment in securities (continued)

The movement in investment in securities is as follows:

	Investments at FVTOCI AED'000	Investments at FVTPL AED'000	Investments at amortised cost AED'000	Total AED'000
31 March 2024 (Unaudited)				
At 1 January 2024	6,197	427,521	33,737	467,455
Addition during the period	-	16,401	-	16,401
Disposal during the period	-	(33,237)	-	(33,237)
Amortisation of premiums	-	-	21	21
Fair value gain recorded in the consolidated income statement	-	22,109	-	22,109
At 31 March 2024	6,197	432,794	33,758	472,749
31 December 2023 (Audited)				
At 1 January 2023	71,624	391,782	47,353	510,759
Addition during the year	-	150,210	-	150,210
Disposal during the year	(139)	(245,464)	(13,598)	(259,201)
Changes in business models due to adoption of IFRS 9	(64,107)	64,107	-	-
Amortisation of premiums	-	-	8	8
Impairment of investments	(945)	-	-	(945)
Expected credit loss	-	-	(26)	(26)
Fair value gain for investments recorded in the consolidated statement of income (FVTPL investments- unit linked)	-	52,976	-	52,976
Fair value loss recorded in the consolidated statement of income	-	13,910	-	13,910
Fair value loss recorded in the comprehensive statement of income	(236)	-	-	(236)
At 31 December 2023	6,197	427,521	33,737	467,455

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

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

6 Takaful and retakaful contracts

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

Takaful contracts issued

	(Unaudited) 31 March 2024			(Audited) 31 December 2023		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
General takaful	-	(315,648)	(315,648)	-	(224,645)	(224,645)
Medical takaful	-	(122,279)	(122,279)	-	(149,761)	(149,761)
Family takaful	-	(360,877)	(360,877)	-	(348,007)	(348,007)
Total takaful contracts issued	-	(798,804)	(798,804)	-	(722,413)	(722,413)

Retakaful contracts held

	(Unaudited) 31 March 2024			(Audited) 31 December 2023		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
General takaful	68,583	(6,582)	62,001	21,530	(16,070)	5,459
Medical takaful	83,755	-	83,755	81,989	(975)	81,105
Family takaful	-	(43,816)	(43,816)	-	(36,125)	(36,125)
Total retakaful contracts held	152,338	(50,398)	101,940	103,519	(53,170)	50,439

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

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

6 Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
31 March 2024 (Unaudited)					
Takaful contract liabilities as at 1 January 2024	175,071	297	236,325	9,577	421,270
Takaful revenue	(172,716)	-	-	-	(172,716)
Takaful service expenses					
Incurred claims and other expenses	-	-	213,865	8,799	222,664
Net takaful acquisition costs	28,957	-	-	-	28,957
Losses on onerous contract	-	593	-	-	593
Changes to liabilities for incurred claims	-	-	(61,198)	(5,930)	(67,128)
Takaful service result	(143,759)	593	152,667	2,869	12,370
Takaful finance expenses	-	-	1,841	-	1,841
Total changes in statement of comprehensive income	(143,759)	593	154,508	2,869	14,211
Cash flows					
Contributions received	183,525	-	-	-	183,525
Claims and other expenses paid	-	-	(106,467)	-	(106,467)
Direct attributable expense	-	-	(4,367)	-	(4,367)
Takaful acquisition cash flows	(30,446)	-	-	-	(30,446)
Total cash flows	153,079	-	(110,834)	-	42,245
Net takaful contract liabilities as at 31 March 2024	184,391	890	279,999	12,446	477,726

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

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

6 Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
31 December 2023 (Audited)					
Takaful contract liabilities as at 1 January 2023	158,583	14,717	273,173	10,937	457,410
Takaful revenue	(898,891)	-	-	-	(898,891)
Takaful service expenses					
Incurred claims and other expenses	-	-	586,775	16,514	603,289
Net takaful acquisition costs	152,821	-	-	-	152,821
Losses on onerous contracts and reversals	-	(14,420)	-	-	(14,420)
Changes to liabilities for incurred claims	-	-	71,338	(17,874)	53,464
Takaful service result	(746,072)	(14,420)	658,113	(1,360)	(103,739)
Takaful finance expenses	-	-	4,525	-	4,525
Total changes in the statement of comprehensive income	(746,072)	(14,420)	662,638	(1,360)	(99,214)
<i>Cash flows</i>					
Contributions received	914,419	-	-	-	914,419
Claims and other expenses paid	-	-	(680,988)	-	(680,988)
Direct attributable expense	-	-	(18,498)	-	(18,498)
Takaful acquisition cash flows	(151,859)	-	-	-	(151,859)
Total cash flows	762,560	-	(699,486)	-	63,074
Net takaful contract liabilities as at 31 December 2023	175,071	297	236,325	9,577	421,270

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

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

6 Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA

	Liability for remaining coverage		Liabilities for incurred claims	Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	
31 March 2024 (Unaudited)				
Takaful contract liabilities as at 1 January 2024	262,094	35,689	3,360	301,143
Takaful revenue	1,344	-	-	1,344
Takaful service expenses				
Incurred claims and other expenses	-	-	1,498	1,498
Net takaful acquisition costs	1,195	-	-	1,195
Losses on onerous contract and reversals	-	(609)	-	(609)
Changes to liabilities for incurred claims	-	-	2,315	2,315
Takaful service result	2,539	(609)	3,813	5,743
Takaful finance expenses	21,174	(40)	12	21,146
Investment components	(14,808)	-	14,808	-
Total changes in statement of comprehensive income	8,905	(649)	18,633	26,889
Cash flows				
Contribution received	10,318	-	-	10,318
Claims and other expenses paid	-	-	(15,320)	(15,320)
Takaful acquisition cash flows	(1,952)	-	-	(1,952)
Total cash flows	8,366	-	(15,320)	(6,954)
Net takaful contract liabilities as at 31 March 2024	279,365	35,040	6,673	321,078

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC))
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Notes to the condensed interim consolidated financial information
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6 Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA (continued)

	Liability for remaining coverage		Liabilities for incurred claims	Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	
31 December 2023 (Audited)				
Takaful contract liabilities as at 1 January 2023	295,032	1,453	9,236	305,721
Takaful revenue	(55,472)	-	-	(55,472)
Takaful service expenses				
Incurred claims and other expenses	-	-	5,593	5,593
Net takaful acquisition costs	4,701	-	-	4,701
Losses on onerous contract and reversals	-	34,318	-	34,318
Changes to liabilities for incurred claims	-	-	(9,402)	(9,402)
Investments component	(77,285)	-	77,285	-
Takaful service result	(128,056)	34,318	73,476	(20,262)
Takaful finance expenses	53,935	(82)	40	53,893
Total changes in statement of comprehensive income	(74,121)	34,236	73,516	33,631
<i>Cash flows</i>				
Contribution received	56,125	-	-	56,125
Claims and other expenses paid	-	-	(77,370)	(77,370)
Direct attributable expense	-	-	(2,022)	(2,022)
Takaful acquisition cash flows	(14,942)	-	-	(14,942)
Total cash flows	41,183	-	(79,392)	(38,209)
Net takaful contract liabilities as at 31 December 2023	262,094	35,689	3,360	301,143

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6 Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA

31 March 2024 (Unaudited)	Estimates of present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Takaful contract liabilities as at 1 January 2024	277,660	9,319	14,164	301,143
Changes that relate to current services				
CSM recognised for services provided	-	-	(620)	(620)
Change in risk adjustment for non-financial risk for risk expired	-	7,587	-	7,587
Experience adjustments	(409)	686	-	277
Changes that relate to future services				
Contracts initially recognised in the year	(1,862)	344	1,574	56
Changes in estimates that adjust the CSM	(1,734)	47	1,687	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(4,336)	464	-	(3,872)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	2,862	(547)	-	2,315
Takaful service result	(5,479)	8,581	2,641	5,743
Net finance expenses from takaful contracts	21,115	-	30	21,145
Total changes in the statement of profit or loss and OCI	15,636	8,581	2,671	26,888
Cash flows				
Contributions received	10,318	-	-	10,318
Claims and other directly attributable expenses paid	(15,320)	-	-	(15,320)
Takaful acquisition cash flows paid	(1,951)	-	-	(1,951)
Total cash flows	(6,953)	-	-	(6,953)
Takaful contract liabilities as at 31 March 2024	286,343	17,900	16,835	321,078

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6 Takaful and retakaful contracts (continued)

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

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

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM	
			Contracts under modified retrospective transition approach AED'000	Total AED'000
31 December 2023 (Audited)				
Takaful contract liabilities as at 1 January 2023	144,865	48,127	112,729	305,721
Changes that relate to current services				
CSM recognised for services provided	-	-	(2,473)	(2,473)
Change in risk adjustment for non-financial risk for risk expired	-	(40,604)	-	(40,604)
Experience adjustments	(5,686)	3,487	-	(2,199)
Changes that relate to future services				
Contracts initially recognised in the year	(9,531)	564	8,990	23
Changes in estimates that adjust the CSM	103,559	1,613	(105,172)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	34,528	(134)	-	34,394
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(5,668)	(3,734)	-	(9,402)
Takaful service result	117,202	(38,808)	(98,655)	(20,261)
Net finance expenses from takaful contracts	53,803	-	90	53,893
Total changes in the statement of profit or loss and OCI	171,005	(38,808)	(98,565)	33,632
Cash flows				
Contributions received	56,121	-	-	56,121
Claims and other directly attributable expenses paid	(79,390)	-	-	(79,390)
Takaful acquisition cash flows paid	(14,941)	-	-	(14,941)
Total cash flows	(38,210)	-	-	(38,210)
Takaful contract liabilities as at 31 December 2023	277,660	9,319	14,164	301,143

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6 Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA

	Assets for remaining coverage		Amounts recoverable on incurred claims			Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000		
31 March 2024 (Unaudited)						
Retakaful contract assets as at 1 January 2024	(194,941)	-	296,385	2,075		103,519
Retakaful contract liabilities as at 1 January 2024	(200,253)	-	157,431	4,337		(38,485)
Net retakaful contract (liabilities)/assets	(395,194)	-	453,816	6,412		65,034
An allocation of retakaful contributions	(61,009)	-	-	-		(61,009)
Amounts recoverable from reinsurers for incurred claims	-	-	83,665	2,691		86,356
Expenses recoverable for incurred claims and other expenses	-	-	(848)	-		(848)
Expenses directly attributable to reinsurance	-	-	(8,108)	34		(8,074)
Changes to amounts recoverable for incurred claims and other expenses						
Net income or expense from retakaful contracts held	(61,009)	-	74,709	2,725		16,425
Retakaful finance income	-	-	4,037	-		4,037
Total changes in the statement of comprehensive income	(61,009)	-	78,746	2,725		20,462
Cash flows						
Retakaful contribution and expenses paid	30,994	-	-	-		30,994
Directly attributable expenses paid	-	-	857	-		857
Amounts received	-	-	(7,034)	-		(7,034)
Total cash flows	30,994	-	(6,177)	-		24,817
Net retakaful contract (liabilities)/assets as at 31 March 2024	(297,675)	-	442,840	7,173		152,338
Retakaful contract assets as at 31 March 2024	(127,534)	-	83,545	1,964		(42,025)
Retakaful contract liabilities as at 31 March 2024	(425,209)	-	526,385	9,137		110,313
Net retakaful contract (liabilities)/asset as at 31 March 2024						

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6 Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims			Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000		
31 December 2023 (Audited)						
Retakaful contract assets as at 1 January 2023	(105,650)	4,895	235,173	2,807		137,235
Retakaful contract liabilities as at 1 January 2023	(122,954)	45	93,686	4,350		(24,873)
Net retakaful contract (liabilities)/assets	(228,604)	4,940	328,859	7,157		112,352
Allocation of retakaful contributions	(329,618)	-	-	-		(329,618)
Amounts recoverable from reinsurers for incurred claims	-	-	187,576	2,161		189,737
Changes in fulfillment for incurred claims and other expenses	-	(4,985)	-	-		(4,985)
Expenses directly attributable to retakaful	-	-	(3,613)	-		(3,613)
Changes to amounts recoverable for incurred claims	-	45	32,722	(2,906)		29,861
Net income or expense from retakaful contracts held	(329,618)	(4,940)	216,685	(745)		(118,618)
Retakaful finance income	-	-	5,089	-		5,089
Total changes in the statement of comprehensive income	(329,618)	(4,940)	221,774	(745)		(113,529)
<i>Cash flows</i>						
Retakaful contribution and expenses paid	163,029	-	-	-		163,029
Directly attributable expenses paid	-	-	3,594	-		3,594
Amounts received	-	-	(100,411)	-		(100,411)
Total cash flows	163,029	-	(96,817)	-		66,212
Net retakaful contract assets/(liabilities) as at 31 December 2023	(194,941)	-	296,385	2,075		103,519
Retakaful contract assets as at 31 December 2023	(200,253)	-	157,431	4,337		(38,485)
Retakaful contract liabilities as at 31 December 2023	(395,194)	-	453,816	6,412		65,034
Net retakaful contract (liabilities)/assets as at 31 December 2023						

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6 Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA

	Assets for remaining coverage	Loss component AED'000	Amounts recoverable on incurred claims	Total AED'000
	Excluding loss recovery component AED'000	Estimates of the present value of future cash flows AED'000		
31 March 2024 (Unaudited)	(15,788)	192	911	(14,685)
Retakaful contract assets/(liabilities) as at 1 January 2024	(272)	-	-	(272)
An allocation of retakaful contributions	-	-	-	-
Amounts recoverable from reinsurers for incurred claims	-	154	-	154
Amounts recoverable for incurred claims and other expenses	-	5,893	-	5,893
Changes in fulfilment cash flows that do not adjust underlying CSM	-	-	(111)	(111)
Expenses directly attributable to retakaful	-	-	8	8
Changes that relate to past services	-	-	-	-
Net income or expense from retakaful contracts held	(272)	5,893	51	5,672
Retakaful finance income	28	-	3	31
Total changes in the statement of comprehensive income	(244)	5,893	54	5,703
<i>Cash flows</i>				
Contributions paid	498	-	-	498
Directly attributable expenses paid	-	-	111	111
Total cash flows	498	-	111	609
Net retakaful contract assets/(liabilities) as at 31 March 2024	(15,534)	6,085	1,076	(8,373)

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6 Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA (continued)

	Assets for remaining coverage		Loss component	Amounts recoverable on incurred claims	Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000		
31 December 2023 (Audited)	(13,457)	738	2,513	(10,206)	
Net retakaful contract assets/(liabilities) as at 1 January 2023	(1,211)	-	-	(1,211)	
An allocation of retakaful contributions	-	-	(65)	(65)	
Amounts recoverable from reinsurers for incurred claims	-	(546)	-	(546)	
Amounts recoverable for incurred claims and other expenses	-	-	(635)	(635)	
Changes in fulfilment cash flows that do not adjust underlying CSM	-	-	(1,542)	(1,542)	
Expenses directly attributable to retakaful	(1,211)	(546)	(2,242)	(3,999)	
Changes that relate to past service	(1,439)	-	10	(1,429)	
Net income or expense from retakaful contracts held	(2,650)	(546)	(2,232)	(5,428)	
Retakaful finance income	319	-	-	318	
Total changes in the statement of comprehensive income	-	-	635	635	
<i>Cash flows</i>	-	-	(5)	(5)	
Contributions paid	319	-	630	948	
Directly attributable expenses paid	-	-	-	-	
Amounts received	-	-	-	-	
Total cash flows	(15,788)	192	911	(14,685)	
Net retakaful contract assets/(liabilities) as at 31 December 2023					

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6 Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
31 March 2024 (Unaudited)				
Net retakaful contract (liabilities)/assets as at 1 January 2024	(9,002)	3,425	(9,108)	(14,685)
Changes that relate to current services				
CSM retakaful for services provided	-	-	180	180
Change in risk adjustment for non- financial risk for risk expired	-	155	-	155
Experience adjustments	(568)	4	-	(564)
Changes that relate to future services				
Contracts initially recognised in the year	(75)	31	44	-
Changes in estimates that adjust the CSM	563	(57)	(506)	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	5,893	5,893
Changes that relate to past service	(4)	12	-	8
Net expenses from retakaful contracts	(84)	145	5,611	5,672
Net finance income from retakaful contracts	62	-	(31)	31
Total changes in the statement of comprehensive income	(22)	145	5,580	5,703
Cash flows				
Contributions received	498	-	-	498
Claims and other directly attributable expenses paid	111	-	-	111
Total cash flows	609	-	-	609
Net retakaful contract (liabilities)/assets as at 31 March 2024	(8,415)	3,570	(3,528)	(8,373)

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6 Takaful and retakaful contracts (continued)

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

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

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
31 December 2023 (Audited)				
Net retakaful contract (liabilities)/assets as at 1 January 2023	(11,436)	3,099	(1,867)	(10,204)
Changes that relate to current services				
CSM retakaful for services provided	-	-	1,449	1,449
Change in risk adjustment for non- financial risk for risk expired	-	(1,380)	-	(1,380)
Experience adjustments	(1,909)	(71)	-	(1,980)
Changes that relate to future services				
Contracts initially recognised in the year	(362)	191	171	-
Changes in estimates that adjust the CSM	6,614	1,678	(8,292)	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	(546)	(546)
Changes that relate to past service	(1,450)	(92)	-	(1,542)
Net expenses from retakaful contracts	2,893	326	(7,218)	(3,999)
Net finance income from retakaful contracts	(1,406)	-	(23)	(1,429)
Total changes in the statement of comprehensive income	1,487	326	(7,241)	(5,428)
<i>Cash flows</i>				
Contributions received	318	-	-	318
Claims and other directly attributable expenses paid	635	-	-	635
Recoveries from reinsurance	(6)	-	-	(6)
Total cash flows	947	-	-	947
Net retakaful contract (liabilities)/assets as at 31 December 2023	(9,002)	3,425	(9,108)	(14,685)

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6 Takaful and retakaful contracts (continued)

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

31 March 2024 (Unaudited)	PAA AED'000	Non-PAA AED'000	Total AED'000
Takaful contract liabilities	477,726	321,078	798,804
Retakaful contract assets	(152,338)	-	(152,338)
Retakaful contract liabilities	42,025	8,373	50,398
	<u>367,413</u>	<u>329,451</u>	<u>696,864</u>
31 December 2023 (Audited)	PAA AED'000	Non-PAA AED'000	Total AED'000
Takaful contract liabilities	421,270	301,143	722,413
Retakaful contract assets	(103,519)	-	(103,519)
Retakaful contract liabilities	38,485	14,685	53,170
	<u>356,236</u>	<u>315,828</u>	<u>672,064</u>

7 Trade and other receivables

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Trade receivables	43,201	45,230
Other receivables	74,259	45,926
	<u>117,460</u>	<u>91,156</u>
Less: Expected credit losses	(26,347)	(26,941)
	<u>91,113</u>	<u>64,215</u>

8 Cash and bank balances

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000	(Unaudited) 31 March 2023 AED'000
Cash and bank balances	80,082	68,850	84,171
Wakala deposits	320,699	341,099	282,664
	<u>400,781</u>	<u>409,949</u>	<u>366,835</u>
Less: Restricted deposit	(16,000)	(16,000)	(22,000)
Less: Deposits under lien	(24,451)	(24,451)	(35,777)
Less: Deposits with original maturities of more than three months	(280,248)	(291,148)	(224,887)
Cash and cash equivalents for the purpose of cash flows	<u>80,082</u>	<u>78,350</u>	<u>84,171</u>

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9 Share capital

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Issued and fully paid: 260,156,250 ordinary shares of AED 1 each (31 December 2023: 260,156,250 ordinary shares)	260,156	260,156

10 Reserves

Statutory reserve

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

Restricted reserve

This reserve pertains to the subsidiaries which are takaful entities, and in accordance with article 34 of Central Bank of UAE' Board of Directors Decision No. 23 of 2019, concerning instructions organising retakaful operations, the reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of UAE. No transfer to the restricted reserve has been made during the three-month period ended 31 March 2024 (three-month period ended 31 March 2023: Nil), as this will be based on the annual results for the year-end.

11 Trade and other payables

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Trade payables	33,179	33,641
Other payables	70,514	65,874
	103,693	99,515

12 Borrowings

The Group got engaged in Murabaha facility of AED 215 million with bank on 27 February 2020 held at amortised cost. The facility was obtained for the purpose of acquiring Watania Takaful General PJSC "WTG" and Watania Takaful Family PJSC "WTF". 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 WTF and WTG. Full amount of Tranche 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 June 2025.

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12 Borrowings (continued)

	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
Opening balance as at 1 January	74,750	95,450
Repayments made during the period	(12,937)	(20,700)
Closing balance	<u>61,813</u>	<u>74,750</u>

13 Takaful income

31 March 2024 (Unaudited)	General and motor AED'000	Medical AED'000	Group life AED'000	Individual life AED'000	Total AED'000
Contracts not measured under the PAA	-	-	-	(1,344)	(1,344)
Contracts measured under the PAA	73,486	76,257	22,973	-	172,716
	<u>73,486</u>	<u>76,257</u>	<u>22,972</u>	<u>(1,344)</u>	<u>171,372</u>
31 March 2023 (Unaudited)					
Contracts not measured under the PAA	-	-	-	6,164	6,164
Contracts measured under the PAA	79,227	117,742	28,697	-	225,666
	<u>79,227</u>	<u>117,742</u>	<u>28,697</u>	<u>6,164</u>	<u>231,830</u>

14 Takaful expenses

	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Takaful service expense	189,486	201,356
Allocation of retakaful premiums	61,281	86,526
Amounts recoverable from retakaful for incurred claims	(83,377)	(45,979)
Takaful finance expenses for takaful contracts issued	22,987	19,144
Retakaful finance income for retakaful contracts held	(4,068)	(3,257)
Net gain on investments at FVTPL (<i>unit-linked</i>)	(21,251)	(15,406)
	<u>165,058</u>	<u>242,384</u>

15 Income tax expense

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax ("CT") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting period ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

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15 Income tax expense (continued)

The tables below show the details of the provision for current and deferred income tax expense:

	(Unaudited) 31 March 2024 AED'000	(Unaudited) 31 March 2023 AED'000
Condensed interim consolidated statement of comprehensive income		
Current tax	457	-
Deferred tax	(1)	-
	<u>456</u>	<u>-</u>

16 Earnings per share

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

	(Unaudited) Three-month period ended 31 March 2024	(Unaudited) Three-month period ended 31 March 2023
Profit/ (loss) for the period attributable to shareholders (in AED'000)	5,905	(2,757)
Number of ordinary shares outstanding (shares)	260,156,250	260,156,250
Basic and diluted earnings/ (loss) per share (in AED)	<u>0.023</u>	<u>(0.011)</u>

Diluted earnings/ (loss) per share as of 31 March 2024 and 31 March 2023 are equivalent to basic earnings/ (loss) per share.

17 Related party transactions

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

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.

Transactions with related parties

There are no transactions or balances with related party during the three-month period ended 31 March 2024 (three-month period ended 31 March 2023: Nil).

Compensation of key management personnel

	(Unaudited) Three-month period ended 31 March 2024 AED'000	(Unaudited) Three-month period ended 31 March 2023 AED'000
Short-term benefits	1,812	1,798
Employees' end of service benefits	212	209
	<u>2,024</u>	<u>2,007</u>

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18 Commitments and guarantees

Commitments

The Group has capital commitments amounting to AED 0.03 million as at 31 March 2024 (31 December 2023: AED 0.03 million).

Guarantees

As at 31 March 2024, the Group has outstanding bank guarantees amounting AED 267,000 (31 December 2023: AED 267,000).

19 Segment information

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

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

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

Three-month period ended 31 March 2024 (Unaudited)

	Takaful		Investments		Total AED'000
	General takaful AED'000	Group family (employee benefits) AED'000	Family Takaful AED'000	AED'000	
Takaful income	149,744	22,972	(1,344)	-	171,372
Takaful expenses	(143,025)	(23,443)	1,410	-	(165,058)
Investment income	4,241	-	-	1,722	5,963
Net operating income/(losses)	10,960	(471)	66	1,722	12,277
General and administrative expenses	-	-	-	-	(5,232)
Amortisation of intangibles	-	-	-	-	(1,313)
Finance cost	-	-	-	-	(1,195)
Other (expenses) /income	-	-	(410)	-	1,824
Profit/ (loss) for the period before tax	10,960	(471)	(344)	1,722	6,361
Income tax expense	-	-	-	-	(456)
Profit/ (loss) for the period after tax	10,960	(471)	(344)	1,722	5,905

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19 Segment information (continued)

Three-month period ended 31 March 2023 (Unaudited)

	Takaful			Investments	Total AED'000
	General takaful AED'000	Group family (employee benefits) AED'000	Family Takaful AED'000	AED'000	
Takaful income	196,969	28,697	6,164	-	231,830
Takaful expenses	(218,257)	(21,820)	(2,307)	-	(242,384)
Investment income	4,142	952	430	7,961	13,485
Net operating (Losses)/income	(17,146)	7,829	4,287	7,961	2,931
General and administrative expenses	-	-	-	-	(7,659)
Amortisation of intangibles	-	-	-	-	(1,575)
Finance cost	-	-	-	-	(1,481)
Other (expenses) /income	-	-	(52)	-	5,027
(Loss)/profit for the period after tax	(17,146)	7,829	4,235	7,961	(2,757)

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

	Takaful AED'000	Investment AED'000	Total AED'000
31 March 2024 (Unaudited)			
Total assets	1,099,003	183,886	1,282,889
Total liabilities	952,897	94,493	1,047,390
31 December 2023 (Audited)			
Total assets	1,025,266	185,875	1,211,141
Total liabilities	875,098	106,449	981,547

20 Fair value measurements

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

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

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20 Fair value measurements (continued)

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000				
Investments at FVTOCI						
Unquoted equity securities	5,197	5,197	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	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value.
	<u>6,197</u>	<u>6,197</u>				
Investments at FVTPL						
Quoted equity securities	76,124	78,134	Level 1	Quoted bid prices in an active market	N/A	N/A
Mutual funds	356,670	349,387	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value.
	<u>432,974</u>	<u>427,521</u>				

21 Subsequent events

On 16 April 2024, UAE witnessed unprecedented heavy rainfall causing widespread disruption across the country. The Group is closely monitoring and assessing the net impact of the event.