Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C)

Consolidated financial statements
For the year ended 31 December 2024

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Board of Directors' report

The Board of Directors has the pleasure in submitting their report and the consolidated financial statements for the year ended 31 December 2024.

Incorporation and registered offices

Dubai Islamic Insurance & Reinsurance Company (Aman) (P.J.S.C) (the "Company") is registered as a public shareholding company in Dubai, United Arab Emirates. The Company is involved in carrying out general Takaful (insurance) business in accordance with the principles of Islamic Sharia'a as interpreted by its Fatwa and Sharia Board. The Company is also licensed to engage in Retakaful and life Takaful business. The Company and its subsidiaries are referred to as the "Group".

Principal activities

The Group issues Takaful contracts in connection with motor, marine, fire, engineering, general accident risks, group life, credit life, individual life, and medical risks.

Financial position and results

The financial position and results of the Group for the year ended 31 December 2024 are set out in the accompanying consolidated financial statements.

Directors

The following were the Directors of the Group for the year ended 31 December 2024:

–	Dr. Saleh Hashem Sayed Al Hashimi	Chairman
–	Mr. Mohammed Ahmed Abdulla Mohammed Al Malik	Vice Chairman
–	Mr. Nasser Al-Falah Al Qahtani	Member
–	Ms. Maha Khadem Khalfan Khadem Al Mheiri	Member
–	Mr. Omran Mohammed Saleh Mahmood Husain Al Khoori	Member

Auditors

The consolidated financial statements for the year ended 31 December 2024 have been audited by Grant Thornton Audit and Accounting Limited – Abu Dhabi.

The consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 30 March 2025:

On behalf of the Board of Directors,

Dr. Saleh Hashem Sayed Al Hashimi
Chairman

Grant Thornton

Grant Thornton Audit and Accounting Limited – Abu Dhabi

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Independent Auditor's Report
To the Shareholders of Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C)

Report on the Audit of the Consolidated Financial Statements

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Dubai Islamic Insurance & Reinsurance Co. (AMAN) (P.J.S.C) (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss, other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Due to the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

- We draw attention to Note 1.1 to the consolidated financial statements, which indicates that the Group incurred a loss of AED 28,413,573 for the year ended 31 December 2024 and, as of that date, the Group has accumulated losses of AED 181,408,876, which represents 80% of the Group's share capital. Additionally, as disclosed in note 30 to these consolidated financial statements, the Group has MCR Solvency Deficit, SCR Solvency Deficit, and MGF Solvency Deficit in solvency capital requirements as stipulated by the Central Bank of the U.A.E. by the amounts of AED 109,425 thousand, AED 28,411 thousand and AED 26,425 thousand respectively, as at 31 December 2024. These events, along with other matters as set forth in note 1.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding these facts, the consolidated financial statements of the Group have been prepared on a going concern basis as the management believes that the future operations of the Group will be able to support its business and to meet its obligations as they fall due.

  Further, the Group is working under a significant risk of losses and cash flow deficiency in the future. The Group might not be able to meet its financial obligations for the subsequent 12 months if it does not generate sufficient cash flows through the operating activities.

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Independent Auditor's Report

To the Shareholders of Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Basis for Disclaimer of Opinion (continued)

Furthermore, during the year, the Group's Third-Party Administrator (TPA) and system provider for the individual life portfolio has filed for insolvency and the German court appointed a restructuring expert. The TPA previously made certain investments on behalf of the Group which are recorded at fair value through profit or loss. These investments were made in sukuk unit-linked investments, a portion of which were issued by entities related to the TPA Group and which are currently insolvent. As a result, the valuation of these investments could be adversely affected by the liquidation process, and this could potentially result in the Group's related unit-linked liabilities being over and above the value of the underlying assets.

- As of 31 December 2024, the Group held unit-linked investments recorded at fair value through profit or loss amounting to AED 508,571,028. We were unable to perform audit procedures to confirm the existence, completeness, and valuation of these unit-linked investments, along with the related unit-linked liabilities of AED 572,536,660 included in takaful contract liabilities.

  During the year, the Group adopted International Financial Reporting Standard (IFRS) 17, "Insurance Contracts". However, we have identified material variances due to the overstatement of takaful contract liabilities and retakaful contract assets which amounted to AED 15,822,043 and AED 4,306,654, respectively. As a result, this resulted in an understatement of the net profit for the year ended 31 December 2023 (restated) by AED 11,515,389. Had these variances been corrected, the negative transition impact as of 1 January 2024, would have been positively impacted by AED 4,752,754.

  We have not been provided with the calculation of reinsurance contract assets concerning the retakaful unearned contribution reserve for the year ended 31 December 2022 amounting to AED 34 million, consequently, we were unable to execute the necessary audit procedures concerning the existence and accuracy of this balance.

- As of 31 December 2024, the Group held assets classified as held for sale amounting to AED 1,583,321 which includes AED 1,008,976 represents cash and cash equivalent (note 14) and liabilities directly associated with these assets amounting to AED 12,947,356. We were unable to obtain sufficient and appropriate audit evidence to confirm the existence and completeness of these balances. Furthermore, we were unable to assess the recoverability of the outstanding amount.

Emphasis of Matter

We draw attention to note 14 to the consolidated financial statements, which discloses information on assets that are held by a related party for the beneficial interest of the Group. Our opinion is not modified in respect of this matter.

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Independent Auditor's Report

To the Shareholders of Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information

Management and Board of Directors are responsible for the other information contained in the consolidated financial statements which comprises the information included in the *Board of 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence on the completeness and information of the other information.

Responsibilities of 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 IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Company, UAE Federal Decree Law No. 32 of 2021, UAE Federal Law No. 48 of 2023 regarding the regulation of Insurance activities, Central Bank of the UAE Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies, 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.

Independent Auditor's Report

To the Shareholders of Dubai Islamic Insurance & Reinsurance Company (AMAN) (P.J.S.C) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IESBA Code.

Report on other legal and regulatory requirements

Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we are unable to report on other legal and regulatory requirements.

Grant Thornton

GRANT THORNTON

Farouk Mohamed
Registration No: 86
Abu Dhabi, United Arab Emirates

18 April 2025

Consolidated statement of financial position
As at 31 December 2024

	Notes	31 December 2024 AED	*Restated* 31 December 2023 AED	*Restated* 1 January 2023 AED
ASSETS				
Takaful operations' assets				
Investment property	10	**10,139,386**	10,829,971	9,352,306
Takaful contract assets	6	**5,682,463**	8,990,121	18,288,108
Retakaful contract assets	6	**149,848,244**	178,109,726	203,260,686
Financial assets measured at fair value through profit or loss (FVTPL)	9	**508,571,028**	705,689,325	782,310,168
Due from shareholders		**67,585,453**	62,612,018	113,877,981
Cash and cash equivalents	5	**72,443,638**	24,776,484	56,659,604
Total takaful operations' assets		**814,270,212**	991,007,645	1,183,748,853
Shareholders' assets				
Investment property	10	**44,068,558**	47,070,029	40,647,694
Property and equipment	11	**59,527**	64,982	150,018
Financial assets carried at fair value through other comprehensive income (FVOCI)	9	**22,414,284**	28,551,222	31,384,607
Financial assets carried at fair value through profit or loss (FVPL)	9	**723,400**	21,269,687	82,679
Statutory deposit	7	**10,000,000**	10,000,000	10,000,000
Deferred policy acquisition costs		**-**	589,103	8,698,704
Assets classified as held for sale	14	**1,583,321**	1,583,321	1,583,321
Prepayments and other receivables	8	**6,305,294**	31,285,717	48,846,450
Cash and cash equivalents	5	**60,598,935**	31,975,761	76,163,974
Total shareholders' assets		**145,753,319**	172,389,822	217,557,447
Total assets		**960,023,531**	1,163,397,467	1,401,306,300
LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY				
Takaful operations' liabilities				
Trade and other payables	12	**66,130,230**	31,128,011	30,144,411
Takaful contract liabilities	6	**677,169,729**	885,547,126	1,065,282,198
Re-takaful contract liabilities	6	**63,925,077**	66,704,913	82,881,212
Total takaful operations' liabilities		**807,225,036**	983,380,050	1,178,307,821
Takaful operations' surplus				
Deficit in policyholders' fund	15	**(35,639,359)**	(23,823,123)	(54,170,176)
Qard Hassan from shareholders	15	**39,901,822**	30,617,601	59,101,979
Re-takaful default reserve	16	**3,357,120**	3,113,482	(2,280,365)
Takaful operations' investments revaluation reserve	17	**(574,407)**	(2,280,365)	2,789,593
Total Surplus from takaful operations		**7,045,176**	7,627,595	5,441,031
Total takaful operations' liabilities and surplus		**814,270,212**	991,007,645	1,183,748,852

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements.

Consolidated statement of financial position (continued)
As at 31 December 2024

	Notes	31 December 2024 AED	*Restated* 31 December 2023 AED	*Restated* 1 January 2023 AED
SHAREHOLDERS' LIABILITIES AND EQUITY				
Shareholders' liabilities				
Provision for employees' end of service benefits	13	**2,540,247**	2,313,166	5,456,780
Trade and other payables	12	**24,069,527**	24,251,594	21,668,879
Unearned Wakala		**385,027**	1,828,901	24,028,781
Due to policyholders		**67,585,453**	62,612,018	113,877,981
Liabilities directly associated with assets classified as held for sale	14	**12,947,356**	12,947,356	12,947,356
Total shareholders' liabilities		**107,527,610**	103,953,035	177,979,777
Shareholders' equity				
Share capital	18.1	**225,750,000**	225,750,000	225,750,000
Legal reserve	18.2	**6,420,521**	6,420,521	6,309,669
General reserve	18.3	**6,420,521**	6,420,521	6,309,669
Accumulated losses		**(181,408,876)**	(149,974,924)	(184,314,474)
Investments revaluation reserve – FVOCI	9	**(17,630,484)**	(18,853,358)	(13,151,220)
Equity attributable to shareholders of the Parent		**39,551,682**	69,762,760	40,903,644
Non-controlling interests		**(1,325,973)**	(1,325,973)	(1,325,973)
Net equity		**38,225,709**	68,436,787	39,577,671
Total shareholders' liabilities and equity		**145,753,319**	172,389,822	217,557,448
Total takaful operations' liabilities and surplus, shareholders' liabilities and equity		**960,023,531**	1,163,397,467	1,401,306,300

These consolidated financial statements were approved by the Board of Directors on **30 March 2025** and signed on their behalf by:

Rached Diab
Chief Executive Officer

Dr. Saleh Hashem Sayed Al Hashimi
Chairman of the Board of Directors

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

Consolidated statement of profit or loss
For the year ended 31 December 2024

	Notes	2024 AED	*Restated* 2023 *AED*
Attributable to policyholders			
Takaful revenue	19	**53,304,710**	140,604,411
Takaful service income/(expense)	20	**8,099,717**	(32,852,135)
Takaful service results before retakaful contracts held		**61,404,427**	107,752,276
Retakaful expenses (net)		**(72,673,962)**	(76,572,931)
Takaful service result		**(11,269,535)**	31,179,345
Takaful finance expense for takaful contracts issued	21	**(7,027,735)**	(7,753,463)
Retakaful finance income for retakaful contracts held	21	**6,643,394**	5,669,616
Net takaful (loss)/income		**(11,653,876)**	29,095,498
Investment (expenses) / income, net	22	**(583,027)**	1,564,937
Mudarib's share	24	**-**	(391,234)
(Deficit)/surplus of takaful and investment results		**(12,236,903)**	30,269,201
Other income		**598,379**	401,741
(Deficit) / surplus from takaful operations for the period		**(11,638,524)**	30,670,942
Attributable to shareholders			
Income			
Investment income/(loss), net	22	**(8,050,761)**	(3,037,279)
Wakala fees from policyholders	24	**2,733,010**	28,600,576
Mudarib's share from policyholders	24	**-**	391,234
Other operating income		**4,410,431**	5,100,747
Total (loss)/ income		**(907,320)**	31,055,278
Expenses			
Policy acquisition cost		**(3,430,397)**	(12,519,505)
General and administrative expenses	25	**(14,791,635)**	(15,064,705)
(Recovery) / contribution from Qard Hassan to takaful operations	15	**(9,284,221)**	28,484,378
Total (expenses)/income		**(27,506,253)**	900,168
(Loss)/profit for the year before tax		**(28,413,573)**	31,955,446
Income tax expense		**-**	-
(Loss)/profit for the year after tax		**(28,413,573)**	31,955,446
Basic and diluted (loss) / earnings per share	23	**(0.126)**	0.142

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements.

Consolidated statement of other comprehensive income
For the year ended 31 December 2024

	2024	*Restated* 2023
(Loss)/profit for the year after tax	**(28,413,573)**	31,955,446
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Transfer of realised gain /(loss) on sale of financial assets carried at fair value through other comprehensive income	**1,609,840**	(3,010,494)
Changes in fair value of equity investments carried at fair value through other comprehensive income	**(386,966)**	(2,691,644)
Other comprehensive income/(loss) for the year	**1,222,874**	(5,702,138)
Total comprehensive (loss)/income for the year	**(27,190,699)**	26,253,308

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

Consolidated statement of changes in equity
For the year ended 31 December 2024

	Share capital AED	Legal reserve AED	General reserve AED	Accumulated losses AED	Investments revaluation reserve-FVOCI AED	Equity attributable to shareholders of the Company AED	Non-controlling interests AED	Total AED
Balance as at 1 January 2023, as previously reported	225,750,000	6,309,669	6,309,669	(146,704,914)	(13,151,220)	78,513,204	(1,325,973)	77,187,231
Adjustment on initial application of IFRS 17	-	-	-	(37,609,560)	-	(37,609,560)	-	(37,609,560)
Balance as at 1 January 2023 (restated)	225,750,000	6,309,669	6,309,669	(184,314,474)	(13,151,220)	40,903,644	(1,325,973)	39,577,671
Net profit for the year	-	-	-	31,955,446	-	31,955,446	-	31,955,446
Changes in fair value of equity investments carried at fair value through other comprehensive income	-	-	-	-	(2,691,644)	(2,691,644)	-	(2,691,644)
Transfer of realised gain from fair value reserve to accumulated losses on disposal of investments carried at FVTOCI	-	-	-	3,010,494	(3,010,494)	-	-	-
Zakat	-	-	-	(404,686)	-	(404,686)	-	(404,686)
Transfer to statutory and general reserves	-	110,852	110,852	(221,704)	-	-	-	-
Total comprehensive loss for the year	-	110,852	110,852	34,339,550	(5,702,138)	28,859,116	-	28,859,116
Balance as at 31 December 2023 (restated)	225,750,000	6,420,521	6,420,521	(149,974,924)	(18,853,358)	69,762,760	(1,325,973)	68,436,787
Balance as at 1 January 2024 (restated)	**225,750,000**	**6,420,521**	**6,420,521**	**(143,212,289)**	**(18,853,358)**	**76,525,395**	**(1,325,973)**	**75,199,422**
Adjustment on initial application of IFRS 17	**-**	**-**	**-**	**(6,762,635)**	**-**	**(6,762,635)**	**-**	**(6,762,635)**
Restated balance as at 1 January 2024	**225,750,000**	**6,420,521**	**6,420,521**	**(149,974,924)**	**(18,853,358)**	**69,762,760**	**(1,325,973)**	**68,436,787**
Net loss for the year	**-**	**-**	**-**	**(28,413,573)**	**-**	**(28,413,573)**	**-**	**(28,413,573)**
Changes in fair value of equity investments carried at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**(386,966)**	**(386,966)**	**-**	**(386,966)**
Transfer of realised loss from fair value reserve to accumulated losses on disposal of investments carried at FVTOCI	**-**	**-**	**-**	**(1,609,840)**	**1,609,840**	**-**	**-**	**-**
Directors' fees	**-**	**-**	**-**	**(1,000,000)**	**-**	**(1,000,000)**	**-**	**(1,000,000)**
Zakat	**-**	**-**	**-**	**(410,539)**	**-**	**(410,539)**	**-**	**(410,539)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(31,433,952)**	**1,222,874**	**(30,211,078)**	**-**	**(30,211,078)**
Balance as at 31 December 2024	**225,750,000**	**6,420,521**	**6,420,521**	**(181,408,876)**	**(17,630,484)**	**39,551,682**	**(1,325,973)**	**38,225,709**

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

Consolidated statement of cash flows
For the year ended 31 December 2024

	Notes	2024 AED	Restated 2023 AED
OPERATING ACTIVITIES			
(Loss)/profit for the year before tax		**(28,413,573)**	31,955,446
Adjustments for:			
Depreciation of property and equipment	11	**38,975**	80,663
Realised loss on disposal of financial assets carried at fair value through profit or loss profit or loss (FVTPL)	22	**7,540,292**	(1,046,562)
Unrealised gain on financial assets carried at fair value through profit or loss profit or loss (FVTPL)	22	**(364,900)**	12,051,505
Provision for employees' end of service benefits	13	**264,612**	612,773
Income from wakala deposits with banks	22	**(1,382,523)**	(169,793)
Loss/(gain) on revaluation of investment property	22	**3,692,056**	(7,900,000)
Rental income	22	**(504,334)**	(466,749)
Dividend income	22	**(368,700)**	(269,899)
Operating (loss)/profit before working capital changes:		**(19,498,095)**	34,847,384
Working capital changes:			
Change in takaful contract assets		**3,307,658**	9,297,987
Change in retakaful contract assets		**27,329,942**	28,900,523
Change in due from Shareholders		**(4,973,435)**	51,265,963
Change in takaful contract liabilities		**(208,377,397)**	(179,735,072)
Change in retakaful contract liabilities		**(2,779,836)**	(16,176,299)
Change in prepayments and other receivables		**24,980,423**	17,560,733
Change in trade and other payables		**34,820,152**	3,566,315
Change in deferred acquisition cost		**589,103**	8,109,601
Change in unearned wakala		**(1,443,874)**	(22,199,880)
Change in due to policyholders		**4,973,435**	(51,265,963)
Cash used in operations		**(141,071,924)**	(115,828,708)
Employees' end of service benefits paid	13	**(37,531)**	(3,756,387)
Net cash used in operating activities		**(141,109,455)**	(119,585,095)
INVESTING ACTIVITIES			
Purchase of property and equipment		**(33,520)**	-
Purchase of financial assets carried at fair value through other comprehensive income (FVOCI)		**(60,000)**	(187,963,797)
Proceeds from sale of financial assets carried at fair value through other comprehensive income (FVOCI)		**5,809,972**	188,105,538
Purchase of financial assets carried at FVTPL		**(252,000)**	(50,564,323)
Proceeds from sale of financial assets measured at FVTPL		**13,509,716**	17,325,810
Change in unit-linked investments		**197,118,297**	76,620,843
Dividend income received	22	**368,700**	269,899
Profit income received	22	**1,382,523**	169,793
Net cash generated from investing activities		**217,843,688**	43,963,763
FINANCING ACTIVITIES			
Zakat paid		**(443,905)**	(450,000)
Net cash used in financing activities		**(443,905)**	(450,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**76,290,328**	(76,071,332)
Cash and cash equivalents at the beginning of the year	5	**57,761,221**	133,832,553
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	**134,051,549**	57,761,221

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

1 General Information

Dubai Islamic Insurance & Reinsurance Company (Aman) (P.J.S.C.) (the "Company") is registered as a public shareholding company in Dubai, United Arab Emirates. The Company carries out general takaful, retakaful and life takaful business in accordance with the teachings of Islamic Sharia'a. The Company is also licensed to engage in retakaful and life takaful business. The registered address of the Company is P.O. Box 157, Dubai, United Arab Emirates (UAE) and operates through its branches in Dubai, Abu Dhabi and Sharjah. The Company's ordinary shares are listed on the Dubai Financial Market, United Arab Emirates.

The Company obtained its commercial license on 12 March 2003 and commenced operations on 8 April 2003. The Company issues takaful contracts in connection with motor, marine, fire and engineering, general accident and medical risks and life takaful risks. The Company also invests in investment securities and properties.

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

The Company with its subsidiaries are together referred to as (the "Group") in this consolidated financial statements. At 31 December 2024 and 31 December 2023, the Company had the following subsidiaries:

Name of subsidiary	**Place of incorporation (or registration) and operation**	**Proportion of ownership profit** %	**Proportion of voting power held** %	**Principal activity**	**Status**
Nawat Investments L.L.C.	United Arab Emirates	100.00	100.00	Investment in commercial, industrial, and agricultural enterprises and management	Not active
Technik Auto Service Centre Co. L.L.C	United Arab Emirates	100.00	100.00	Vehicles' repair services	Under liquidation
Amity Health L.L.C.	United Arab Emirates	90.00	90.00	Medical billing services	Under liquidation

The Group neither made social contributions during the year ended 31 December 2024 nor the year ended 31 December 2023.

1 General information (continued)

1.1 Assessment of going concern assumption

As at 31 December 2024, the Group's accumulated losses amounted to AED 181,408,876 (31 December 2023: AED 149,974,924 restated), which represent 80% (31 December 2023: 66%) of the share capital of the Group. Further, as stated in the note 30 to the consolidated financial information, the Group has MCR Solvency Margin Deficit, SCR Solvency Margin Deficit and MGF Solvency Margin Deficit in solvency capital requirements as at 31 December 2024 as stipulated by the Central Bank of the U.A.E. by an amount of AED 109,425 thousand, AED 28,411 thousand and AED 26,425 thousand, respectively (31 December 2023 restated: AED 142,146 thousand, AED 69,885 thousand and AED 62,146 thousand, respectively). To address the solvency deficit, the Group's management initially submitted a recovery plan to the Central Bank of United Arab Emirates ("CBUAE") which involved a substantial capital injection by means of a rights issue; however, the plan was subsequently changed, because it was envisaged that shareholders are unlikely to support a capital injection in the prevailing economic and financial circumstances. a revised plan, which was subject to the regulatory approval, envisages selling the portfolios of the takaful business to other takaful companies and, aided partly by the proceeds resulting the sale of the takaful portfolios and partly by other assets, generating enough capital to transform the Group into a viable investment firm to safeguard and preserve shareholders' value. The Group has informed the Regulator of its revised plans and received (in-principle/ no-objection letter) approval to proceed with the above sale negotiations.

During the General Assembly meeting held on 6 February 2023, the shareholders issued a special resolution approving the board of directors' decision to exit and sell all the entire takaful portfolio and authorising the Group's board of directors to complete all procedures with authorities and policyholders to exit takaful business and transform the Group into an investment group. As a result, the Group signed two portfolio transfer agreements (PTA) with Islamic Arab Insurance Co. (Salama) PJSC to transfer the general, medical, and family takaful portfolio and with Abu Dhabi National Takaful Company P.S.C. to transfer the individual life portfolio, the proceeds resulting from the execution of these agreements are expected to improve the Group's liquidity and generate enough capital to transform the Company into a viable investment firm to safeguard and preserve shareholders' value.

On 1 August 2024, management received a notice terminating the insurance portfolio transfer agreement between the Group and Abu Dhabi National Takaful Company P.S.C. as a result, the Group's management has sent a formal objection letter to Abu Dhabi National Takaful Company P.S.C. stating that the Group's management expects the portfolio transfer by 31 August 2024 and on 5 September, the Group announced to the Dubai Financial Market that the PTA had not been validly terminated according to its terms and conditions, and To protect the rights of all stakeholders, the Group has filed an arbitration claim against Abu Dhabi National Takaful Company P.S.C. and will provide updates on developments as they arise.

On 26 September 2024, the Islamic Arab Insurance Co. (SALAMA) PSC declared in DFM the termination of Partial Acquisition Agreement with the Group. Accordingly, on 27 September 2024, the Group declared to DFM that Salama decided to terminate the Acquisition agreement. The Group is currently evaluating alternative strategies to address this development.

Further, the Group's Third-Party Administrator (TPA) and system provider for the individual life portfolio is now under liquidation in Germany. The TPA previously made certain investments on behalf of the Group which are recorded at fair value through profit or loss. These investments were made in sukuk unit-linked investments, a portion of which were issued by entities related to the TPA Group without receiving prior approval of the Group's management and these entities are currently in liquidation. As a result, the valuation of these investments could be adversely affected by the liquidation process and this could potentially result in the Group's liabilities being over and above the value of the underlying assets.

1 General information (continued)

1.1 Assessment of going concern assumption (continued)

In addition, the accumulated losses as at 31 December 2024 exceed 50% of the share capital of the Group, and as per UAE Federal Law No. (32) of 2021 article 309, the Board of Directors should invite the General Assembly to convene within (30) thirty days from the date of the invitation to consider making a decision as regards the Group's continuation of its activity or dissolution prior to the expiry of its term. The Group's AGM held on 5 May 2023 issued a special resolution to continue the Group's operations.

2 Basis of preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee ("IFRS IC") and in compliance with the applicable requirements of the United Arab Emirates (UAE) Federal Decree Law No. 32 of 2021 ("Companies Law"), relating to commercial companies and United Arab Emirates (UAE) Federal Law No. (48) of 2023 concerning Insurance Law issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations.

2.2 Functional and reporting currency

The consolidated financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the functional currency and the presentation currency of the Group, all values have been rounded to the nearest thousand (AED '000) except when otherwise indicated.

2.3 Basis of measurement

These consolidated financial statements of the Group are prepared on an accrual basis and under the historical cost basis except for financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income and investment property, which are carried at fair value.

2.4 Basis of presentation

The Group's consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, prepayments and other receivables and deferred policy acquisition costs, accruals and other payables, due to policyholders. The following balances would generally be classified as non-current: property and equipment, investment property, statutory deposit and provision for employees' end of service. The following balances are of mixed nature (including both current and non-current portions): investments at fair value through other comprehensive income, investments carried at fair value through profit or loss, assets and liabilities directly associated with assets classified as held for sale and takaful and retakaful contract liabilities and assets.

2 Basis of preparation (continued)

2.5 Basis of consolidation

The consolidated financial statements comprise of the financial information of the Company and its subsidiaries as at 31 December 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.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of financial position and consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate as would be required if the Group had directly disposed of the related assets or liabilities.

The consolidated financial statements of the Group represents the financial information of the Company, and its subsidiaries mentioned in note 1.

2 Basis of preparation (continued)

2.6 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

Standards, amendments and interpretations to existing Standards that are not yet effective

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 did not have a material impact on these consolidated financial statements.

Standards issued but not yet effective

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.

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

3 Material accounting policy information

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of these consolidated financial statements are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2023, except for application of new standards and several amendments and interpretations apply for the first time. However, these amendments and interpretations do not have material impact on the consolidated financial statements of the Group, except for the adoption of IFRS 17 "Insurance Contracts," effective from 1 January 2023, was initially postponed due to the Group's plan to exit the takaful activities. However, following a change in plans and communication with the regulator, the Group has applied IFRS 17 from Q3 2024. The requirements of IFRS 17 have bought a significant change to the accounting for takaful and retakaful contracts. As a result, the Group has restated certain comparative amounts in opening balances.

Standards, interpretations, and amendments to existing standards – Impact of new IFRS

IFRS 17 "Insurance contracts"

IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of takaful contracts, retakaful contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

Under IFRS 17, takaful revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of contributions that relate to recovering takaful acquisition cash flows. In addition, investment components are no longer included in takaful revenue and takaful service expenses.

The Group applies PAA to simplify the measurement of contracts in the non-life takaful segment. When measuring liabilities for remaining coverage, PAA is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows and includes an explicit risk adjustment for non-financial risk.

Classification and measurement

The Group uses different measurement approaches, depending on the type of contracts, as follows:

Nature of Contracts	Product classification	Measurement model
Unit Linked	*Takaful contracts*	*Variable Fee Approach*
Term Life	*Takaful contracts*	*General Measurement Model*
Group Life	*Takaful contracts*	*Premium Allocation Approach*
Group Medical	*Takaful contracts*	*Premium Allocation Approach*
Individual Medical	*Takaful contracts*	*Premium Allocation Approach*
All retakaful contracts held other than those held corresponding to term life and Unit linked contracts	*Retakaful contracts held*	*Premium Allocation Approach*
Retakaful contracts held corresponding to term life and unit linked contracts	*Retakaful contracts held*	*General Measurement Model*

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Classification and measurement (continued)

Level of aggregation

While deciding on the portfolio level under IFRS 17, the Group has considered the criteria of "similar risk and managed together" while taking into account the materiality of each product/portfolio.

Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts.

Recognition

Groups of takaful contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period.
- the date when the first payment from the participant is due or actually received, if there is no due date; or
- when the Group determines that a group of contracts becomes onerous

Separating components from takaful and retakaful contracts

The Group assessed its takaful and retakaful contracts to determine whether they contained distinct components which must be accounted for under another reporting standard instead of IFRS 17.

The investment components included in the life takaful contracts are highly interrelated to the takaful component and are thus not distinct. Accordingly, the Group shall not unbundle the cash flows related to the investment component.

Contract boundary

The measurement of a group of takaful contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

Cash flows are within the boundary of takaful contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the participant to pay the premiums, or in which the Group has a substantive obligation to provide the participant with takaful contract services. A substantive obligation to provide takaful contract services ends when:

- The Group has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:

i. The Group has the practical ability to reassess the risks of the portfolio of takaful contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
ii. The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Classification and measurement (continued)

Takaful contracts measured under the premium allocation approach - Initial and subsequent measurement

The Group applies the premium allocation approach to all the takaful contracts (other than long term life takaful contracts) that it issues and retakaful contracts that it holds as:

The coverage period of each contract in the group is one year or less, including takaful contract services arising from all premiums within the contract boundary; or

For all the portfolios having contracts longer than one year, the Group expects the measurement of the liability for remaining coverage for the group does not differ materially from the measurement that would be produced applying the general measurement model. In assessing materiality, the Group has decided to set the acceptable threshold for the comparison of LRC between PAA and GMM using a combination of relative and absolute materiality criteria.

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition;
- Minus any takaful acquisition cash flows at that date;
- Plus, or minus any amount arising from the derecognition at that date of the asset recognised for takaful acquisition cash flows;
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of takaful contracts is recognised;
- The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period;
- Plus, premiums received in the period;
- Minus takaful acquisition cash flows;
- Plus, any amounts relating to the amortisation of the takaful acquisition cash flows recognised as an expense in the reporting period for the group;
- Plus, any adjustment to the financing component, where applicable;
- Minus the amount recognised as takaful revenue for the services provided in the period;
- Minus any investment component paid or transferred to the liability for incurred claims.

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment).

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Classification and measurement (continued)

Takaful contracts measured other than PAA - Initial and subsequent measurement

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort.

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

Subsequent measurement

The CSM at the end of the reporting period represents the profit in the group of takaful contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of takaful contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group.
- For contracts measured under the GMM, profit accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition.
- The changes in fulfilment cash flows relating to future service, except to the extent that:
    - Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
    - Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.
- The effect of any currency exchange differences on the CSM.
- The amount recognised as takaful revenue because of the transfer of takaful contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Classification and measurement (continued)

Takaful contracts measured other than PAA - Initial and subsequent measurement (continued)

Subsequent measurement (continued)

For direct participating contracts measured under the VFA, the Group adjusts the CSM for the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:

- A decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in takaful service expenses) and creating a loss component; or
- An increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in takaful service expenses).

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as takaful acquisition cash flows and takaful premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage. For contracts measured under the GMM these changes exclude those relating to the time value of money and changes in financial risk (recognised in the consolidated statement of profit or loss and other comprehensive income rather than adjusting the CSM).
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any takaful finance income or expenses related to that expected payment before it becomes payable.
- Changes in the risk adjustment for non-financial risk that relate to future service.

For direct participating contracts measured under the VFA changes in fulfilment cash flows that relate to future services and adjust the CSM are measured at current discount rates and include the changes in the effect of the time value of money and financial risks that do not arise from underlying items.

Where, during the coverage period, a group of takaful contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Group measures the carrying amount of a group of takaful contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Group comprising the fulfilment cash flows related to past service allocated to the group at that date.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Classification and measurement (continued)

Retakaful contracts held

Retakaful contracts held are accounted for applying IFRS 17 when they meet the definition of an takaful contract. This includes the condition that the contract must transfer significant takaful risk.

Retakaful contracts transfer significant takaful risk only if they transfer to the reinsurer substantially all the takaful risk relating to the reinsured portions of the underlying takaful contracts, even if a retakaful contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Portfolios of retakaful contracts held are assessed for aggregation separately from portfolios of takaful contracts issued. Applying the grouping requirements to retakaful contracts held, the Group aggregates retakaful contracts held concluded within a calendar year (annual cohorts) into groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any. A group of retakaful contracts held is recognised at the earlier of the following:

- If the retakaful contracts provide proportionate coverage, the date the Group initially recognises any underlying takaful contracts (onerous or not)
- In all other cases, at the beginning of the coverage period of the group of retakaful contracts. However, if the Group recognises an onerous group of underlying takaful contracts on an earlier date and the related retakaful contract was entered into before that earlier date, then the group of retakaful contracts is recognised on that earlier date.

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer shall end when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The Group measures its retakaful assets for a group of retakaful contracts that it holds on to the same basis as takaful contracts that it issues. However, they are adapted to reflect the features of retakaful contracts held that differ from takaful contracts issued. Where the Group recognises a loss on initial recognition of an onerous group of underlying takaful contracts or when further onerous underlying takaful contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of retakaful contracts held depicting the recovery of losses.

Modification and derecognition

The Group derecognises takaful contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Discount rates

The bottom-up approach is used to derive the discount rate for all contracts within the scope of IFRS 17, where applicable. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium').

The three-step approach to derive discount rates has been highlighted below:

- Credit risk premium component is removed from the asset yields of the reference portfolio;
- The illiquidity risk premium is then derived using the risk-free rates and the rates computed in above step; and
- Subsequently, the bottom-up approach is used by adding this illiquidity premium to the risk-free base curve in order to arrive at the "point-in-time" locked-in profit rate curve.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of takaful contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The portfolios for which the Group has adopted PAA simplification for the calculation of liability for remaining coverage, risk adjustment for LRC would only be estimated in case group of contracts recognised as onerous. For portfolios measured under general measurement model or the variable fee approach, risk adjustment would be required for the calculation of both LRC and LIC.

The Group reviewed a range of possible methodologies to estimate the RA for LRC and LIC. For RA LIC, under non-life and group lifelines of business, the Group has decided to use the Mack approach. For long term life contracts, the Group will use the e-forms approach for LRC RA. For LIC RA, the Group will use the same risk adjustment % as calculated for LRC.

Contractual service margin (CSM) – GMM and VFA

The CSM is a component of the asset or liability for the group of takaful contracts that represents the unearned profit the Group will recognise as it provides services in the future.

An amount of the CSM for a group of takaful contracts is recognised in profit or loss as takaful revenue in each period to reflect the takaful contract services provided under the group of takaful contracts in that period. The amount is determined by:

- Identifying the coverage units in the group.
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the takaful contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future.

The number of coverage units in a group is the quantity of takaful contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Contractual service margin (CSM) – GMM and VFA (continued)

The coverage unit for both groups, unit-linked life takaful contracts and other long-term life groups of contracts, the coverage unit is the amount of benefit payable in case of death claim. The total coverage units of each group of takaful contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For retakaful contracts issued, the number of coverage units in a group reflects the expected sum at risk of contracts because the level of service provided depends on the amount of sum at risk in force. The remaining coverage is allocated based on probability weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

Onerosity determination

IFRS 17 does not provide any specific guidance about which facts and circumstances should be considered, to indicate that a group of contracts is onerous on initial recognition or subsequently. The Group assesses the onerosity considering the factors such as:

a) the expected ratio of claims to contributions (or any other measurement of expected profitability) compared with the actual ratio over the coverage period.
b) economic or regulatory changes that can cause significant revisions in the expected cash flows; or
c) significant changes to the costs involved in fulfilling contracts: e.g., as a result of internal reorganisations or changes to the prices of services or products used to fulfil its takaful obligations.

For long term individual life contracts the onerosity is determined based on the level of profit margin at inception of the group of contracts. If the level of profit margin falls below a defined limit, the group of contracts are marked as onerous

Profit margin is calculated as proportion of expected present value of inflows to expected present value of premium at inception of the group of contracts.

Time value of money

The Group adjusts the carrying amount of the takaful contracts liabilities and retakaful contracts assets to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cashflows of the group of contracts for the takaful contracts recognised under GMM and VFA.

Discounting

For cash flows that do not vary based on the returns on underlying items, an entity may determine the discount rate based on a liquid risk-free yield curve. This is adjusted to eliminate differences between the liquidity characteristics of the financial instruments that underlie the chosen curve and those of the takaful contract. The Group has elected to use the Bottom-up approach in determining the discount rates based on liquid risk-free yield curve.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Liability for incurred claims

The Group will calculate the LFIC as follows:

- Best Estimate (BEL) of the fulfilment cash flows relating to incurred claims including outstanding claims, IBNR and IBNER:
- Expenses already incurred but not yet paid in relation to claims and the cost of handling incurred claims at that date.
- Adjustment for the time value of money and,

Risk adjustment for non-financial risks.

Transition

The default transition approach under IFRS 17 is the Full Retrospective Approach ("FRA") which requires that upon transition IFRS 17 should be applied from inception of the groups of contracts as if IFRS 17 has always been applicable. However, if FRA is impracticable the following methods may be adopted:

- Modified Retrospective Approach ("MRA"): Under this approach the objective is to achieve the closest possible approximation to the FRA using the modifications allowed within the standard and without undue cost and effort.
- Fair Value Approach ("FVA"): Under this approach the fair value of the groups of contracts is computed and compared with the FCF. The CSM or loss component is the difference between the fair value and the FCF. Fair values for this purpose must be computed applying IFRS 13.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each consolidated financial statements line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2023 are presented in the statement of changes in equity.

IFRS 17 requires Group to make various accounting policy choices. The key accounting policy choices made by the Group are described below.

Accounting Policy	Group Decision
Level of Aggregation – Adopting more granular profitability classification	The Group has adopted the minimum three classifications provided in the standard and not use more granular classifications.
Level of Aggregation – Adopting more granular cohort classification	The Group is using annual cohorts and not shorter cohorts.
PAA – Deferring Takaful acquisition cashflows	Under PAA, in some circumstances, it is allowed to recognise Takaful acquisition cashflows as expense when incurred however, the Group does not apply this choice instead it defers all Takaful acquisition cashflows.
PAA – Discounting LIC	Under PAA, in some circumstances, it is allowed not to discount the LIC, but the Group is not using this option and discounts all LIC.
Interest Accretion – OCI Option	The standard allows that finance expense to be split between OCI, and P&L. the Group aims to reflect entire finance expense in the P&L and plans not to split between OCI and P&L.
Transition Approach	The Group is using Modified Retrospective Approach.

3 Material accounting policy information (continued)

IFRS 17 "Insurance contracts" (continued)

Revenue recognition

Takaful revenue and retakaful expenses – methods and assumptions used in the determination of the contractual service margin (CSM) to be recognised in consolidated statement of profit or loss for the Takaful contract services provided or received in the year.

For contracts measured under the General Measurement Model (GMM) in which the Group has discretion over the cash flows to be paid to the policyholders, judgement might be involved in the determination of what the Group considers its commitment on initial recognition of such contracts. Further, judgement might be required to distinguish subsequent changes in the fulfilment cash flows (FCF) resulting from changes in the Group's commitment and those resulting from changes in assumptions that relate to the financial risk on that commitment.

Insurance service expenses

Insurance service expenses include the following:

- incurred claims for the year
- other incurred directly attributable expenses
- insurance acquisition cash flow expenses.
- An element of time value of money of LIC for the year.

Insurance acquisition costs

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts. Directly attributable expenses are the costs that can be fully or partially attributed to the fulfilment of groups of insurance contracts.

Finance income or expenses from Takaful contracts issued

Takaful finance income or expenses Takaful finance income or expenses comprise the change in the carrying amount of the group of Takaful contracts arising from:

- Interest accreted on the CSM;
- Interest accreted on the PAA LRC excluding the LC (if adjusted for the financing effect);
- The financing effect on the LC measured under the PAA (if adjusted for the financing effect);
- The effect of changes in FCFs at current rates, when the corresponding CSM unlocking is measured at the locked in rates;
- Any interest charged to or added to Takaful / retakaful asset or liability balances; and
- The effect of changes in interest rates and other financial assumptions.

For all groups of contracts, the Group disaggregates Takaful finance income or expenses for the period between profit or loss and other comprehensive income (that is, the OCI option is applied). The finance income and expenses from Takaful contracts issued recognised in the consolidated statement of profit or loss reflects the unwind of the liabilities at the locked-in rates.

Unearned Wakala

The Group recognizes Wakala fees over the period in which the related services are delivered, in a systematic manner.

3 Material accounting policy information (continued)

Income tax

Current Taxation

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period.

Income tax expense is recognised in interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Deferred Taxation

Deferred tax is accounted for in respect of all temporary differences at the consolidated statement of financial position date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date. Deferred tax is charged or credited to the consolidated statement of profit or loss, except in the case of items credited or charged to the consolidated statement of other comprehensive income or equity in which case it is included in the consolidated statement of other comprehensive income or equity.

As at 31 December 2024, the Group does not have a material impact of deferred tax or income tax.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The condition is regarded as met only when the assets (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management be committed to sale, which should be expected to qualify for recognition as a completed sale within one year for the date of classification.

When the group is committed to a sale plan involving loss control of a subsidiary, all assets and liabilities of the subsidiaries and other assets are classified as held for sale when the criteria described above are met regardless of whether the Group will retain a non- controlling interest in its former subsidiary after sale.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to complete.

3 Material accounting policy information (continued)

Leases

The Group does not have leases that should be accounted for in accordance with IFRS 16 since all the Group's leases are assessed as short-term in nature and the payments made under the leases (net of any incentives received from the lessor) were charged to the income statement on a straight-line basis over the period of the lease. The Group did not need to make any adjustments to the accounting for assets held as lessee as a result of adopting the new leasing standard due to the short-term nature of the lease contracts.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits

Defined contribution plan

U.A.E. National employees in the United Arab Emirates are members of the Government-managed retirement pension and social security benefit scheme established pursuant to U.A.E. Federal Labour Law No. 7 of 1999. The Group is required to contribute 12.5% of the "contribution calculation salary" to the retirement benefit scheme to fund the benefits. These employees are also required to contribute 11% of the "contribution calculation salary" to the scheme. The only obligation of the Group with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to the consolidated statement of profit or loss.

Provision for employees' end of service indemnity

Provision is also made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the UAE Labour Law.

3 Material accounting policy information (continued)

Financial instruments

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective profit rate is the rate that exactly discounts estimate future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees paid or received that are integral to the effective interest rate. When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss ("FVTPL"), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognized for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when the asset is newly originated.

Financial assets

(i) Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- fair value through profit or loss ("FVTPL");
- fair value through other comprehensive income ("FVOCI"); or
- amortised cost

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government and corporate bonds.

Classification and subsequent measurement of debt instruments depends on:

- the Group's business model for managing the assets; and
- the cash flow characteristics of the asset.

3 Material accounting policy information (continued)

Financial instruments (continued)

Based on those factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest on the principal amount outstanding ("SPPI"), and that are not designated at FVTPL are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in this note. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding ("SPPI"), and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in "Investment income". Profit income from these financial assets is included in "Investment income" using the effective interest rate method.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the consolidated statement of profit or loss and presented net within "Investment income – Net" in the period in which it arises. Interest income from these assets is included in "Interest income" using the effective interest rate method.

Business model

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the asset or is to collect the contractual cash flows and cash flows arising from the sale of the assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting periods, the Group has not identified a change in its business models.

SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial assets' cash flows represent solely payments of principal and interest on the principal amount outstanding (the "SPPI test"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified at FVTPL. The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

3 Material accounting policy information (continued)

Financial instruments (continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares. The Group subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Group's policy is to designate equity investments at FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as "Investment income" when the Group's right to receive payments is established.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, takaful receivables and due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for takaful receivables and due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(ii) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3 Material accounting policy information (continued)

Financial instruments (continued)

(ii) Significant increase in credit risk (continued)

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(iii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective profit rate.

De-recognition of financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

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

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired financial assets are derecognised when they are assessed as uncollectible.

3 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are subsequently measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in insurance and other payables are recognised initially at fair value and subsequently measured at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Offsetting

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognised amounts and when the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are within the scope of IFRS 9 expected credit loss calculations for the assessment of impairment.

Wakala deposits with banks with original maturities of more than three months

Wakala deposits with banks with original maturities of more than three months are initially measured at fair value and subsequently measured at amortised cost. Deposits held with banks are within the scope of IFRS 9 expected credit loss calculation for the assessment of impairment. Profit from wakala deposits with banks is recognised on a time proportion basis using the effective profit method and is recognised within 'Investment income' in the consolidated income statement.

Investment property

Investment property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property is included in the consolidated statement of income in the period in which they arise.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is included in the profit or loss in the year in which they arise.

3 Material accounting policy information (continued)

Financial instruments (continued)

Investment property (continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the period in which the investment property is derecognised.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation or 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 independent surveyors and consultants or broker's quotes.

Rental income from investment property which is leased under an operating lease is recognised on a straight-line basis over the term of the lease.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement when incurred.

Depreciation is charged so as to write off the cost, over their estimated useful lives, using the straight-line method, as follows:

Motor vehicles	4 years
Furniture and fixtures	4 years
Office equipment	4 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

3 Material accounting policy information (continued)

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences are recognized in consolidated statement of profit or loss the year in which they arise except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to finance costs on foreign currency financings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

3 Material accounting policy information (continued)

Zakat

Zakat as approved by the Group's Sharia'a Supervisory Board is computed on the following basis:

- Zakat on shareholders' equity is deducted from retained earnings and is computed on their Zakat Pool (Legal Reserve, General Reserve, Retained Earnings and employees' end of service benefits).
- Zakat is distributed by a committee appointed by the Board of Directors and operating as per the by-law set by the Board.
- Zakat on paid up capital and proposed dividend is not included in the Zakat computation and is payable directly by the shareholders themselves.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Profit expense is recognised in the consolidated statement of income as it accrues and is calculated by using the effective profit rate method.

Deficit in policyholders' fund

Deficit in the policyholders' fund is financed by the shareholders through a profit free loan "Qard Hasan".

4 Significant management judgement in applying accounting policies and estimation uncertainty

4.1 Significant management judgement in applying accounting policies

While applying the accounting policies as stated in Note 3, management of the Group has made certain judgements, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at fair value through other comprehensive income, fair value through profit or loss or amortised cost. In judging whether investments in securities are as at fair value through other comprehensive income, fair value through profit or loss or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 *Financial Instruments*. Management is satisfied that its investments in securities are appropriately classified.

Valuation of unquoted equity investments

Where the fair values of financial assets recorded on the consolidated statement of financial position cannot be derived from active markets, management have determined it using internal valuation that includes the use of mathematical model. Management has used the comparable multiples method to determine the fair value of its financial assets; this method derives the value of the investments using the valuation multiples of other businesses similar in industry, sector and size; assuming that similar companies will have similar valuation multiples. A median of the identified valuation multiples for similar industry in various countries in the MENA was used. This median of multiples and the investment's earnings was used to determine the investment's value. Where actual costs related to performance under contracts differ significantly from management's estimates, the amount of revenue recognised on contracts to date could be materially impacted.

Fair value of investment property

External valuers may be involved for valuation of significant assets, such as investment property. Selection criteria for valuers include their market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

Management, in conjunction with the Group's external valuers, also compares changes in fair value of each property with relevant external sources to determine whether the change is reasonable.

4 Significant management judgement in applying accounting policies and estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for expected credit losses

Management reviews the provision for expected credit losses (ECL) at each reporting date by assessing the recoverability of the expected contribution and reinsurance receipts. For non-takaful financial assets, the recoverability is assessed and expected credit losses are created in compliance with the simplified approach under the IFRS 9 methodology.

Unit-linked investments

The Group recognizes the unit-linked investments and its related liabilities pertaining to the deposit component of the Takaful contract on gross basis on its consolidated statement of financial position. These were recorded in net, as based on the management judgement, financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position if, and only if, as required by IAS 32, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously; which is not the case for the unit linked investments provided by the Group.

Estimates of future cash flows to fulfill takaful contracts

Included in the measurement of each group of contracts within the scope of IFRS 17, are all future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows which includes the expected contribution receipts and ultimate cost of claims.

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

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development.

In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims. The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

4 Significant management judgement in applying accounting policies and estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

Assessment of significance of takaful risk

The Group applies its judgement in assessing whether a contract transfers to the issuer significant takaful risk. A contract transfers significant takaful risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

Risk adjustment

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Onerous groups

The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Discounting

The Group use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity contribution'). The Group applies a published risk-free yield curve (EIOPA RFR) with volatility adjustment and adjusted for country risk premium. Management uses judgment to assess liquidity characteristics of the liability cash flows.

Discount rates applied for discounting of future cash flows are listed below

	1 year		3 years		5 years		10 years	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Discount rates used	**6.25%**	6.25%	**6.25%**	6.25%	**6.25%**	6.25%	6.25%	6.25%

5 Cash and cash equivalents

	31 December 2024 AED	31 December 2023 AED
Cash on hand	**11,858**	65,710
Bank balances in current accounts	**133,080,168**	56,703,900
	133,092,026	56,769,610
Less: allowances for expected credit losses	**(49,453)**	(17,365)
Total	**133,042,573**	56,752,245
Allocated to:		
- Takaful operations assets	**72,443,638**	24,776,484
- Shareholder's assets	**60,598,935**	31,975,761
	133,042,573	56,752,245

For the purpose of the consolidated statement of cash flows, the cash and cash equivalents are analysed as follows:

	31 December 2024 AED	Restated 31 December 2023 AED
Cash and cash equivalents	**133,042,573**	56,752,245
Cash and cash equivalents included in assets classified as held for sale	**1,008,976**	1,008,976
Total cash and cash equivalents	**134,051,549**	57,761,221

There are no restrictions on bank balances at the time of approval of these consolidated financial statements.

Details of allowances for expected credit losses are as follows:

	2023 AED	2022 AED
Balance as at 1 January	**17,365**	20,483
Charges/(reversal) for the year	**32,088**	(3,118)
Balance as at 31 December	**49,453**	17,365

6 Takaful and Retakaful contracts

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

	31 December 2024			31 December 2023		(Restated)
	Assets AED	**Liabilities AED**	**Net AED**	Assets AED	Liabilities AED	Net AED
Takaful contracts issued						
Life	**719,390**	**572,536,660**	**571,817,270**	4,389,364	760,941,953	756,552,589
Non-Life	**4,963,073**	**104,633,069**	**99,669,996**	4,600,757	124,605,173	120,004,416
Total takaful contracts issued	**5,682,463**	**677,169,729**	**671,487,266**	8,990,121	885,547,126	876,557,005
Retakaful contracts held						
Life	**92,230,346**	**53,495,549**	**(38,734,797)**	91,050,422	61,204,961	(29,845,461)
Non-Life	**57,617,898**	**10,429,528**	**(47,188,370)**	87,059,304	5,499,952	(81,559,352)
Total retakaful contracts held	**149,848,244**	**63,925,077**	**(85,923,167)**	178,109,726	66,704,913	(111,404,813)

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

31 December 2024	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component AED	Loss component AED	Best estimate liability AED	Risk adjustment AED	Total AED
Takaful contracts issued					
Takaful contract assets at 1 January	(1,456,629)	1,426	(3,005,615)	(139,969)	(4,600,787)
Takaful contract liabilities at 1 January	16,939,430	881,809	105,000,703	10,455,201	133,277,143
Net balance as at 1 January	**15,482,801**	**883,235**	**101,995,088**	**10,315,232**	**128,676,356**
Takaful revenue	**53,304,710**	**-**	**-**	**-**	**53,304,710**
Takaful service (expenses)/income	**(2,733,010)**	**879,949**	**16,220,568**	**5,917,797**	**20,285,304**
Incurred claims and other expenses	-	-	(18,827,949)	-	(18,827,949)
Changes to liabilities for incurred claims	-	-	35,048,517	5,917,797	40,966,314
Amortisation of insurance acquisition cash flows	(2,733,010)		-	-	2,733,010
Reversals of losses on onerous contracts	-	879,949	-	-	879,949
Takaful service result	**50,571,700**	**879,949**	**16,220,568**	**5,917,797**	**73,590,014**
Finance expenses from takaful contracts issued	-	-	(6,374,693)	(644,701)	(7,019,394)
Total amounts recognized in comprehensive income	**50,571,700**	**879,949**	**9,845,875**	**5,273,096**	**66,570,620**
Cash flows					
Contributions received	52,910,879	-	-	-	52,910,879
Claims and other expenses paid	-	-	(18,827,949)	-	(18,827,949)
Takaful acquisition cash flows paid	8,039,876	-	-	-	8,039,876
Total cash flows	**60,950,755**	**-**	**(18,827,949)**	**-**	**42,122,806**
Net balance as at 31 December					
Takaful contract assets at 31 December	(704,261)	-	(4,555,541)	(353,863)	(5,613,665)
Takaful contract liabilities at 31 December	26,566,117	3,286	77,876,805	5,395,999	109,842,207
Net balance as at 31 December	**25,861,856**	**3,286**	**73,321,264**	**5,042,136**	**104,228,542**

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)

31 December 2023 (Restated)	Liabilities for remainingcoverage		Liabilities for incurredClaims		
	Excluding loss component AED	Loss component AED	Best estimate liability AED	Risk adjustment AED	Total AED
Takaful contract assets at 1 January	(11,546,556)	916,170	-	-	(10,630,386)
Takaful contract liabilities at 1 January	46,875,132	36,055,009	142,943,604	11,892,858	237,766,603
Net balance as at 1 January	35,328,576	36,971,179	142,943,604	11,892,858	227,136,217
Takaful revenue	140,604,411	-	-	-	140,604,411
Takaful service expenses	(28,600,577)	36,087,944	(39,252,369)	2,172,269	(29,592,733)
Incurred claims and other expenses	-	-	(87,348,066)	-	(87,348,066)
Changes to liabilities for incurred claims	-	-	48,095,697	2,172,269	50,267,966
Amortisation of insurance acquisition cash flows	(28,600,577)	-	-	-	(28,600,577)
Reversals of losses on onerous contracts	-	36,087,944	-	-	36,087,944
Takaful service result	112,003,834	36,087,944	(39,252,369)	2,172,269	110,011,678
Finance expenses from takaful contracts issued	-	-	(7,147,180)	(594,643)	(7,741,824)
Total amounts recognised in comprehensive income	112,003,834	36,087,944	(46,399,550)	1,577,626	103,269,854
Cash flows	-	-	-	-	-
Contribution s received	97,783,151	-	-	-	97,783,151
Claims and other expenses paid	-	-	(87,348,066)	-	(87,348,066)
Takaful acquisition cash flows	(5,625,092)	-	-	-	(5,625,092)
Total cash flows	92,158,059	-	(87,348,066)	-	4,809,993
Net balance as at 31 December	-	-	-	-	-
Takaful contract assets at 31 December	(1,456,629)	1,426	(3,005,615)	(139,969)	(4,600,787)
Takaful contract liabilities at 31 December	16,939,430	881,809	105,000,703	10,455,201	133,277,143
Net balance as at 31 December	15,482,801	883,235	101,995,088	10,315,232	128,676,356

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)

31 December 2024	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED	Loss recovery component AED	Estimates of the present value of cashflows AED	Risk adjustment AED	Total AED
Retakaful contracts held					
Retakaful contract assets at 1 January	(8,767,167)	(248)	(76,337,838)	(8,541,891)	(93,647,144)
Retakaful contract liabilities at 1 January	15,493,678	(38,807)	-	-	15,454,871
Net balance as at 1 January	**6,726,511**	**(39,055)**	**(76,337,838)**	**(8,541,891)**	**(78,192,273)**
Net expenses income from retakaful contracts held	**(50,591,690)**	**-**	**-**	**-**	**(50,591,690)**
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable from reinsurers for incurred claims	-	-	15,549,730	-	15,549,730
Changes to amounts recoverable for incurred claims	-	-	(34,072,956)	(5,717,209)	(39,790,165)
Amortisation of insurance acquisition cash flows	1,701,722	-	-	-	1,701,722
Changes in non-performance risk of reinsurer	(163,667)	-	-	-	(163,667)
Charging for losses on onerous contracts	-	(37,221)	-	-	(37,221)
Net expenses from retakaful contracts held	**(49,053,635)**	**(37,221)**	**(18,523,226)**	**(5,717,209)**	**(73,331,291)**
Finance income from retakaful contracts held	**-**	**-**	**4,771,115**	**533,868**	**5,304,983**
Total amounts recognized in comprehensive income	**(49,053,635)**	**(37,221)**	**(13,752,111)**	**(5,183,341)**	**(68,026,308)**
Cash flows					
Contributions paid	**(40,731,610)**	**-**	**-**	**-**	**(40,731,610)**
Actual acquisition costs received	**-**	**-**	**15,549,732**	**-**	**15,549,732**
Actual claims received	**(11,457,210)**	**-**	**-**	**-**	**(11,457,210)**
Total cash flows	**(52,188,820)**	**-**	**15,549,732**	**-**	**(36,639,088)**
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**
Retakaful contract assets at 31 December	**(8,970,778)**	**(1,834)**	**(47,414,960)**	**(3,381,589)**	**(59,769,161)**
Retakaful contract liabilities at 31 December	**12,562,104**	**-**	**378,965**	**23,039**	**12,964,108**
Net balance as at 31 December	**3,591,326**	**(1,834)**	**(47,035,995)**	**(3,358,550)**	**(46,805,053)**

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)

31 December 2023 (Restated)	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of cashflows	Risk adjustment	Total
	AED	AED	AED	AED	AED
Retakaful contracts held					
Retakaful contract assets at 1 January	(6,199,894)	(102,683)	(101,336,510)	(9,835,143)	(117,474,230)
Retakaful contract liabilities at 1 January	29,893,494	(260,662)	117	5	29,632,954
Net balance as at 1 January	23,693,600	(363,345)	(101,336,393)	(9,835,138)	(87,841,276)
Net expenses from retakaful contracts held	(78,978,971)	-	-	-	(78,978,971)
Amounts recoverable from reinsurers for incurred claims	-	-	25,660,622	-	25,660,622
Changes to amounts recoverable for incurred claims	-	-	(30,065,375)	(1,785,004)	(31,850,379)
Amortisation of insurance acquisition cash flows	10,175,537	-	-	-	10,175,537
Reversals of losses on onerous contracts	-	(324,290)	-	-	(324,290)
Changes in non-performance risk of reinsurer	115,572	-	-	-	115,572
Net expenses from retakaful contracts held	(68,687,862)	(324,290)	(4,404,753)	(1,785,004)	(75,201,909)
Finance income from retakaful contracts held	-	-	5,066,820	491,757	5,558,577
Total amounts recognized in comprehensive income	(68,687,862)	(324,290)	662,067	(1,293,247)	(69,643,332)
Cash flows					
Contributions paid	(90,862,805)	-	-	-	(90,862,805)
Actual acquisition costs received	-	-	25,660,622	-	25,660,622
Actual claims received	5,207,854	-	-	-	5,207,854
Total cash flows	(85,654,951)	-	25,660,622	-	(59,994,329)
Net balance as at 31 December					
Retakaful contract assets at 31 December	(8,767,167)	(248)	(76,337,838)	(8,541,891)	(93,647,144)
Retakaful contract liabilities at 31 December	15,493,678	(38,807)	-	-	15,454,871
Net balance as at 31 December	6,726,511	(39,055)	(76,337,838)	(8,541,891)	(78,192,273)

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 December 2024	**Liabilities for remainingcoverage**			**Liabilities for incurredclaims**		
	Best Estimate Liability AED	**Risk Adjustment AED**	**Contractual Service Margin AED**	**Best estimate liability AED**	**Risk adjustment AED**	**Total AED**
Takaful contracts issued						
Takaful contract assets at 1 January	(4,389,334)	-	-	-	-	(4,389,334)
Takaful contract liabilities at 1 January	723,168,493	2,385,660	26,715,830	-	-	752,269,983
Net balance as at 1 January	**718,779,159**	**2,385,660**	**26,715,830**	**-**	**-**	**747,880,649**
Changes related to current service						
Risk adjustment recognised for the risk expired	**-**	**(149,104)**	**-**	**-**	**-**	**(149,104)**
Experience adjustment	**(2,963,952)**	**-**	**-**	**-**	**-**	**(2,963,952)**
Changes related to future service						
Changes in estimates reflected in the CSM	**(194,540,496)**	**(637,232)**	**195,177,728**	**-**	**-**	**-**
Changes in estimates reflected in onerous contract losses	**-**	**-**	**15,237,823**	**-**	**-**	**15,237,823**
Takaful service result	**(197,504,447)**	**786,336**	**(210,415,551)**	**-**	**-**	**(12,124,767)**
Finance expenses from takaful contracts issued	**-**	**149,104**	**(197,240,039)**	**-**	**-**	**(197,090,935)**
Total amounts recognized in comprehensive income	**(197,504,448)**	**(637,232)**	**13,175,512**	**-**	**-**	**(184,966,168)**
Cash flows				**-**	**-**	**-**
Contributions received	**5,168,441**	**-**	**-**	**-**	**-**	**5,168,441**
Takaful acquisition cash flows paid	**(824,198)**	**-**	**-**	**-**	**-**	**(824,198)**
Total cash flows	**4,344,243**	**-**	**-**	**-**	**-**	**4,344,243**
				-	**-**	**-**
Takaful contract assets at 31 December	**(68,798)**	**-**	**-**	**-**	**-**	**(68,798)**
Takaful contract liabilities at 31 December	**525,687,752**	**1,748,428**	**39,891,342**	**-**	**-**	**567,327,522**
Net balance as at 31 December	**525,618,954**	**1,748,428**	**39,891,342**	**-**	**-**	**567,258,724**

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 not under the PAA (continued)

31 December 2023 (Restated)	Liabilities for remainingcoverage			Liabilities for incurredclaims		
	Best Estimate Liability	Risk Adjustment	Contractual Service Margin	Best estimate liability	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED
Takaful contracts issued						
Takaful contract assets at 1 January	(7,657,723)	-	-	-	-	(7,657,723)
Takaful contract liabilities at 1 January	823,634,871	3,880,724	-	-	-	827,515,595
Net balance as at 1 January	815,977,148	3,880,724	-	-	-	819,857,872
Changes related to current service						
CSM recognised for the service provided	-	-	(863,133)	-	-	(863,133)
Risk adjustment recognised for the risk expired	-	(194,036)	-	-	-	(194,036)
Experience adjustment	(1,287,722)	-	-	-	-	(1,287,722)
Changes related to future service						
Changes in estimates reflected in the CSM	(98,059,518)	(1,495,063)	99,554,581	-	-	-
Changes in estimates that result in onerous contract losses	-	-	4,827,622	-	-	4,827,622
Takaful service result	(99,347,240)	(1,689,099)	103,519,070	-	-	2,482,731
Finance income/(expenses) from takaful contracts issued	-	194,035	(76,803,240)	-	-	(76,609,205)
Total amounts recognized in comprehensive income	(99,347,240)	(1,495,064)	26,715,830	-	-	(74,126,474)
Cash flows				-	-	-
Contributions received	2,654,492	-	-	-	-	2,654,492
Takaful acquisition cash flows paid	(505,241)	-	-	-	-	(505,241)
Total cash flows	2,149,251	-	-	-	-	2,149,251
Net balance as at 31 December				-	-	-
Takaful contract assets at 31 December	(4,389,334)	-	-	-	-	(4,389,334)
Takaful contract liabilities at 31 December	723,168,493	2,385,660	26,715,830	-	-	752,269,983
Net balance as at 31 December	718,779,159	2,385,660	26,715,830	-	-	747,880,649

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 not under the PAA

31 December 2024	Assets for remaining coverage			Amounts recoverable on incurred claims		
	Best Estimate Liability AED	Risk Adjustment AED	Contractual Service Margin AED	Best estimate liability AED	Risk adjustment AED	Total AED
Retakaful contracts issued						
Retakaful contract assets at 1 January	(41,213,031)	(2,147,094)	(41,102,457)	-	-	(84,462,582)
Retakaful contract liabilities at 1 January	29,415,061	-	21,834,981	-	-	51,250,042
Net balance as at 1 January	**(11,797,970)**	**(2,147,094)**	**(19,267,476)**	**-**	**-**	**(33,212,540)**
Changes related to current service						
CSM recognized for the service provided	-	-	(3,459,095)	-	-	(3,459,095)
Risk adjustment recognized for the risk expired	-	134,193	-	-	-	134,193
Experience adjustment	2,667,556	-	-	-	-	2,667,556
Changes related to future service						
Changes in estimates reflected in the CSM	1,007,488	948,009	(1,955,497)	-	-	-
Takaful service result	**3,675,044**	**1,082,202**	**(5,414,592)**	**-**	**-**	**(657,346)**
Finance expenses from takaful contracts issued	-	(134,192)	(1,204,217)	-	-	(1,338,409)
Total amounts recognized in comprehensive income	**3,675,044**	**948,010**	**(6,618,809)**	**-**	**-**	**(1,995,755)**
Cash flows						
Contributions received	**(3,909,819)**	**-**	**-**	**-**	**-**	**(3,909,819)**
Total cash flows	**(3,909,819)**	**-**	**-**	**-**	**-**	**(3,909,819)**
Net balance as at 31 December						
Retakaful contract assets at 31 December	**(25,738,154)**	**(1,199,084)**	**(63,141,845)**	**-**	**-**	**(90,079,083)**
Retakaful contract liabilities at 31 December	**13,705,409**	**-**	**37,255,560**	**-**	**-**	**50,960,969**
Net balance as at 31 December	**(12,032,745)**	**(1,199,084)**	**(25,886,285)**	**-**		**(39,118,114)**

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 not under the PAA (continued)

31 December 2023 (Restated)			Assets for remaining coverage	Amounts recoverable on incurred claims		
	Best Estimate Liability	Risk Adjustment	Contractual Service Margin	Best estimate liability	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED
Retakaful contracts issued						
Retakaful contract assets at 1 January	(72,603,623)	(3,492,651)	(9,690,176)	-	-	(85,786,450)
Retakaful contract liabilities at 1 January	42,286,221	-	10,962,037	-	-	53,248,258
Net balance as at 1 January	(30,317,402)	(3,492,651)	1,271,861	-	-	(32,538,192)
Changes related to current service						
CSM recognized for the service provided	-	-	37,434	-	-	37,434
Risk adjustment recognized for the risk expired	-	174,633	-	-	-	174,633
Experience adjustment	1,158,950	-	-	-	-	1,158,950
Changes related to future service						
Changes in estimates reflected in the CSM	19,294,807	1,345,557	(20,640,364)	-	-	-
Takaful service result	20,453,757	1,520,190	(20,602,930)	-	-	1,371,017
Finance (expenses)/income from takaful contracts issued	-	(174,633)	63,593	-	-	(111,040)
Total amounts recognized in comprehensive income	20,453,757	1,345,557	(20,539,337)	-	-	1,259,977
Cash flows						
Contributions received	(1,934,325)	-	-	-	-	(1,934,325)
Total cash flows	(1,934,325)	-	-	-	-	(1,934,325)
Net balance as at 31 December						
Retakaful contract assets at 31 December	(41,213,031)	(2,147,094)	(41,102,457)	-	-	(84,462,582)
Retakaful contract liabilities at 31 December	29,415,061	-	21,834,981	-	-	51,250,042
Net balance as at 31 December	(11,797,970)	(2,147,094)	(19,267,476)	-		(33,212,540)

6 Takaful and retakaful contracts (continued)

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

31 December 2024	**PAA AED**	**Non-PAA AED**	**Total AED**
Takaful contract assets	**(5,613,665)**	**(68,798)**	**(5,682,463)**
Takaful contract liabilities	**109,842,207**	**567,327,522**	**677,169,729**
Retakaful contract assets	**(59,769,161)**	**(90,079,083)**	**(149,848,244)**
Retakaful contract liabilities	**12,964,108**	**50,960,969**	**63,925,077**
	57,423,489	**528,140,610**	**585,564,099**

31 December 2023 (Restated)	PAA AED	Non-PAA AED	Total AED
Takaful contract assets	(4,600,787)	(4,389,334)	(8,990,121)
Takaful contract liabilities	133,277,143	752,269,983	885,547,126
Retakaful contract assets	(93,647,144)	(84,462,582)	(178,109,726)
Retakaful contract liabilities	15,454,871	51,250,042	66,704,913
	50,484,083	714,668,109	765,152,192

Expected recognition of the contractual service margin - An analysis of the expected recognition of the CSM remaining at the end of the reporting period in consolidated statement of profit or loss is provided in the following table (number of years until expected to be recognised):

	1 year AED	2 year AED	3 year AED	4 year AED	5 year AED	>6 year AED	Total AED
31 December 2024							
Total CSM for insurance contracts issued	**(395,121)**	**(204,662)**	**(248,583)**	**(483,563)**	**(803,257)**	**42,026,528**	**39,891,342**
Total CSM for reinsurance contracts held	**4,878,197**	**3,651,706**	**2,423,643**	**3,542,590**	**4,981,629**	**(45,364,051)**	**(25,886,286)**
	4,483,076	**3,447,044**	**2,175,060**	**3,059,027**	**4,178,372**	**(3,337,523)**	**14,005,056**
31 December 2023 (Restated)							
Total CSM for insurance contracts issued	(268,473)	(265,610)	(209,042)	(295,514)	(458,685)	28,213,154	26,715,830
Total CSM for reinsurance contracts held	1,500,899	1,627,056	1,257,210	1,083,673	2,188,153	(26,924,466)	(19,267,475)
	1,232,426	1,361,446	1,048,168	788,159	1,729,468	1,288,688	7,448,355

7 Statutory deposit

In accordance with the requirements of UAE Federal Law No. (48) of 2023 covering insurance companies and agencies, the Group maintains a bank deposit of AED 10 million (2023: AED 10 million) which cannot be utilized without the consent of the Central bank of UAE. The deposit bears a profit rate of 0.6% per annum (2023: 0.6% per annum).

8 Prepayments and other receivables

	31 December 2024 AED	*Restated* 31 December 2023 AED
Advance to suppliers	**1,115,000**	1,115,000
Prepayments	**579,751**	973,356
Staff receivables	**692,239**	372,943
Refundable deposits	**71,483**	71,483
Other receivables *	**3,846,821**	28,752,935
	6,305,294	31,285,717
Allocated to:		
- Takaful operations assets	**-**	-
- Shareholder's assets	**6,305,294**	31,285,717
	6,305,294	31,285,717

* Other receivables include an amount of AED 2 (31 December 2023: 18.3 million) receivable against an investment disposed during 2022.

9 Investments in financial assets

	31 December 2024			31 December 2023		
	Total AED	**Shareholders AED**	**Policyholder AED**	Total AED	Shareholders AED	Policyholder AED
Financial assets carried at fair value through other comprehensive income (FVOCI) (A)						
- Listed	**19,034,172**	**19,034,172**	**-**	25,226,011	25,226,011	-
- Unlisted	**3,380,112**	**3,380,112**	**-**	3,325,211	3,325,211	-
	22,414,284	**22,414,284**	**-**	28,551,222	28,551,222	-
Financial assets measured at fair value through profit or loss (FVTPL) (B)						
- Listed	**723,400**	**723,400**	**-**	21,288,709	21,269,687	19,022
- Unit linked investments	**508,571,028**	**-**	**508,571,028**	705,670,303	-	705,670,303
	509,294,428	**723,400**	**508,571,028**	726,959,012	21,269,687	705,689,325
Total investment in financial assets measured at fair value (A+B)	**531,708,712**	**23,137,684**	**508,571,028**	755,510,234	49,820,909	705,689,325
Investments by geographical concentration are as follows:						
- Within U.A.E.	**19,757,572**	**19,757,572**	**-**	46,514,720	46,495,698	19,022
- Outside U.A.E.	**511,951,140**	**3,380,112**	**508,571,028**	708,995,514	3,325,211	705,670,303
	531,708,712	**23,137,684**	**508,571,028**	755,510,234	49,820,909	705,689,325

9 Investments in financial assets (continued)

Movement in financial assets measured at fair value through other comprehensive income (FVOCI) and financial assets measured at fair value through profit or loss (FVTPL) attributable to the Shareholders is as follows:

	31 December 2024		31 December 2023	
	FVOCI AED	**FVTPL AED**	FVOCI AED	FVTPL AED
At 1 January	**28,551,222**	**21,288,709**	31,384,607	82,679
Additions	**60,000**	**252,000**	187,963,797	50,564,323
Disposals	**(5,809,972)**	**(21,182,209)**	(188,105,538)	(17,325,810)
Change in the fair value	**(386,966)**	**364,900**	(2,691,644)	(12,051,505)
At 31 December	**22,414,284**	**723,400**	28,551,222	21,269,687

Currency distribution

	31 December 2024		31 December 2023	
	FVOCI AED	**FVTPL AED**	FVOCI AED	FVTPL AED
United Arab Emirates Dirhams	**22,414,284**	**509,294,428**	28,551,222	726,959,012
	22,414,284	**509,294,428**	28,551,222	726,959,012

Investment revaluation reserve – FVOCI

Investment's revaluation reserve represents the accumulated unreleased gains or losses that are recognised on investments carried at fair value through other comprehensive income at reporting date.

Movement in the investment revaluation reserve is as follows:

	2024 AED	2023 AED
At 1 January	**18,853,358**	13,151,220
Disposals	**(1,609,840)**	3,010,494
Other comprehensive income for the year	**386,966**	2,691,644
At 31 December	**17,630,484**	18,853,358

Geographical concentration

	2023		2022	
	FVOCI AED	**FVTPL AED**	FVOCI AED	FVTPL AED
Within UAE (A)				
- Listed	**19,034,172**	**723,400**	25,226,011	21,288,709
Outside UAE (B)				
- Unlisted	**3,380,112**	**-**	3,325,211	-
- Unit linked investments	**-**	**508,571,028**	-	705,670,303
Total investment in financial assets measured at fair value (A+B)	**22,414,284**	**509,294,428**	28,551,222	726,959,012

9 Investments in financial assets (continued)

Movement in the unit linked investments is as follows:

	2024 AED	2023 AED
At 1 January	**705,670,303**	782,291,146
Net change during the year (change in fair value and net investment/withdrawal)	**(197,099,275)**	(76,620,843)
At 31 December	**508,571,028**	705,670,303

10 Investment property

	2024 AED	2023 AED
Balance at 1 January	**57,900,000**	50,000,000
Gain/(loss) on revaluation of investment property	**(3,692,056)**	7,900,000
Balance at 31 December	**54,207,944**	57,900,000
Allocation of investment property:		
Shareholders	**44,068,558**	47,070,029
Takaful operations	**10,139,386**	10,829,971
	54,207,944	57,900,000
Allocation of the revaluation gain/(loss):		
Shareholders	**(3,001,471)**	6,422,365
Takaful operations	**(690,585)**	1,477,635
	(3,692,056)	7,900,000

Valuation process and techniques underlying management's estimation of fair value

The Group has complied with the requirements of the CBUAE Board Decision No. (26) of 2014 with regards to valuation of the investment property and were accounted accordingly for the purpose of financial reporting. The fair value of the investment property has been arrived at on the basis of a valuation carried by a professional, independent valuation expert, not related to the Group. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties, in accordance with Royal Institute of Chartered Surveyors (RICS) appraisal and valuation standards. The property was valued by two independent valuers and the Group has recognised the fair value as the average of the valuation estimated by the independent valuers. In estimating the fair value of the property, the highest and best use of the property is their current use.

The following table shows the valuation technique used in measuring the fair value of the investment property, as well as the significant unobservable inputs used.

10 Investment property (continued)

Valuation process and techniques underlying management's estimation of fair value (continued)

Valuation technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurements
Comparison method	The comparison approach involves examining and analysing recent market transaction/data and making adjustments to this data to account for differences in location, building area, quality of accommodation, finish, date of sale, view, aspect and other individual characteristics	The estimated fair value increase / decrease if the inputs to the comparison method varies.

11 Property and equipment

	Motor vehicles AED	Furniture and fixtures AED	Office equipment AED	Total AED
Cost:				
At 1 January 2024	**128,890**	**746,447**	**2,690,512**	**3,565,849**
Additions	**-**	**-**	**33,520**	**33,520**
31 December 2024	**128,890**	**746,447**	**2,724,032**	**3,599,369**
Accumulated depreciation:				
At 1 January 2024	**128,890**	**746,447**	**2,625,530**	**3,500,867**
Charge for the period	**-**	**-**	**38,975**	**38,975**
At 31 December 2024	**128,890**	**746,447**	**2,664,505**	**3,539,842**
Net carrying amount:				
31 December 2024	**-**	**-**	**59,527**	**59,527**

	Motor vehicles AED	Furniture and fixtures AED	Office equipment AED	Total AED
Cost:				
At 1 January 2023	227,290	5,405,566	5,909,248	11,542,104
Disposals	(98,400)	(4,659,119)	(3,218,736)	(7,976,255)
At 31 December 2023	128,890	746,447	2,690,512	3,565,849
Accumulated depreciation:				
At 1 January 2023	227,290	5,399,639	5,765,157	11,392,086
Charge for the year	-	5,227	75,436	80,663
Disposals	(98,400)	(4,658,419)	(3,215,063)	(7,971,882)
At 31 December 2023	128,890	746,447	2,625,530	3,500,867
Net carrying amount:				
31 December 2023	-	-	64,982	64,982

12 Trade and other payables

	31 December 2024 AED	*Restated* 31 December 2023 AED
Trade payables and accruals	**89,328,560**	52,339,040
Zakat payable	**735,125**	768,491
Other payables	**136,072**	2,272,074
	90,199,757	55,379,605
Allocated to:		
- Takaful operations assets *	**66,130,230**	31,128,011
- Shareholder's assets	**24,069,527**	24,251,594
	90,199,757	55,379,605

* The balance includes AED 61,359,420 (2023: AED 17,113,112) related to the policyholders, which will be used to purchase investments.

13 Provision for employees' end of service benefits

	31 December 2024 AED	31 December 2023 AED
Balance at beginning of the period/year	**2,313,166**	5,456,780
Charged during the period/year	**264,612**	612,773
Payments made during the period/year	**(37,531)**	(3,756,387)
Balance at end of the period/year	**2,540,247**	2,313,166

14 Disposal groups held for sale

During 2018, the Board of Directors approved the liquidation and the disposal of Technik Auto Services Centre LLC and Amity Health L.L.C., subsidiaries of the Group.

	31 December 2024 AED	31 December 2023 AED
Assets under discontinued operations	**1,583,321**	1,583,321
Liabilities directly associated with assets under discontinued operations	**12,947,356**	12,947,356

14 Disposal groups held for sale (continued)

Board of Directors approved the liquidation of two of the Group's subsidiaries. The Group is currently in the process of liquidation of these subsidiaries, the carrying amount of the assets and liabilities have been written down to the fair value less cost to sell. The major class of assets and liabilities of the subsidiaries at the end of the reporting period are as follows:

	31 December 2024 AED	31 December 2023 AED
Cash and cash equivalents - note 5	**1,008,976**	1,008,976
Other receivables	**574,345**	574,345
Assets under discontinued operations	**1,583,321**	1,583,321
Trade and other payables	**12,947,356**	12,947,356
Liabilities associated with assets under discontinued operations	**12,947,356**	12,947,356
Net liabilities associated with assets under discontinued operations	**(11,364,035)**	(11,364,035)

The ex-Vice Chairman of the Group holds 1% of Nawat Investments L.L.C. and 1% of Technik Auto Service Centre Co. L.L.C on behalf and for the benefit of the Group to meet the requirements of the legal structure of these subsidiaries.

15 Surplus/(deficit) in takaful operations' fund

	31 December 2024 Total AED	**31 December 2024 Non-Life AED**	**31 December 2024 Life AED**	*Restated* 31 December 2023 Total AED	*Restated* 31 December 2023 Non-Life AED	*Restated* 31 December 2023 Life AED
(Deficit)/surplus in policyholders' fund						
At the beginning of the year	**(23,823,123)**	**6,794,478**	**(30,617,601)**	(54,170,176)	(28,809,996)	(25,360,180)
Surplus for the year attributable to takaful operations	**(11,638,524)**	**(2,356,868)**	**(9,281,656)**	30,670,942	35,911,988	(5,241,046)
Transfer to retakaful default reserve during the year	**(177,712)**	**(175,147)**	**(2,565)**	(323,889)	(307,514)	(16,375)
(Deficit)/surplus in takaful operations' fund as at year end	**(35,639,359)**	**4,262,463**	**(39,901,822)**	(23,823,123)	6,794,478	(30,617,601)
Qard Hassan against deficit in takaful operations' fund						
At the beginning of the year	**30,617,601**	**-**	**30,617,601**	59,101,979	33,741,799	25,360,180
Recovery/(provision) of Qard Hassan to shareholders	**9,284,221**	**-**	**9,284,221**	(28,484,378)	(33,741,799)	5,257,421
At the end of the year	**39,901,822**	**-**	**39,901,822**	30,617,601	-	30,617,601
Surplus in takaful operations' fund (Net)	**4,262,463**	**4,262,463**	**-**	6,794,478	6,794,478	-

16 Re-takaful default reserve

In accordance with Article (34) to Insurance Authority's Board of Directors Decision No (23) of 2019, insurance companies incorporated in the State and licensed by the Central Bank of the United Arab Emirates ("CBUAE") shall bind in the preparation of its annual consolidated financial statements and its final accounts to allocate an amount equal to 0.5% (Five per thousand) of the total retakaful contribution ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Group deals to pay what is due to the Group or default in its financial position. The provision shall be accounted year after year based on the retakaful contribution ceded and may not be disposed of without the written approval of the Director General of the Banking and Insurance Supervision Department of CBUAE. The decision was effective from 1 December 2020. Accordingly, an amount of AED 3,357,120 (31 December 2023: 3,113,482) has been recorded in equity as a reinsurance default risk reserve.

17 Takaful operations' investments revaluation reserve

Takaful operations' investments revaluation reserve represents the accumulated unreleased gains or losses that are recognised on investments carried at fair value through other comprehensive income at reporting date.

Movement in the investment revaluation reserve is as follows:

	2024 AED	2023 AED
At 1 January	**2,280,365**	2,280,365
Disposals	**(1,705,958)**	-
At 31 December	**574,407**	2,280,365

18 Shareholders' equity

18.1 Share capital

	31 December 2024 AED	31 December 2023 AED
Issued and fully paid:		
225,750,000 ordinary shares of AED 1 each (2023: 225,750,000 ordinary shares of AED 1 each)	**225,750,000**	225,750,000

18.2 Legal reserve

In accordance with the UAE Federal Law No. (32) of 2021 concerning Commercial Companies and the Group's Articles of Association, 10% of profit is to be transferred to non-distributable legal reserve until the balance of the legal reserve equals 50% of the Group's paid up share capital. This reserve is not available for dividend distribution.

18.3 General reserve

The Group is required to transfer 10% of the profit of the Company for the year to a general reserve in accordance with its Articles of Association. The reserve is available for distribution by a resolution of the shareholders of the Group at an ordinary general meeting, on the recommendation of the Board of Directors.

19 Insurance revenue

	Life AED	General AED	Total AED
For the year ended 31 December 2024			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
Change in risk adjustment for non-financial risk for risk expired	**(98,849)**	**-**	**(98,849)**
Expected incurred claims and other insurance service expenses	**159,669**	**-**	**159,669**
Recovery of insurance acquisition cash flows	**704,162**	**2,500,637**	**3,204,799**
	764,982	**2,500,637**	**3,265,619**
Contracts measured under the PAA	**-**	**50,039,091**	**50,039,091**
	764,982	**52,539,728**	**53,304,710**
For the year ended 31 December 2023 (Restated)			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
CSM recognised for services provided	864,456	-	864,456
Change in risk adjustment for non-financial risk for risk expired	194,475	-	194,475
Expected incurred claims and other insurance service expenses	(376,614)	-	(376,614)
Recovery of insurance acquisition cash flows	17,623,236	22,818,913	40,442,149
	18,305,553	22,818,913	41,124,466
Contracts measured under the PAA	-	99,479,945	99,479,945
	18,305,553	122,298,858	140,604,411

20 Insurance service income/(expense)

	Life AED	General AED	Total AED
For the year ended 31 December 2024			
Incurred claims and other expenses	**2,572,560**	**16,255,389**	**18,827,949**
Amortisation of insurance acquisition cash flows	**232,373**	**2,500,637**	**2,733,010**
Losses on onerous contracts	**12,097,317**	**(791,679)**	**11,305,638**
Changes to liabilities for incurred claims	**(6,757,855)**	**(34,208,459)**	**(40,966,314)**
	8,144,395	**(16,244,112)**	**(8,099,717)**
For the year ended 31 December 2023 (Restated)			
Incurred claims and other expenses	12,158,727	75,189,339	87,348,066
Amortisation of insurance acquisition cash flows	5,781,663	22,818,913	28,600,576
Reveresals of losses on onerous contracts	1,677,425	(34,505,965)	(32,828,540)
Changes to liabilities for incurred claims	(1,936,318)	(48,331,649)	(50,267,967)
	17,681,497	15,170,638	32,852,135

21 Net takaful financial result

	Life AED	General AED	Total AED
For the year ended 31 December 2024			
Takaful finance expense from takaful contracts issued	**(539,565)**	**(6,488,170)**	**(7,027,735)**
Retakaful finance income from retakaful contracts held	**1,748,748**	**4,894,646**	**6,643,394**
For the year ended 31 December 2023 (Restated)			
Takaful finance income from takaful contracts issued	(508,588)	(7,244,875)	(7,753,463)
Retakaful finance expense from retakaful contracts held	496,498	5,173,118	5,669,616

22 Investment (expenses)/income, net

	2024 AED	*Restated* 2023 AED
(Loss) / gain on revaluation of investment property	**(3,692,056)**	7,900,000
Realised (loss)/gain on investments in financial assets measured at FVTPL	**(7,540,292)**	1,046,562
Income on investment property, net	**504,334**	466,749
Dividend income	**368,700**	269,899
Income from wakala deposits with banks	**1,382,523**	169,793
Investment expenses	**(21,897)**	(23,840)
Unrealised gain/(loss) on investments in financial assets measured at FVTPL	**364,900**	(12,051,505)
Other income	**-**	749,999
	(8,633,788)	(1,472,343)
Allocated to:		
- Takaful operations assets	**(583,027)**	1,564,937
- Shareholder's assets	**(8,050,761)**	(3,037,280)
	(8,633,788)	(1,472,343)

Investment income and losses are allocated amongst the shareholders and the policyholders on a pro-rata basis. This allocation to policyholders is approved by the Group's Fatwa and Sharia'a Supervisory Board on an annual basis.

23 Basic and diluted (losses)/earnings per share

(Losses)/earnings per share are calculated by dividing (losses)/profits attributable to the shareholders for the year by the weighted average number of shares outstanding during the year.

	2024	*Restated* 2023
(Loss)/profit for the year after tax (AED)	**(28,413,573)**	31,955,446
Weighted average number of ordinary issued throughout the period	**225,750,000**	225,750,000
Basic and diluted (loss)/earnings per share (AED)	**(0.126)**	0.142

24 Wakala fees and Mudarib's share

The Group manages the Takaful operations for the Policyholders and charges 33% (2023: 33%) of the gross takaful contributions net of fronting contribution as Wakala fees. In addition, the Group charges 2% (2023: 2%) on fronting contribution as Wakala fees and 100% (2023: 100%) on certain unit-linked takaful contracts. These Wakala fees rates were approved by the Group's Fatwa and Sharia'a Supervisory Board. The Wakala Fees share amounted to AED 2,733,010 for the year ended 31 December 2024 (31 December 2023: AED 28,600,576 restated).

The Group recognizes Wakala fees over the period in which the related services are delivered, in a systematic manner.

The Group also manages the policyholders' investment funds and is entitled to 25% (2023: 25%) of net investment income earned by the takaful operations' investment funds as the Mudarib's share. The Mudarib's share amounted to AED Nil for the year ended 31 December 2024 (31 December 2023: AED 391,234).

25 General and administrative expenses

	2024 AED	2023 AED
Salaries and benefits	**8,087,703**	9,073,807
Legal and professional fees	**4,104,198**	1,967,639
Rent	**848,790**	922,836
Communication	**353,252**	620,202
Repairs and maintenance	**355,540**	514,573
Depreciation (Note 11)	**38,975**	80,663
Printing and stationary	**4,696**	39,371
Travelling and conveyance	**137,118**	60,028
Bank charges	**40,262**	117,322
Marketing and advertising	**-**	43,730
Others	**821,101**	1,624,534
	14,791,635	15,064,705

26 Contingencies

At the reporting date, the Group has contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business amounting to AED 0.47 million (2023: AED 0.43 million).

The Group is involved as a defendant in a number of legal cases with other insurance and reinsurance companies and customers. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Group in terms of an outflow of economic resources and a reliable estimate of the amount of outflow can be made. The expected outcome of the cases is dependent on future legal proceedings.

During the year, an insured company filed a claim against the Group for a total amount of AED 12.5 million. However, management believes there will be no liability for the Group, as the incident occurred more than three years ago. This is supported by Article 1/1036 of Federal Law No. 5 on the Civil Transactions Law of the United Arab Emirates, which states:
"Actions arising out of insurance contracts shall be barred by limitation after the expiration of three years from the date of the occurrence which gave rise to such action, or from the date the interested party became aware of its occurrence".

27 Segmental information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's management in order to allocate resources to the segment and to assess its performance. Information reported to the Group's Board of Directors for the purpose of resource allocation and assessment of performance is based on following strategic business activities:

- **Investment activities** represent investment and cash management for the Group's own account.
- **Underwriting of takaful business:** incorporating all classes of takaful business. This business is conducted fully within the UAE.

The following table presents segment information for the year ended 31 December 2024 and 2023.

	31 December 2024	**31 December 2024**	**31 December 2024**	31 December 2023 *(Restated)*	31 December 2023 *(Restated)*	31 December 2023 *(Restated)*
	Investments AED	**Underwriting AED**	**Total AED**	Investments AED	Underwriting AED	Total AED
Net takaful (loss)/income	**-**	**(8,322,487)**	**(8,322,487)**	-	58,097,815	58,097,815
	-	**-**	**-**	-	-	-
Wakala fees	**2,733,010**	**(2,733,010)**	**-**	28,600,576	(28,600,576)	-
Mudarib fees	**-**	**-**	**-**	391,234	(391,234)	-
Policy acquisition cost	**(3,430,397)**	**-**	**(3,430,397)**	(12,519,505)	-	(12,519,505)
	(697,387)	**(11,055,497)**	**(11,752,884)**	16,472,305	29,106,005	45,578,310
Investment income	**(8,050,761)**	**(583,027)**	**(8,633,788)**	(3,037,279)	1,564,937	(1,472,342)
Other operating income	**4,410,431**	**-**	**4,410,431**	5,138,805	-	5,138,805
Other income/(expenses)	**(14,791,635)**	**-**	**(14,791,635)**	(15,102,763)	-	(15,102,763)
Net (loss)/profit for the year before Qard Hassan	**(19,129,352)**	**(11,638,524)**	**(30,767,876)**	3,471,068	30,670,942	34,142,010
(Provision)/recovery of Qard Hassan to shareholders	**(9,284,221)**	**9,284,221**	**-**	28,484,378	(28,484,378)	-
Net (loss)/profit for the year	**(28,413,573)**	**(2,354,303)**	**(30,767,876)**	31,955,446	2,186,564	34,142,010

27 Segmental information (continued)

	31 December 2024 Investment AED	**31 December 2024 Underwriting AED**	**31 December 2024 Total AED**	31 December 2023 *(Restated)* **Investment** (Restated) AED	31 December 2023 *(Restated)* **Underwriting** (Restated) AED	31 December 2023 *(Restated)* **Total** (Restated) AED
Segment assets	**145,753,319**	**814,270,212**	**960,023,531**	172,389,822	973,894,533	1,163,397,467
Segment liabilities	**107,527,610**	**807,225,036**	**914,752,646**	103,953,035	983,380,050	1,087,333,085

28 Consolidated statement of financial position – Takaful operations' assets and liabilities (life and non-Life)

	31 December 2024 Total AED	**31 December 2024 Non-life AED**	**31 December 2024 Life AED**	*Restated* 31 December 2023 Total AED	*Restated* 31 December 2023 Non-life AED	*Restated* 31 December 2023 Life AED
ASSETS						
Takaful operations' assets						
Investment property	**10,139,386**	**10,139,386**	**-**	10,829,971	10,829,971	-
Takaful contract assets	**5,682,463**	**4,963,073**	**719,390**	8,990,121	4,600,757	4,389,364
Retakaful contract assets	**149,848,244**	**57,617,898**	**92,230,346**	178,109,726	87,059,304	91,050,422
Financial assets measured at fair value through profit or loss (FVTPL)	**508,571,028**	**-**	**508,571,028**	705,689,325	19,022	705,670,303
Due from shareholders	**67,585,453**	**42,935,948**	**24,649,505**	62,612,018	42,969,504	19,642,514
Cash and cash equivalents	**72,443,638**	**10,387,968**	**62,055,670**	24,776,484	5,437,334	19,339,150
Total takaful operations' assets	**814,270,212**	**126,044,273**	**688,225,939**	991,007,645	150,915,892	840,091,753

28 Consolidated statement of financial position – Takaful operations' assets and liabilities (life and non-Life) (continued)

	31 December 2024 Total AED	**31 December 2024 Non-life AED**	**31 December 2024 Life AED**	*Restated* 31 December 2023 Total AED	*Restated* 31 December 2023 Non-life AED	*Restated* 31 December 2023 Life AED
LIABILITIES, POLICYHOLDERS' FUND ANDSHAREHOLDERS' EQUITY						
Takaful operations' liabilities						
Trade and other payables	**66,130,230**	**4,770,810**	**61,359,420**	31,128,011	14,014,899	17,113,112
Takaful contract liabilities	**677,169,729**	**104,633,069**	**572,536,660**	885,547,126	124,605,173	760,941,953
Re-takaful contract liabilities	**63,925,077**	**10,429,528**	**53,495,549**	66,704,913	5,499,952	61,204,961
Total takaful operations' liabilities	**807,225,036**	**119,833,407**	**687,391,629**	983,380,050	144,120,024	839,260,026
Takaful operations' surplus						
Deficit in policyholders' fund	**(39,901,822)**	**(39,901,822)**	**-**	(23,823,123)	(23,823,123)	-
Qard Hassan from shareholders	**39,901,822**	**39,901,822**	**-**	30,617,601	30,617,601	-
Re-takaful default reserve	**3,357,120**	**2,522,810**	**834,310**	3,113,482	2,281,755	831,727
Takaful operations' investments revaluation reserve	**(574,407)**	**(574,407)**	**-**	(2,280,365)	(2,280,365)	-
Total Surplus from takaful operations	**7,045,176**	**6,210,866**	**834,310**	7,627,595	6,795,868	831,727
Total takaful operations' liabilities and surplus	**814,270,212**	**126,044,273**	**688,225,939**	991,007,645	150,915,892	840,091,753

29 Consolidated statement of profit or loss - life and non-Life

	31 December 2024 Total AED	**31 December 2024 Non-life AED**	**31 December 2024 Life AED**	*Restated* 31 December 2023 Total AED	*Restated* 31 December 2023 Non-life AED	*Restated* 31 December 2023 Life AED
Attributable to policyholders						
Takaful revenue	**53,304,710**	**52,539,728**	**764,982**	140,604,411	122,298,858	18,305,553
Takaful service income/(expense)	**8,099,717**	**16,244,112**	**(8,144,395)**	(32,852,135)	(15,133,569)	(17,718,566)
Takaful service results before retakaful contracts held	**61,404,427**	**68,783,840**	**(7,379,413)**	107,752,276	107,165,289	586,987
Retakaful expenses (net)	**(72,673,962)**	**(69,524,441)**	**(3,149,521)**	(76,572,931)	(70,725,273)	(5,847,658)
Takaful service result	**(11,269,535)**	**(740,601)**	**(10,528,934)**	31,179,345	36,440,016	(5,260,671)
				-		
Takaful finance expense for takaful contracts issued	**(7,027,735)**	**(6,488,170)**	**(539,565)**	(7,753,463)	(7,244,875)	(508,588)
Retakaful finance income for retakaful contracts held	**6,643,394**	**4,894,646**	**1,748,748**	5,669,616	5,173,118	496,498
Net takaful (loss)/income	**(11,653,876)**	**(2,334,125)**	**(9,319,751)**	29,095,498	34,368,259	(5,272,761)
Investment income, net	**(583,027)**	**(583,027)**	**-**	1,564,937	1,564,937	-
Mudarib's share	**-**	**-**	**-**	(391,234)	(391,234)	-
(Deficit)/surplus of takaful and investment results	**(12,236,903)**	**(2,917,152)**	**(9,319,751)**	30,269,201	35,541,962	(5,272,761)
Other income	**598,379**	**560,284**	**38,095**	401,741	370,026	31,715
(Deficit) / surplus from takaful operations for the year	**(11,638,524)**	**(2,356,868)**	**(9,281,656)**	30,670,942	35,911,988	(5,241,046)

30 Capital management

(i) 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 Chief Executive Officer and other senior managers. The Group is currently in the process of updating the risk management function to address the changes in the Group's operations with regards to the sale of the entire takaful portfolio.

The Board of Directors meets regularly to approve any commercial, regulatory and organisational decisions. 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.

(ii) Capital management framework

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

(iii) 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 insurance companies to meet unforeseen liabilities as these arise.

As per Article (8) of Section 2 of the Financial Regulations, the Group is required, at all times, to comply with the requirements of Solvency Margin. The solvency position of the Group as at 31 December 2024 and 31 December 2023 is presented below:

	31 December 2024 AED'000	31 December 2023 AED'000 (Restated)
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**18,986**	25,769
Minimum Guarantee Fund (MGF)	**17,000**	20,000
Total Basic Own Funds	**(9,425)**	(42,146)
MCR Solvency Margin - Deficit	**(109,425)**	(142,146)
SCR Solvency Margin - Deficit	**(28,411)**	(69,885)
MGF Solvency Margin - Deficit	**(26,425)**	(62,146)

30 Capital management (continued)

To address the solvency deficit, the Group's management initially submitted a recovery plan to the Central Bank of United Arab Emirates ("CBUAE") which involved a substantial capital injection by means of a rights issue; however, the plan was subsequently changed, because it was envisaged that shareholders are unlikely to support a capital injection in the prevailing economic and financial circumstances. The revised plan, which is subject to the regulatory approval, envisages selling the portfolios of the takaful business to other takaful companies and, aided partly by the proceeds resulting the sale of the takaful portfolios and partly by other assets, generating enough capital to transform the company into a viable investment firm to safeguard and preserve shareholders' value. The Group has informed the CBUAE of its revised plans and received (in-principle/ no-objection letter) approval to proceed with the above sale negotiations, in addition on 24 May 2023, the Group has received the preliminary approval from the CBUAE on the sale transaction, and on 20 July 2023, the Group has received the final approval from the CBUAE on the transfer of the individual life insurance portfolio to Abu Dhabi National Takaful Company P.S.C.

On 1 August 2024, management received a notice terminating the insurance portfolio transfer agreement between the Group and Abu Dhabi National Takaful Company P.S.C. As a consequence to this, on 8 August, the Group's management has sent a formal objection letter to Abu Dhabi National Takaful Company P.S.C. stating that the Group's management expects the portfolio transfer by 31 August 2024.

On 26 September 2024, the Islamic Arab Insurance Co. (SALAMA) PSC declared in DFM the termination of Partial Acquisition Agreement with the Group. Accordingly, on 27 September 2024. The Group declared to DFM that Salama decided to terminate the Acquisition agreement. The Group is currently evaluating alternative strategies to address this development.

The Board of Directors has resolved to continue the Group's takaful activities while exploring other feasible options.

31 Fair value of financial instruments

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 participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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).
- 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).

31 Fair value of financial instruments (continued)

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

Financial assets	Fair value as at 31 December 2024 AED'000	31 December 2023 AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets at FVOCI						
Quoted equity securities	**19,034**	25,226	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity securities	**3,380**	3,325	Level 3	Net assets valuation method and comparable multiples approach	Net assets value	Higher the net assets value of the investees, higher the fair value
Financial assets at FVTPL						
Quoted equity securities	**723**	21,289	Level 1	Quoted bid prices in an active market	None	Not applicable
Unit linked investments						
Unit linked investments	**508,571**	705,670	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value

There were no transfers between each of the levels during the year ended 31 December 2024 and 31 December 2023.

There were no changes in the valuation techniques and key inputs during the year ended 31 December 2024 and 31 December 2023.

Reconciliation of level 3 fair value measurement of financial assets measured at FVOCI:

	31 December 2024 AED'000	31 December 2023 AED'000
At beginning of year	**3,325**	3,325
Changes in fair value	**55**	-
At end of year	**3,380**	3,325

Reconciliation of the unit linked investments measured at FVTPL:

	31 December 2024 AED'000	31 December 2023 AED'000
Unit linked investments		
At beginning of year	**705,670**	782,291
Net movement	**(197,099)**	(76,621)
At end of year	**508,571**	705,670

31 Fair value of financial instruments (continued)

The investments classified under Level 3 category have been fair valued based on information available for each investment. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 (other than unit linked investments), changing one or more of the assumptions by 5% would have an impact of AED 169,006 (2023: AED 166,261).

32 Financial Risk Management

(i) Asset liability management (ALM) framework

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, retakaful contract assets and takaful contract liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its takaful contracts.

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance 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. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance liabilities. The notes below explain how financial risks are managed using the categories utilised in the Group's ALM framework. In particular, the ALM Framework requires the management of interest rate risk, equity price risk and liquidity risk at the portfolio level. Foreign currency and credit risk are managed on a group-wide basis.

The risks faced by the Group and the way these risks are mitigated by management are summarised below.

The principal risk the Group faces under takaful contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. 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 above risk exposure is mitigated by diversification across a large portfolio of takaful contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements as well as the diversification of retakaful providers.

Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly property, motor, marine, medical and group life. 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.

32 Financial Risk Management (continued)

Property and liability

Property and liability 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. In recent years, the Group has targeted policies for properties containing fire detection and/or firefighting equipment

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. The Group has retakaful cover for such damage to limit losses for any individual claim to AED 500,000 (2023: AED 500,000).

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 Group has retakaful cover for such claims to limit losses for any individual claim to AED 300,000 (2023: AED 300,000). 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.

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.

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. The Group has retakaful to limit losses for any individual claim to AED 500,000 (2023: AED 500,000).

Medical, group life and personal accident

Medical takaful is designed to compensate the contract holders for medical costs. Group life and 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. For group life and personal accident, the main risks are claims from death and permanent or partial disability. The Group generally does not offer medical Takaful to walk-in customers. Medical, group life and personal accident Takaful are generally offered to corporate customers with large population to be covered under the policy. The Group has retakaful cover for such claims to limit losses for any individual claim to AED 100,000 (Layer 1) & AED 500,000 (Layer 2) (2022: AED 50,000) per annum per person for medical.

Individual life

For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Group wide reinsurance limits on any single life insured and on all high-risk individuals insured are in place.

32 Financial Risk Management (continued)

Sources of uncertainty in the estimation of future claim payments

Claims on takaful contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, certain claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims ("IBNR"). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is possible that the final outcome will prove to be different from the original liability established. The amount of insurance claims is in certain cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes. The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation.

The loss ratios for the current and prior year, before and after retakaful are summarised below by type of risk:

	As at 31 December 2024		As at 31 December 2023	
Line of business	**Gross loss ratio AED**	**Net loss ratios AED**	Gross loss ratio AED	Net loss ratios AED
Non-Life	**21.55%**	**14.35%**	71%	77%
Life	**0.81%**	**0.12%**	77%	49%

32 Financial Risk Management (continued)

Sources of uncertainty in the estimation of future claim payments

Based on the simulations performed, the impact on profit of a change of 1% in the loss ratio for both gross and net of retakaful recoveries would be as follows:

	As at 31 December 2024		As at 31 December 2023	
	Gross	**Net**	Gross	Net
	AED	**AED**	AED	AED
Impact of an increase in 1% in loss ratio	**617**	**170**	598,421	1,469,978
Impact of a decrease in 1% in loss ratio	**(617)**	**(170)**	(598,421)	(1,469,978)

Process used to decide on assumptions

The risks associated with insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group uses assumptions based on a mixture of internal and market data to measure its claims liabilities. Internal data is derived mostly from the Group's claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Group has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The Group uses several statistical methods and actuarial techniques to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the Chain-Ladder and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year.

Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combinations of techniques have been selected for individual accident years or groups of accident years within the same class of business.

32 Financial Risk Management (continued)

Process used to decide on assumptions (continued)

The Group uses standard actuarial techniques to estimate its loss provisions as mentioned above. Actuarial techniques and / or methodologies used to estimate the loss provisions could vary based on the specific nature of the lines of business. The general excluding motor and group life business typically have a lower frequency and higher severity of claims while the medical and motor business are more attritional in nature i.e., higher frequency and lower severity. For the attritional lines, any inconsistencies in the claims processes could impact the loss development experience assumed in the technical provisions calculation and hence is one of the key assumptions in the estimation of the technical provisions. For the less attritional lines, typically the loss ratio assumptions under the Bornhuetter-Ferguson technique is a key assumption in the estimation of the technical provisions. The Group monitors closely and validates the key assumptions in the estimation of the technical provisions on a periodic basis

The key assumptions used for the life insurance contracts are as follows:

Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. An investigation into Group's experience over the most recent three years is performed, and statistical methods are used to adjust the rates reflected in the table to a best estimate of mortality for that year. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. For contracts insuring survivorship, an allowance is made for future mortality improvements based on trends identified in the data and in the continuous mortality investigations performed by independent actuarial bodies.

Morbidity

The rate of recovery from disability is derived from industry experience studies, adjusted where appropriate for the Group's own experience.

An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Group's estimation process. The Group believes that the liability reported in consolidated the statement of financial position is adequate.

However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims are finally settled.

32 Financial Risk Management (continued)

Sensitivity analysis

Contracts measured under PAA

2024	**Change in assumptions**	**Impact on net profit gross of reinsurance AED**	**Impact on net profit net of reinsurance AED**	**Impact on equity gross of reinsurance AED**	**Impact on equity net of reinsurance AED**
Weighted average term to settlement	**+10%**	**614,706**	**170,471**	**614,706**	**170,471**
Weighted average term to settlement	**-10%**	**(608,559)**	**(168,766)**	**(608,559)**	**(168,766)**

2023	Change in assumptions	Impact on net profit gross of reinsurance AED	Impact on net profit net of reinsurance AED	Impact on equity gross of reinsurance AED	Impact on equity net of reinsurance AED
Weighted average term to settlement	+10%	626,613	200,893	626,613	200,893
Weighted average term to settlement	-10%	(620,347)	(198,884)	(620,347)	(198,884)

32 Financial Risk Management (continued)

Sensitivity analysis (continued)

Contracts not measured under PAA

2024	Change in assumptions	Impact on net profit gross of reinsurance AED	Impact on net profit net of reinsurance AED
Mortality	**+15%**	**(272,796)**	**(143,373)**
Lapse	**+40%**	**(102,547)**	**(41,551)**
Risk adjustment	**+10%**	**174,843**	**54,934**
Mortality	**-15%**	**14,236**	**60,796**
Lapse	**-40%**	**309,543**	**89,040**
Risk adjustment	**-10%**	**(174,843)**	**(54,934)**

2023	Change in assumptions	Impact on net profit gross of reinsurance AED	Impact on net profit net of reinsurance AED
Mortality	+15%	(209,764)	(82,867)
Lapse	+40%	78,852	19,047
Risk adjustment	+10%	238,566	23,857
Mortality	-15%	10,946	56,598
Lapse	-40%	238,021	21,820
Risk adjustment	-10%	(238,566)	(23,857)

Change in assumptions

There have been no changes in assumptions, and the same have been consistently applied.

Retakaful risk

In common with other takaful companies, 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 affected under treaty, facultative and excess of loss retakaful contracts.

Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

To minimise its exposure to significant losses from retakaful insolvencies, the Group evaluates the financial condition of its retakaful, monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsures and ensure diversification of retakaful providers. The Group deals with retakaful approved by the higher management.

32 Financial Risk Management (continued)

Claims development table – gross

The following table reflects the development of the gross claims reported unsettled and claims incurred but not reported at the end of each year together with cumulative payments subsequent to the year of accident:

Gross	
Accident Year	**2024**
Estimate of cumulative claims - gross	**AED**
2021	**249,509,914**
2022	**122,221,768**
2023	**47,632,062**
2024	**12,755,978**
Current estimate of cumulative claims	**432,119,72**
Cumulative payments to date - gross	**(388,106,690)**
Total claims reported unsettled included in the liability for incurred claims	**44,013,032**

Claims development table – net

The following table reflects the development of the net claims reported unsettled and claims incurred but not reported at the end of each year together with cumulative payments subsequent to the year of accident:

Net	
Accident Year	**2024**
Estimate of cumulative claims - net	**AED**
2021	**6,145,911**
2022	**11,988,457**
2023	**15,297,699**
2024	**2,225,397**
Current estimate of cumulative claims	**35,657,464**
Cumulative payments to date – net	**(31,877,846)**
Total claims reported unsettled	**3,779,618**

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, retakaful assets and takaful liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its takaful contracts. The most important components of this financial risk are credit risk, liquidity risk, market risk (which includes foreign currency risk, equity and debt price risk and interest rate risk) and operational risk.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

Key areas where the Group is exposed to credit risk are:

- Takaful receivables;
- other receivables;
- investment securities - debt;
- bank deposits with original maturities of more than three months;
- statutory deposit; and
- cash and cash equivalents

32 Financial Risk Management (continued)

Credit risk (continued)

The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by Management annually.

The retakaful contract assets are with highly rated reinsurers based on the Group internal Risk management framework. Takaful receivables include some unrated policy holders, however, exposures to policyholders and intermediaries with credit facilities are mitigated by ongoing credit evaluation of their financial condition including credit control policies adopted by the Group.

Concentration of takaful risk

The Group's underwriting business is based mainly within the United Arab Emirates.

There is no significant concentration of credit risk with respect to cash and bank balances as the Group holds cash accounts in a large number of financial institutions. The credit risk on wakala deposits with banks with original maturities of more than three months, statutory deposits and bank balances and cash is limited because the counterparties are licensed banks with sound financial positions.

Credit quality of the financial assets of the Group is detailed below:

	As at 31 December 2024			
	AAA to A AED	**BBB to B AED**	**Unrated and others AED**	**Total AED**
Financial assets				
Cash and cash equivalents	**91,326,553**	**41,704,162**	**11,858**	**133,042,573**

	As at 31 December 2023			
	AAA to A AED	BBB to B AED	Unrated and others AED	Total AED
Financial assets				
Cash and cash equivalents	43,746,594	12,939,941	65,710	56,752,245

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 assets and liabilities of the Group based on remaining contractual obligations. As the Group does not have any significant profit-bearing liabilities the totals in the table match the consolidated statement of financial position. Maturity profile in the below table also approximates to the remaining undiscounted contractual obligations of the financial assets and liabilities.

32 Financial Risk Management (continued)

Liquidity risk (continued)

	2024 Less than 1 years AED	2024 1 to 5 years AED	2024 Over 5 years AED	2024 No maturity date AED	2024 Total AED	2023 Less than 1 years AED	2023 1 to 5 years AED	2023 Over 5 years AED	2023 No maturity date AED	Restated 2023 Total AED
Assets										
Takaful contract assets	**5,682,463**	**-**	**-**	**-**	**5,682,463**	8,990,121	-	-	-	8,990,121
Retakaful contract assets	**149,848,244**	**-**	**-**	**-**	**149,848,244**	178,109,726	-	-	-	178,109,726
Financial assets carried at fair value through other comprehensive income (FVOCI)	**-**	**-**	**-**	**22,414,284**	**22,414,284**	-	-	-	28,551,222	28,551,222
Financial assets carried at fair value through profit or loss (FVPL)	**-**	**-**	**-**	**509,294,428**	**509,294,428**	-	-	-	726,959,012	726,959,012
Investment property	**-**	**-**	**-**	**54,207,944**	**54,207,944**	-	-	-	57,900,000	57,900,000
Statutory deposit	**-**	**-**	**10,000,000**	**-**	**10,000,000**	-	-	10,000,000	-	10,000,000
Cash and cash equivalents	**133,042,573**	**-**	**-**	**-**	**133,042,573**	56,752,245	-	-	-	56,752,245
Total assets	**288,573,280**	**-**	**10,000,000**	**585,916,656**	**884,489,936**	243,852,092	-	10,000,000	813,410,234	1,067,262,326
Liabilities										
Trade and other payables	**87,523,438**	**-**	**-**	**2,540,247**	**90,063,685**	50,794,365	-	-	2,313,166	53,107,531
Takaful contract liabilities	**168,598,700**	**-**	**-**	**508,571,028**	**677,169,728**	179,876,822	-	-	705,670,303	885,547,125
Re-takaful contract liabilities	**63,925,075**	**-**	**-**	**-**	**63,925,075**	66,704,913	-	-	-	66,704,913
'otal liabilities	**320,183,289**	**-**	**-**	**511,111,275**	**831,294,564**	297,376,100	-	-	707,983,469	1,005,359,569

32 Financial Risk Management (continued)

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 the Board of Directors.

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 some of its investments and deposits. The Group limits its risk by monitoring changes in such rates. Details of maturities of the major classes of profit generating financial instruments as at 31 December 2024 and 2023 are as follows:

As at 31 December 2024	**Less than 1 years AED**	**1 to 5 years AED**	**Over 5 years AED**	**Total AED**	**Effective profit rate AED**
Assets					
Wakala deposits with banks with original maturities of Less than three months	**40,000,000**	**-**	**-**	**40,000,000**	**4.50% to 4.60%**
Statutory deposit	**10,000,000**	**-**	**-**	**10,000,000**	**0.70%**
	50,000,000	**-**	**-**	**50,000,000**	

As at 31 December 2023	Less than 1 years AED	1 to 5 years AED	Over 5 years AED	Total AED	Effective profit rate AED
Assets					
Statutory deposit	10,000,000	-	-	10,000,000	0.65%
	10,000,000	-	-	10,000,000	

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 except murabaha payable for which any change in profit rate will have an immaterial impact on these consolidated financial statements.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's investment portfolio.

32 Financial Risk Management (continued)

Equity price risk (continued)

The following table shows the sensitivity of fair values to 10% increase or decrease as at 31 December:

	Reflected in Profit or loss		Reflected in Other comprehensive income	
	Favourable change AED	Unfavourable change AED	Favourable change AED	Unfavourable change AED
As at 31 December 2024				
Financial assets carried at fair value	**50,929,443**	**(50,929,443)**	**2,241,428**	**(2,241,428)**
As at 31 December 2023				
Financial assets carried at fair value	72,697,803	(72,697,803)	2,855,122	(2,855,122)

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.

33 Significant events

The Group also had other assets held by an entity controlled by the former CEO on behalf of the Group which have since been disposed of without the Group's approval. The total value of these assets on the date of purchase was approximately AED 11.3 million (2023: AED 11.3 million). The Group has initiated legal proceedings in regard to the recovery of the said amount. "Moreover, the Group initiated legal proceedings and took all necessary legal actions to recover the amount. As a result, the Group successfully recovered most of the outstanding amount, with the remaining balance expected to be settled in 2025. All related cases remain on hold until the final settlement."

34 Gross written contributions

Details relating to gross written contributions are disclosed below to comply with the requirements of CBUAE and are not calculated as per the requirements of IFRS 17.

31 December 2024	Life Takaful AED	Fund Accumulation AED	Medical Takaful AED	Property & Liability AED	All types of Business Combined AED
Direct written contributions	**603,244**	**117,509,163**	**-**	**49,632,958**	**167,745,365**
Assumed business					
Foreign	**-**	**-**	**-**	**-**	**-**
Local	**-**	**-**	**-**	**318,952**	**318,952**
Total assumed business	**-**	**-**	**-**	**318,952**	**318,952**
Gross written contributions	**603,244**	**117,509,163**	**-**	**49,951,910**	**168,064,317**

31 December 2023	Life Takaful AED	Fund Accumulation AED	Medical Takaful AED	Property & Liability AED	All types of Business Combined AED
Direct written contributions	4,299,727	163,656,658	1,935,118	62,246,809	232,138,312
Assumed business					
Foreign	-	-	-	-	-
Local	-	-	1,611	1,499,535	1,501,146
Total assumed business	-	-	1,611	1,499,535	1,501,146
Gross written contributions	4,299,727	163,656,658	1,936,729	63,746,344	233,639,458

35 Subsequent events

There have been no events subsequent to the consolidated statement of financial position date that would significantly affect the amounts reported in the consolidated financial statements as at and for the year ended 31 December 2024.

36 Comparative presentation

Certain comparative presentations in the consolidated financial statements have been reclassified to conform to the current year's presentation due to the following reasons:

- The Group has adopted IFRS 17 retrospectively. The full retrospective approach was applied to the takaful contracts in force at the transition date.

- Additionally, the termination of the portfolio transfer agreements between the Group, Abu Dhabi National Takaful Company P.S.C., and SALAMA has led to a reassessment of the classification of the Group's takaful operations. Previously, these operations were classified as a "disposable group" and accounted for under IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*" However, this classification is no longer applicable due to the termination of the agreements.

37 Approval of consolidated financial statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors on 30 March 2025.