

**SUKOON TAKAFUL P.J.S.C.  
(Formerly ARABIAN SCANDINAVIAN  
INSURANCE COMPANY (PLC) - TAKAFUL -  
ASCANA INSURANCE)**

**REVIEW REPORT AND INTERIM CONDENSED  
FINANCIAL STATEMENTS**

**30 JUNE 2024 (UNAUDITED)**



## **REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

**Dear Shareholders,**

We have the pleasure in presenting you the financial results of Sukoon Takaful PJSC (*formerly Arabian Scandinavian Insurance Company (PLC) - Takaful - Ascana Insurance*) (the “Company”) for the financial period ended 30 June 2024.

We are delighted to inform you that Sukoon Takaful has reported profitable financial results during the two-reporting period in 2024 consecutively, marking a significant turnaround from the losses during the same period last year.

As we move into the second half of the year, we expect that the strong fundamentals that we are establishing as part of the corrective actions following the acquisition of the company, will start bearing increasingly fruitful results in the years to come. We remain committed to delivering long-term value to our shareholders.

Takaful revenue for the six months ended 30 June 2024 is AED 55.31 million as against AED 66.28 million for the same period last year.

Net profit before tax attributable to shareholders has reached AED 6.20 million in six months ended 30 June 2024 against the net loss of AED 23.37 million in the same period last year.

We appreciate the support of our stakeholders and would like to express our gratitude as we continue our transformative to supplant Sukoon Takaful firmly as a reference in the region in the takaful space.

We would also like to thank our management and employees of the Company for their sincere and dedicated contribution in this journey of returning the company to sustainable profitability.

May God; the Almighty; guide our steps.

On behalf of the Board,



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**Saood Abdulaziz Al Ghurair**  
**Chairman**  
**23 July 2024**

## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SUKOON TAKAFUL PJSC**

### ***Introduction***

We have reviewed the accompanying interim condensed financial statements of Sukoon Takaful PJSC (Formerly “Arabian Scandinavian Insurance Company (PLC) - Takaful - Ascana Insurance”) (the “Company”) as at 30 June 2024 which comprise the interim statement of financial position as at 30 June 2024 and the related interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

### ***Scope of review***

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

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting”.

### ***Other Matter***

The interim condensed financial statements of the Company as of 30 June 2023 were reviewed by another auditor whose report dated 25 July 2023 expressed an unmodified conclusion on those interim condensed financial statements. Also, the financial statements as of 31 December 2023, were audited by another auditor whose report dated 31 January 2024 expressed an unmodified opinion on those financial statements.

For Ernst & Young



Ashraf Abu-Sharkh  
Registration No.: 690

23 July 2024

Dubai, United Arab Emirates

## INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2024 (Unaudited)

		<b>30 June 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Participants' assets</b>			
Financial assets at fair value through other comprehensive income (FVTOCI)	5	<b>1,632</b>	1,625
Retakaful contract assets	6	<b>52,795</b>	17,166
Prepayments and other receivables		<b>3,470</b>	1,318
Due from shareholders		<b>22,954</b>	30,755
Cash and bank balances	7	<b>103,373</b>	107,717
<b>Total participants' assets</b>		<b>184,224</b>	158,581
<b>SHAREHOLDERS' ASSETS</b>			
Financial assets at fair value through other comprehensive income (FVTOCI)	5	<b>28,457</b>	28,614
Investments at fair value through profit or loss (FVTPL)	5	<b>557</b>	557
Financial investments at amortised cost		<b>14,328</b>	-
Investment properties		<b>67,510</b>	67,510
Property and equipment		<b>715</b>	1,054
Intangible assets		<b>413</b>	408
Deferred policy acquisition cost		<b>6,747</b>	4,956
Prepayments and other receivables		<b>5,962</b>	4,809
Cash and bank balances	7	<b>78,322</b>	96,446
Statutory deposits		<b>10,000</b>	10,000
<b>Total shareholders' assets</b>		<b>213,011</b>	214,354
<b>TOTAL ASSETS</b>		<b>397,235</b>	372,935
<b>PARTICIPANTS' LIABILITIES AND DEFICIT</b>			
<b>Participants' liabilities</b>			
Takaful contract liabilities	6	<b>173,687</b>	147,950
Retakaful contract liabilities	6	<b>807</b>	1,347
Other liabilities		<b>9,730</b>	9,284
<b>Total participants' liabilities</b>		<b>184,224</b>	158,581
<b>Participants' deficit</b>			
Qard Hassan against deficit in participants' fund		<b>(164,918)</b>	(159,125)
Less: Provision against Qard Hassan to participants' fund		<b>164,918</b>	159,125
		<b>-</b>	-
<b>Total participants' liabilities and deficit</b>		<b>184,224</b>	158,581

The notes from 1 to 25 form an integral part of these interim condensed financial statements.

## INTERIM STATEMENT OF FINANCIAL POSITION (continued)

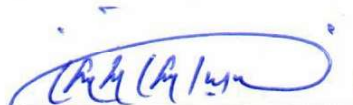
As at 30 June 2024 (Unaudited)

		30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
	Notes		
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>Shareholders' liabilities</b>			
Employees' end of service benefits		1,445	1,371
Due to participants		22,954	30,755
Other liabilities		7,741	6,907
<b>Total shareholders' liabilities</b>		<b>32,140</b>	<b>39,033</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	154,000	154,000
Statutory reserve	11	77,000	77,000
Retakaful reserves	12	891	695
Cumulative changes in fair value of FVTOCI investments		(5,110)	(4,960)
Accumulated losses		(45,910)	(51,414)
<b>Total shareholders' equity</b>		<b>180,871</b>	<b>175,321</b>
<b>Total shareholders' liabilities and equity</b>		<b>213,011</b>	<b>214,354</b>
<b>TOTAL LIABILITIES, PARTICIPANTS' FUND AND EQUITY</b>		<b>397,235</b>	<b>372,935</b>

To the best of our knowledge, the interim condensed financial statements present fairly in all material respects the financial condition, results of operation and cashflows of the Company as of, and for, the periods presented therein.



Saood Abdulalaziz Al Ghurair  
Chairman



Mr. Ahmed M.A. Abushanab  
CEO

**INTERIM STATEMENT OF PROFIT OR LOSS**

For the Six-months period ended 30 June 2024 (Unaudited)

	<i>Notes</i>	<i>Six-months period ended 30 June</i>		<i>Three-months period ended 30 June</i>	
		<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
<b>Attributable to participants</b>					
Takaful revenue	14	<b>55,314</b>	66,280	<b>29,282</b>	34,287
Takaful service expenses	15	<b>(61,191)</b>	(66,497)	<b>(48,814)</b>	(27,688)
<b>Takaful service result before retakaful contracts held</b>		<b>(5,877)</b>	(217)	<b>(19,532)</b>	6,599
Allocation of retakaful contributions		<b>(23,144)</b>	(23,419)	<b>(11,575)</b>	(10,936)
Amounts recoverable from retakaful for incurred claims		<b>44,530</b>	14,542	<b>37,959</b>	3,877
<b>Net expenses from retakaful contracts held</b>	6	<b>21,386</b>	(8,877)	<b>26,384</b>	(7,059)
<b>Takaful service result</b>		<b>15,509</b>	(9,094)	<b>6,852</b>	(460)
Takaful finance expenses for takaful contracts issued	14	<b>(1,803)</b>	(947)	<b>(451)</b>	(142)
Retakaful finance income for retakaful contracts held	14	<b>534</b>	276	<b>166</b>	35
<b>Net takaful (loss)/income</b>		<b>14,240</b>	(9,765)	<b>6,567</b>	(567)
Investment income	16	<b>2,853</b>	382	<b>1,511</b>	(32)
Other income		<b>1,642</b>	524	<b>1,387</b>	521
Wakala fees	13	<b>(23,673)</b>	(19,998)	<b>(15,657)</b>	(8,271)
Mudarib fees	13	<b>(856)</b>	(115)	<b>(454)</b>	9
<b>Loss for the period attributable to participants</b>		<b>(5,794)</b>	(28,972)	<b>(6,646)</b>	(8,340)

The notes from 1 to 25 form an integral part of these interim condensed financial statements.

## INTERIM STATEMENT OF PROFIT OR LOSS (continued)

For the Six-months period ended 30 June 2024 (Unaudited)

	<i>Notes</i>	<i>Six-months period ended 30 June</i>		<i>Three-months period ended 30 June</i>	
		<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
<b>Attributable to shareholders</b>					
Investment income	16	<b>6,077</b>	5,521	<b>3,157</b>	1,693
Other income		<b>583</b>	1,781	<b>572</b>	9
<b>Total investment income</b>		<b>6,660</b>	7,302	<b>3,729</b>	1,702
Wakala fees	13	<b>23,673</b>	19,998	<b>15,657</b>	8,271
Mudarib fees	13	<b>856</b>	115	<b>454</b>	(9)
		<b>31,189</b>	27,415	<b>19,840</b>	9,964
<b>Expenses</b>					
Policy acquisition costs		<b>(6,580)</b>	(8,797)	<b>(3,353)</b>	(4,625)
General and administrative expenses		<b>(12,628)</b>	(13,018)	<b>(6,975)</b>	(6,327)
<b>Income for the period before Qard Hassan</b>		<b>11,981</b>	5,600	<b>9,512</b>	(988)
Provision against Qard Hassan to participants		<b>(5,794)</b>	(28,972)	<b>(6,646)</b>	(8,340)
<b>Profit/(loss) before tax</b>		<b>6,187</b>	(23,372)	<b>2,866</b>	(9,328)
<b>Income tax expense</b>		<b>(487)</b>	-	<b>(226)</b>	-
<b>Net profit /(loss) for the period</b>		<b>5,700</b>	(23,372)	<b>2,640</b>	(9,328)
Earnings per share (AED)	17	<b>0.037</b>	(0.15)	<b>0.017</b>	(0.06)

The notes from 1 to 25 form an integral part of these interim condensed financial statements.

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2024 (Unaudited)

	<i>Six-months period ended 30 June</i>		<i>Three-months period ended 30 June</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
<b>Attributable to shareholders</b>				
Profit /(loss) for the period	<b>5,700</b>	(23,372)	<b>2,640</b>	(9,328)
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Unrealised loss in fair value of equity investments designated at FVTOCI	<b>(150)</b>	20	<b>265</b>	(210)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Debt investments designated at FVTOCI re-classified to income statement	-	3,019	-	3,019
<b>Total other comprehensive (loss)/income for the period attributable to Shareholders</b>	<b>(150)</b>	3,039	<b>265</b>	2,809
<b>Total comprehensive income/(loss) for the period attributable to Shareholders</b>	<b>5,550</b>	(20,333)	<b>2,905</b>	(6,519)



# Sukoon Takaful PJSC

## INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2024 (unaudited)

	<i>Share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Retakaful reserve AED'000</i>	<i>Cumulative changes in fair value of FVTOCI investments AED'000</i>	<i>Retained earnings/ (accumulated losses) AED'000</i>	<i>Total equity AED'000</i>
Balance as at 1 January 2023 (audited)	154,000	77,000	479	(5,363)	25,332	251,448
Loss for the period	-	-	-	-	(23,372)	(23,372)
Other comprehensive income for the period	-	-	-	3,039	-	3,039
Total comprehensive income/(loss) for the period	-	-	-	3,039	(23,372)	(20,333)
Balance at 30 June 2023 (unaudited)	<u>154,000</u>	<u>77,000</u>	<u>479</u>	<u>(2,324)</u>	<u>1,960</u>	<u>231,115</u>
Balance at 1 January 2024 (audited)	154,000	77,000	695	(4,960)	(51,414)	175,321
Profit for the period	-	-	-	-	5,700	5,700
Other comprehensive loss for the period	-	-	-	(150)	-	(150)
Total comprehensive income/(loss) for the period	-	-	-	(150)	5,700	5,550
Transfer to re-takaful reserve	-	-	196	-	(196)	-
<b>Balance at 30 June 2024 (unaudited)</b>	<u><b>154,000</b></u>	<u><b>77,000</b></u>	<u><b>891</b></u>	<u><b>(5,110)</b></u>	<u><b>(45,910)</b></u>	<u><b>180,871</b></u>

The notes from 1 to 25 form an integral part of these interim condensed financial statements.

**INTERIM STATEMENT OF CASH FLOWS**

For the period ended 30 June 2024 (unaudited)

	<i>Six-months period ended 30 June</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax for the period	<b>6,187</b>	(23,372)
Adjustments for:		
Depreciation of property and equipment	<b>375</b>	649
Amortisation of intangible assets	<b>94</b>	-
Realised gain /(loss) on disposal of financial assets at FVTPL	-	(15)
Rental income	<b>(2,639)</b>	(4,844)
Loss on disposal of financial assets at FVTOCI	-	3,019
Dividends income from financial assets	<b>(266)</b>	(264)
Profit on sale of Investment property	-	(506)
Funding cost on lease liability	-	11
Profit on sales of asset	-	(68)
Profit on wakala deposits & sukuks	<b>(5,519)</b>	(2,508)
Provision for employees' end of service indemnity	<b>456</b>	175
Operating cash flows before changes in working capital	<b>(1,312)</b>	(27,723)
Change in retakaful contract assets	<b>(35,629)</b>	(2,104)
Change in prepayments and other receivables	<b>(1,518)</b>	(775)
Change in deferred acquisition costs	<b>(1,791)</b>	(176)
Change in retakaful & retakaful contract liabilities	<b>25,197</b>	9,882
Change in other liabilities	<b>801</b>	1,050
Cash used in operating activities	<b>(14,252)</b>	(19,846)
Employees end of service benefits paid	<b>(381)</b>	(197)
Net cash used in operating activities	<b>(14,633)</b>	(20,043)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<b>(135)</b>	(43)
Proceeds from sale of property and equipment	<b>(14,328)</b>	146
Proceeds from sale of other financial assets	-	41,876
Proceeds from sale of investment properties	-	24,617
Rental income received	<b>2,561</b>	4,844
Profit received on sukuk and wakala deposit	<b>4,325</b>	2,508
Dividend received	<b>266</b>	264
Change in wakala deposit with maturity more than 3 months	<b>24,365</b>	(20,340)
Net cash generated from / (used in) from investing activities	<b>17,054</b>	53,872
<b>CASH FLOWS USED IN FINANCING ACTIVITY</b>		
Payment of lease liability	<b>(525)</b>	(527)
Net cash used in financing activity	<b>(525)</b>	(527)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,896</b>	33,302
Cash and cash equivalents at the beginning of the year	<b>13,510</b>	71,022
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 8)</b>	<b>15,406</b>	104,324

The notes from 1 to 25 form an integral part of these interim condensed financial statements.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

### 1 LEGAL STATUS AND ACTIVITIES

Sukoon Takaful PJSC (formerly “Arabian Scandinavian Insurance Company PLC - Takaful - ASCANA Insurance”) (the “Company”) is a public shareholding company and was registered in 1992. The Company is engaged in takaful and retakaful of all classes of business in accordance with the provisions of the United Arab Emirates (“UAE”) Federal Decree Law No. 48 of 2023, concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations. The address of the Company’s registered office is P.O. Box 1993, Dubai, United Arab Emirates.

The Shareholders Extraordinary General Assembly Meeting held on 19 March 2014 approved conversion of the Company’s business from conventional insurance to Takaful insurance. The Board of Directors appointed an Internal Sharia Supervision Committee for overseeing the compliance with Sharia. The Company started issuing short term takaful contracts from 1 February 2015 in connection with family takaful and general takaful such as motor, marine, fire, engineering, medical and general accident risks (collectively known as general takaful). The Company only operates in UAE, through its Dubai and Abu Dhabi offices.

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

#### *Change of Company’s Name*

During the period, in General Assembly meeting held on 29 March 2024, shareholders have approved the change of the legal name of the Company. After obtaining all the necessary regulatory approval the name of the Company has been changed to Sukoon Takaful PJSC with effect from 14 June 2024.

### 2 BASIS OF PREPARATION

The interim condensed financial statements are for the six months period ended 30 June 2024 and have been prepared in accordance with IAS 34 *Interim Financial Reporting* and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2023. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

### 3 CHANGES TO THE COMPANY’S ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024 and the accounting policy for taxes which has been adopted by the Company due to the implementation of UAE corporate income tax. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### 3.1 New standards, interpretations and amendments adopted by the Company

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Company.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

**3 CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)****3.2 Material accounting policy information****Taxes***Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES****Judgements and estimates**

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

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

**5 INVESTMENT SECURITIES****Financial assets at FVTOCI**

Financial assets at FVTOCI comprises the following:

	<i>30 June 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
<b>Inside UAE</b>		
Unquoted equity securities	247	247
Quoted Sukuk	21,545	21,293
	<u>21,792</u>	<u>21,540</u>
<b>Outside UAE</b>		
Unquoted equity securities	8,297	8,699
	<u>30,089</u>	<u>30,239</u>
<b>Attributable to:</b>		
Participants	1,632	1,625
Shareholders	28,457	28,614
	<u>30,089</u>	<u>30,239</u>
<b>Financial assets measured at FVTPL</b>		
Unquoted equity securities – Inside UAE	557	557
	<u>557</u>	<u>557</u>

All financial assets measured at FVTPL are attributable to Shareholders.

	<i>30 June 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
<b>Financial investments at amortised cost</b>		
Quoted Sukuk	14,331	-
Less: Allowance for expected credit losses	(3)	-
	<u>14,328</u>	<u>-</u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

**5 INVESTMENT SECURITIES (continued)**

The movement in financial assets are as follows:

	<b>FVTOCI</b>		<b>FVTPL</b>	
	<b>30 June 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>	<b>30 June 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Fair value, at the beginning of the period/year	<b>30,239</b>	68,444	<b>557</b>	4,053
Purchased during the period/year	-	2,734	-	-
Sold during the period/year	-	(38,323)	-	(3,538)
Change in fair value	<b>(150)</b>	(2,616)	-	42
<b>Fair value, at the end of the period/year</b>	<b>30,089</b>	30,239	<b>557</b>	557

**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:

	<b>30 June 2024 (Unaudited)</b>			<b>31 December 2023 (Audited)</b>		
	<b>Assets AED'000</b>	<b>Liabilities AED'000</b>	<b>Net AED'000</b>	<b>Assets AED'000</b>	<b>Liabilities AED'000</b>	<b>Net AED'000</b>
<b>Takaful contracts issued</b>						
Motor	-	(78,250)	(78,250)	-	(96,500)	(96,500)
Medical & group family takaful	-	(29,282)	(29,282)	-	(27,465)	(27,465)
General	-	(66,155)	(66,155)	-	(23,985)	(23,985)
<b>Total takaful contracts issued</b>	-	<b>(173,687)</b>	<b>(173,687)</b>	-	<b>(147,950)</b>	<b>(147,950)</b>
<b>Retakaful contracts held</b>						
Motor	<b>17,620</b>	-	<b>17,620</b>	1,565	(1)	1,564
Medical & group family takaful	<b>2,368</b>	(1)	<b>2,367</b>	8,698	(556)	8,142
General	<b>32,807</b>	(806)	<b>32,001</b>	6,903	(790)	6,113
<b>Total Retakaful contracts held</b>	<b>52,795</b>	<b>(807)</b>	<b>51,988</b>	17,166	(1,347)	15,819

**Reconciliation of the Takaful liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC).**

The Company disaggregates information to provide disclosure in respect of major product lines separately: Motor takaful, medical and group family takaful, and general retakaful issued. This disaggregation has been determined based on how the Company is managed.

The reconciliation of the net asset or liability for takaful contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the next page.

## 6 TAKAFUL AND RETAKAFUL CONTRACTS (continued)

### Reconciliation of the Takaful liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) measured under PAA

30 June 2024 (Unaudited)

	<i>Liabilities for remaining coverage</i>		<i>Liabilities for incurred claims</i>		
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flows AED'000</i>	<i>Risk adjustment AED'000</i>	<i>Total AED'000</i>
Takaful contracts liabilities at beginning of period	(30,788)	(20,783)	(93,461)	(2,918)	(147,950)
<b>Takaful revenue</b>	<b>55,314</b>	-	-	-	<b>55,314</b>
<b>Takaful service expenses</b>					
Incurred claims and other expenses	-	-	(126,733)	(507)	(127,240)
Losses on onerous contracts and reversals of those losses	-	7,107	-	-	7,107
Changes to liabilities for incurred claims	-	-	35,857	(588)	35,269
<b>Takaful service expenses*</b>	<b>-</b>	<b>7,107</b>	<b>(90,876)</b>	<b>(1,095)</b>	<b>(84,864)</b>
<b>Takaful service result</b>	<b>55,314</b>	<b>7,107</b>	<b>(90,876)</b>	<b>(1,095)</b>	<b>(29,550)</b>
Takaful finance expenses	-	-	(1,807)	4	(1,803)
<b>Total changes in the statement of profit or loss</b>	<b>55,314</b>	<b>7,107</b>	<b>(92,683)</b>	<b>(1,091)</b>	<b>(31,353)</b>
<b>Cash flows</b>					
Contributions received	(72,925)	-	-	-	(72,925)
Claims and other expenses paid	-	-	78,541	-	78,541
<b>Total cash flows</b>	<b>(72,925)</b>	<b>-</b>	<b>78,541</b>	<b>-</b>	<b>5,616</b>
<b>Takaful contracts liabilities at end of the period</b>	<b>(48,398)</b>	<b>(13,676)</b>	<b>(107,603)</b>	<b>(4,009)</b>	<b>(173,687)</b>

\*Takaful service expense of AED 84,864 thousand consist of AED 61,191 thousand pertaining to Participants' operations and AED 23,673 thousand relating to Wakala charged by Shareholders to Participants.

**6 TAKAFUL AND RETAKAFUL CONTRACTS (continued)**

Reconciliation of the Takaful liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) measure under PAA

31 December 2023 (Audited)

	<i>Liabilities for remaining coverage</i>		<i>Liabilities for incurred claims</i>		
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flows AED'000</i>	<i>Risk adjustment AED'000</i>	<i>Total AED'000</i>
Takaful contracts liabilities at beginning of the year	(46,074)	(13,800)	(62,281)	(1,159)	(123,314)
Takaful revenue	126,584	-	-	-	126,584
Takaful service expenses					
Incurred claims and other expenses	-	-	(190,247)	(1,302)	(191,549)
Losses on onerous contracts and reversals of those losses	-	(6,983)	-	-	(6,983)
Changes to liabilities for incurred claims	-	-	15,426	(459)	14,967
Takaful service expenses	-	(6,983)	(174,821)	(1,761)	(183,565)
Takaful service result	126,584	(6,983)	(174,821)	(1,761)	(56,981)
Takaful finance expenses	-	-	(1,100)	2	(1,098)
Total changes in the statement of comprehensive income	126,584	(6,983)	(175,921)	(1,759)	(58,079)
Cash flows					
Contributions received	(111,298)	-	-	-	(111,298)
Claims and other expenses paid	-	-	144,741	-	144,741
Total cash flows	(111,298)	-	144,741	-	33,443
Net takaful contract liabilities at the end of the year	(30,788)	(20,783)	(93,461)	(2,918)	(147,950)



## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

**6 TAKAFUL AND RETAKAFUL CONTRACTS (continued)****Reconciliation of the retakaful asset or liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) measured under PAA***30 June 2024 (Unaudited)*

	<i>Assets for remaining coverage</i>		<i>Amounts recoverable on incurred claims</i>		
	<i>Excluding loss recovery component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flows AED'000</i>	<i>Risk adjustment AED'000</i>	<i>Total AED'000</i>
Retakaful contract assets at start of the period	(3,437)	24	19,882	697	17,166
Retakaful contract liabilities at start of the period	(7,491)	306	5,638	200	(1,347)
<b>Net retakaful contract assets at start of the period</b>	<b>(10,928)</b>	<b>330</b>	<b>25,520</b>	<b>897</b>	<b>15,819</b>
Allocation of retakaful contributions	(22,814)	(330)	-	-	(23,144)
Amounts recoverable incurred claims and other expenses			48,143	1,042	49,185
Amortisation of takaful acquisition cash flows	4,267	-	-	-	4,267
Loss-recovery on onerous underlying contracts and adjustments	-	434	-	-	434
Changes to amounts recoverable for incurred claims	-	-	(9,644)	288	(9,356)
Amounts recoverable from retakaful for incurred claims	4,267	434	38,499	1,330	44,530
Net income or expense from retakaful contracts held	(18,547)	104	38,499	1,330	21,386
Retakaful finance income	-	-	535	(1)	534
<b>Total changes in the statement of comprehensive income</b>	<b>(18,547)</b>	<b>104</b>	<b>39,034</b>	<b>1,329</b>	<b>21,920</b>
Cash flows					
Contributions received	33,188	-	-	-	33,188
Claims and other acquisition expenses paid	(7,339)	-	(11,600)	-	(18,939)
<b>Total cash flows</b>	<b>25,849</b>	<b>-</b>	<b>(11,600)</b>	<b>-</b>	<b>14,249</b>
<b>Net retakaful contract assets at end of the period</b>	<b>(3,626)</b>	<b>434</b>	<b>52,954</b>	<b>2,226</b>	<b>51,988</b>

# Sukoon Takaful PJSC

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

### 6 TAKAFUL AND RETAKAFUL CONTRACTS (continued)

Reconciliation of the retakaful asset or liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) measured under PAA

31 December 2023 (Audited)

	<i>Assets for remaining coverage</i>		<i>Amounts recoverable on incurred claims</i>		
	<i>Excluding loss recovery component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flows AED'000</i>	<i>Risk adjustment AED'000</i>	<i>Total AED'000</i>
Retakaful contract at start of the year	(1,046)	821	16,945	507	17,227
Retakaful contract liabilities at start of the year	(774)	2	426	-	(346)
Net retakaful contract assets at start of the year	(1,820)	823	17,371	507	16,881
Allocation of retakaful contributions	(43,663)	(823)	-	-	(44,486)
Amounts recoverable from retakaful for incurred claims					
Amounts recoverable incurred claims and other expenses	7,947	-	23,208	11	31,166
Loss-recovery on onerous underlying contracts and adjustments	-	330	-	-	330
Changes to amounts recoverable for incurred claims	-	-	(3,474)	380	(3,094)
Amounts recoverable from retakaful for incurred claims	7,947	330	19,734	391	28,402
Net income or expense from retakaful contracts held	(35,716)	(493)	19,734	391	(16,084)
Retakaful finance income	-	-	275	(1)	274
Total changes in the statement of comprehensive income	(35,716)	(493)	20,009	390	(15,810)
Cash flows					
Contributions received	33,831	-	-	-	33,831
Claims and other acquisition expenses paid	(7,223)	-	(11,860)	-	(19,083)
Total cash flows	26,608	-	(11,860)	-	14,748
Net retakaful contract assets at end of the year	(10,928)	330	25,520	897	15,819
Retakaful contract assets at end of the year	(3,437)	24	19,882	697	17,166
Retakaful contract liabilities at end of the year	(7,491)	306	5,638	200	(1,347)
Net retakaful contract assets at end of the year	(10,928)	330	25,520	897	15,819

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

**7 CASH AND BANK BALANCES**

	<i>30 June 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Cash on hand	9	6
Bank balances:		
Wakala deposits	166,289	193,881
Current accounts	15,397	10,276
	<u>181,695</u>	<u>204,163</u>
<i>Attributable to:</i>		
Participants	103,373	107,717
Shareholders	78,322	96,446
	<u>181,695</u>	<u>204,163</u>

**8 CASH AND CASH EQUIVALENTS**

For the purpose of cash flow, the cash and cash equivalents at each period end is as follows:

	<i>30 June 2024 AED'000 (Unaudited)</i>	<i>30 June 2023 AED'000 (Audited)</i>
Cash and bank balances	181,695	128,435
Wakala deposits with maturity over 3 months	(166,289)	(83,056)
	<u>15,406</u>	<u>45,379</u>

The profit rates on the Wakala deposits with banks range from 4.90% to 5.95% (2023: 4.60% to 5.85%).

**9 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties comprise of companies and entities under common ownership and/or common management and control, their partners and key management personnel. The management decides on the terms and conditions of the transactions with related parties. Related parties represent the shareholder, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

	<i>30 June 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
<b>Amounts due from related parties:</b>		
<i>Related parties due to common ownership</i>		
Others	2,146	-
<b>Amounts due to related parties:</b>		
<i>Related parties due to common ownership</i>		
Others	5,041	2,671

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

**9 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

	<i>Six-months period ended 30 June</i>		<i>Three-months period ended 30 June</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
Retakaful share of ceded business	3,476	-	2,624	-
Commission on retakaful share of ceded business	44	335	4	335
Gross written contribution	2,146	3,070	1,294	2,149
Recovery claims	453	35	247	35
Claim settlement	539	155	344	131
Management Expenses	-	715	-	-
Contribution written through a related party broker	-	2,308	-	-
Sale of investment property	-	6,000	-	-
Compensation of key management personnel				
Short term benefits	392	540	199	270
Long term benefits	11	38	5	19

**10 SHARE CAPITAL**

	<i>30 June 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
<i>Authorised and issued and fully paid:</i>		
154,000,000 ordinary shares of AED 1 each (2023: 154,000,000)	154,000	154,000

**11 STATUTORY RESERVE**

In accordance with the Company's Articles of Association and Article 241 of the Federal Law No. 32 of 2021, a minimum of 10% of the Company's annual net profits must be transferred to a non-distributable legal reserve. As per the Company's Articles of Association, such transfers are required until the balance in the legal reserve equals 50% of the Company's paid-up share capital. No transfer to the statutory reserve has been made during the six-months period ended 30 June 2024 (six-months period ended 30 June 2023: Nil), as this has already reached to the 50% of the share capital.

**12 RETAKAFUL RESERVE**

In accordance with Article 34 of the Central Bank of UAE's Board of Directors Decision No. (23) of 2019, the Company allocated an amount equals to 0.5% of the total retakaful contributions ceded to retakaful reserve. During the Six-months period ended 30 June 2024 amount of AED 196 thousand (six-months period ended 30 June 2023: Nil) was transferred from retained earnings to this reserve. This reserve is accumulated year after year and may not be disposed of without the written approval of the Central Bank of United Arab Emirates.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

**13 WAKALA AND MUDARIB'S FEES***Wakala fees*

Wakala fee for the period ended 30 June 2024 amounted to AED 23,673 thousand (30 June 2023: AED 19,998 thousand) the fee is calculated at maximum of 30% of gross contribution of AED 78,910 thousand (2023: AED 66,661 thousand) without any deduction of policy acquisition cost. Wakala fee is charged to the statement of income when incurred.

*Mudarib's fees*

The shareholders also manage the participants' investment funds and charge Mudarib's fees. Mudarib's fees is charged at 30% of realised investment income. Mudarib's fees for the period ended 30 June 2024 amounted to AED 856 thousand (30 June 2023: AED 115 thousand).

**14 TAKAFUL REVENUE**

	<i>Motor AED'000</i>	<i>General AED'000</i>	<i>Medical &amp; group family takaful AED'000</i>	<i>Total AED'000</i>
<b><i>For the six-month period ended 30 June 2024 (unaudited)</i></b>				
Contracts measured under the PAA	<u>18,229</u>	<u>21,448</u>	<u>15,637</u>	<u>55,314</u>
<b><i>For the six-month period ended 30 June 2023 (unaudited)</i></b>				
Contracts measured under the PAA	<u>30,540</u>	<u>17,528</u>	<u>18,212</u>	<u>66,280</u>

**15 TAKAFUL SERVICE EXPENSE**

	<i>Motor AED'000</i>	<i>General AED'000</i>	<i>Medical &amp; group family takaful AED'000</i>	<i>Total AED'000</i>
<b><i>For the Six-month period ended 30 June 2024 (unaudited)</i></b>				
Incurred claims and other expenses	48,262	35,354	19,951	103,567
Losses on onerous contracts and reversals of those losses	(4,806)	-	(2,300)	(7,106)
Changes to liabilities for incurred claims	<u>(22,648)</u>	<u>(6,503)</u>	<u>(6,119)</u>	<u>(35,270)</u>
	<u>20,808</u>	<u>28,851</u>	<u>11,532</u>	<u>61,191</u>
<b><i>For the Six-month period ended 30 June 2023 (unaudited)</i></b>				
Incurred claims and other expenses	56,234	5,128	19,859	81,221
Losses on onerous contracts and reversals of those losses	1,873	-	(1,858)	15
Changes to liabilities for incurred claims	<u>(10,523)</u>	<u>(3,798)</u>	<u>(418)</u>	<u>(14,739)</u>
	<u>47,584</u>	<u>1,330</u>	<u>17,583</u>	<u>66,497</u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (Unaudited)

**16 INVESTMENT INCOME**

	<i>Six-months period ended 30 June</i>		<i>Three-months period ended 30 June</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
Income from investment properties	<b>2,639</b>	4,844	<b>1,479</b>	2,412
Profit on sukuk	<b>506</b>	1,064	<b>254</b>	469
Dividend from other financial assets	<b>266</b>	241	<b>133</b>	76
Income from wakala deposit	<b>5,437</b>	2,508	<b>2,720</b>	1,380
Profit on call account	<b>82</b>	-	<b>82</b>	-
Loss on sale of sukuk at FVTOCI	-	(3,019)	-	(3,019)
(Loss)/profit on disposal of financial investments at FVTPL	-	15	-	(71)
Unrealised gain /(loss) on financial investments at FVTPL	-	-	-	51
Dividends from financial investments at FVTPL	-	23	-	23
Profit on sale of investment property	-	506	-	506
Profit on sale of asset	-	68	-	-
Expenses allocated to investment	-	(347)	-	(166)
	<b>8,930</b>	5,903	<b>4,668</b>	1,661
<i>Attributable to:</i>				
Participants	<b>2,853</b>	382	<b>1,511</b>	(32)
Shareholders	<b>6,077</b>	5,521	<b>3,157</b>	1,693
	<b>8,930</b>	5,903	<b>4,668</b>	1,661

**17 EARNINGS PER SHARE**

Loss per share is calculated by dividing the loss for the period attributable to shareholders by the number of ordinary shares outstanding as of the end of the period as follows:

	<i>Six-months period ended 30 June</i>		<i>Three-months period ended 30 June</i>	
	<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>	<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>
Profit/(Loss) for the period attributable to shareholders (in AED'000)	<b>5,700</b>	(23,372)	<b>2,640</b>	(9,328)
Number of ordinary shares outstanding (share)	<b>154,000,000</b>	154,000,000	<b>154,000,000</b>	154,000,000
Basic and diluted earning/(loss) per share (in AED)	<b>0.037</b>	(0.151)	<b>0.017</b>	(0.06)

Diluted profit/(loss) per share as of 30 June 2024 and 30 June 2023 are equivalent to basic profit/(loss) per share as the Company did not issue any new instrument that would impact loss per share when executed.

# Sukoon Takaful PJSC

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (unaudited)

### 18 SEGMENT INFORMATION

These segments are the basis on which the Company reports its primary segment information. Segmental information is presented below:

	<i>Six months period ended 30 June 2024 (Unaudited)</i>			<i>Six months period ended 30 June 2023 (Unaudited)</i>		
	<i>Attributable to participants AED'000</i>	<i>Attributable to shareholders AED'000</i>	<i>Total AED'000</i>	<i>Attributable to participants AED'000</i>	<i>Attributable to shareholders AED'000</i>	<i>Total AED'000</i>
<b>Takaful</b>						
Takaful revenue	55,314	-	55,314	66,280	-	66,280
Takaful service expenses	(61,191)	-	(61,191)	(66,497)	-	(66,497)
Allocation of retakaful contributions	(23,144)	-	(23,144)	(23,419)	-	(23,419)
Amounts recoverable from retakaful for incurred claims	44,530	-	44,530	14,542	-	14,542
Takaful finance (expenses)/income for takaful contracts issued	(1,803)	-	(1,803)	(947)	-	(947)
Retakaful finance income/(expense) for retakaful contracts held	534	-	534	276	-	276
<b>Net takaful income</b>	<b>14,240</b>	<b>-</b>	<b>14,240</b>	<b>(9,765)</b>	<b>-</b>	<b>(9,765)</b>
Wakala fees	(23,673)	23,673	-	(19,998)	19,998	-
Mudarib fees	(856)	856	-	(115)	115	-
Other income	1,642	-	1,642	524	-	524
Investment income	2,853	-	2,853	382	-	382
	<b>(5,794)</b>	<b>24,529</b>	<b>18,735</b>	<b>(28,972)</b>	<b>20,113</b>	<b>(8,859)</b>
<b>Investment</b>						
Investment income	-	6,077	6,077	-	5,521	5,521
Other income	-	583	583	-	1,781	1,781
Policy acquisition cost	-	(6,580)	(6,580)	-	(8,797)	(8,797)
General and administration expenses	-	(12,628)	(12,628)	-	(13,018)	(13,018)
<b>Profit/(Loss) before tax for the period</b>	<b>(5,794)</b>	<b>11,981</b>	<b>6,187</b>	<b>(28,972)</b>	<b>5,600</b>	<b>(23,372)</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (unaudited)

## 18 SEGMENT INFORMATION (continued)

## Other information

	<i>Takaful</i>		<i>Investment</i>		<i>Total</i>	
	<i>30 June 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>	<i>30 June 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>	<i>30 June 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Segment assets	<b>184,224</b>	158,581	<b>213,011</b>	214,354	<b>397,235</b>	372,935
Segment liabilities	<b>184,224</b>	158,581	<b>32,140</b>	39,033	<b>216,364</b>	197,614
	<i>Six months period ended 30 June (unaudited)</i>		<i>Six months period ended 30 June (unaudited)</i>		<i>Six months period ended 30 June (unaudited)</i>	
	<i>2024 AED'000</i>	<i>2023 AED'000</i>	<i>2024 AED'000</i>	<i>2023 AED'000</i>	<i>2024 AED'000</i>	<i>2023 AED'000</i>
Capital expenditure	-	-	<b>135</b>	23	<b>135</b>	23
Depreciation	-	-	<b>469</b>	358	<b>469</b>	358



## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (unaudited)

**19 FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market 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 Company 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.

**Fair value of investments at amortised cost**

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the interim condensed financial statements approximate their fair values except for financial investments measured at fair value through other comprehensive income of which fair value is determined based on the quoted market prices and disclosed in Note 5 of this interim condensed financial statements.

**Fair value of financial instruments carried at fair value***Valuation techniques and assumptions applied for the purposes of measuring fair value*

The fair values of assets are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2023.

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.

The following table provides an analysis of financial and non- 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:

- Level 1 the fair value of financial instruments traded in an active market is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.
- Level 2 the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are unobservable, the instrument is included in Level 2.
- Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

		<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<b>30 June 2024 (Unaudited)</b>					
<i>Financial assets at FVTOCI</i>					
Unquoted securities (outside UAE)		-	-	8,297	8,297
Quoted sukuk	(a)	21,545	-	-	21,545
Unquoted securities	(b)	-	-	247	247
		<u>21,545</u>	<u>-</u>	<u>8,544</u>	<u>30,089</u>
<i>Financial assets at FVTPL</i>					
Investment in unquoted securities	(b)	-	-	557	557
		<u>-</u>	<u>-</u>	<u>557</u>	<u>557</u>

**NOTES TO THE INTERIM FINANCIAL INFORMATION**

As at 30 June 2024 (unaudited)

**19 FAIR VALUE MEASUREMENTS (continued)****Fair value of financial instruments carried at fair value (continued)***Valuation techniques and assumptions applied for the purposes of measuring fair value (continued)*

		<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>31 December 2023 (Audited)</i>					
<i>Financial assets at FVTOCI</i>					
Unquoted securities (outside UAE)		-	-	8,699	8,699
Quoted sukuk (a)		21,293	-	-	21,293
Unquoted securities (b)		-	-	247	247
		<u>21,293</u>	<u>-</u>	<u>8,946</u>	<u>30,239</u>
<i>Financial assets at FVTPL</i>					
Investment in unquoted securities (b)		-	-	557	557
		<u>-</u>	<u>-</u>	<u>557</u>	<u>557</u>

(a) Fair values have been determined by reference to their quoted prices at the reporting date.

(b) The Company holds investments in unquoted securities of three entities as at 30 June 2024 (31 December 2023: three entities). These investments are fair valued based on Net Asset Value Techniques using observable market data. Management believes that there is no significant deterioration in the value of these unquoted investments during the period ended 30 June 2024. All the unquoted securities fall under level 3 of fair value hierarchy therefore use of estimate is significant.

**20 CAPITAL RISK MANAGEMENT**

The solvency regulations identify the required Solvency Margin to be held in addition to takaful liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as defined in the Regulations. The Company has disclosed the solvency position for the immediately preceding period since the current period's solvency position is not yet finalised.

	<i>31 March</i> <i>2024</i> <i>AED'000</i>
Minimum Capital Requirement (MCR)	100,000
Solvency Capital Requirement (SCR)	28,592
Minimum Guarantee Fund (MGF)	21,282
Basic Own Funds	157,520
MCR Solvency Margin - Surplus	57,520
SCR Solvency Margin - Surplus	128,928
MGF Solvency Margin – Surplus	<u>136,238</u>

Based on the regulatory requirements, the minimum regulatory capital required is AED 100 million as against which the paid-up capital of the Company is AED 154 million.

In accordance with Circular number CBUAE/BIS/2023/6163 of CBUAE dated 15 December 2023, the assets which are not in the Company's name should not be considered as admissible in regulatory statement of financial position. In the reported solvency figures as at 30 June 2024 as mentioned above, there are no such assets.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

As at 30 June 2024 (unaudited)

**21 COMMITMENTS AND CONTINGENT LIABILITIES**

	<b>30 June 2024 AED'000 (Unaudited)</b>	<b>31 December 2023 AED'000 (Audited)</b>
Letters of guarantee	<b>10,438</b>	10,421

**22 INTERNAL SHARIA SUPERVISION COMMITTEE**

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

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

**23 SUBSEQUENT EVENTS**

There have been no events subsequent to the condensed interim statement of financial position date that would significantly affect the amounts reported in the interim condensed financial statements as at and for the six-months period ended 30 June 2024.

**24 INCOME TAX**

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim statement of profit or loss are:

	<b>Six-months period ended 30 June</b>		<b>Three-months period ended 30 June</b>	
	<b>2024 AED'000 (Unaudited)</b>	<b>2023 AED'000 (Unaudited)</b>	<b>2024 AED'000 (Unaudited)</b>	<b>2023 AED'000 (Unaudited)</b>
Current income tax expense	<b>487</b>	-	<b>226</b>	-
Deferred tax expense	-	-	-	-
	<b>487</b>	-	<b>226</b>	-

**25 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements was approved and authorized for issue by the Board of Directors on 23 July 2024