

# **Orient Takaful P.J.S.C.**

## **REVIEW REPORT AND INTERIM CONDENSED FINANCIAL STATEMENTS**

**30 JUNE 2025 (UNAUDITED)**

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## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ORIENT TAKAFUL P.J.S.C.**

### ***Introduction***

We have reviewed the accompanying interim condensed financial statements of Orient Takaful P.J.S.C. (the “Company”) as at 30 June 2025, which comprise the interim statement of financial position as at 30 June 2025, and the related interim statements of comprehensive income for the three and six months period, statements of changes in equity and cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information 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”.

For Ernst & Young



Thodla Hari Gopal  
Registration No: 689

4 August 2025

Dubai, United Arab Emirates

## INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 (Unaudited)

|  | Notes | 30 June<br>2025<br>(Unaudited)<br>AED | 31 December<br>2024<br>(Audited)<br>AED |
|--|-------|---------------------------------------|---|
| <b>TAKAFUL OPERATIONS' ASSETS</b>                        |       |                                       |   |
| Cash and cash equivalents                                | 5     | 115,737,759                           | 56,480,996                              |
| Wakala Deposits  | 8     | 311,069,575                           | 311,069,575                             |
| Other receivable and prepayments                         | 7     | 7,729,575                             | 249,900                                 |
| Takaful contract assets                                  | 14    | 14,837,182                            | 2,055,736                               |
| Retakaful contract assets                                | 14    | 785,915,182                           | 779,351,605                             |
| <b>Total takaful operations' assets</b>                  |       | <b>1,235,289,273</b>                  | <b>1,149,207,812</b>                    |
| <b>SHAREHOLDER'S ASSETS</b>                              |       |                                       |   |
| Cash and cash equivalents                                | 5     | 5,619,210                             | 2,353,160                               |
| Wakala Deposits  | 8     | 315,296,453                           | 315,296,453                             |
| Statutory Deposit  | 8     | 6,000,000                             | 6,000,000                               |
| Receivable from policyholders                            | 6     | 102,011,440                           | 67,521,040                              |
| Other receivables and prepayments                        | 7     | 34,691,901                            | 25,668,711                              |
| Receivable from related party                            |       | 886,285                               | 629,701                                 |
| Property and equipment                                   |       | 6,164,978                             | 6,332,643                               |
| Intangible Assets  |       | 538,276                               | 388,495                                 |
| <b>Total shareholders' assets</b>                        |       | <b>471,208,543</b>                    | <b>424,190,203</b>                      |
| <b>TOTAL ASSETS</b>                                      |       | <b>1,706,497,816</b>                  | <b>1,573,398,015</b>                    |
| <b>TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT</b>       |       |                                       |   |
| <b>TAKAFUL OPERATIONS' LIABILITIES</b>                   |       |                                       |   |
| Retakaful contract liabilities                           | 14    | 38,155,938                            | 17,485,506                              |
| Takaful contract liabilities                             | 14    | 1,095,121,895                         | 1,064,201,266                           |
| Payable to shareholders                                  | 6     | 102,011,440                           | 67,521,040                              |
| <b>Total takaful operations' liabilities</b>             |       | <b>1,235,289,273</b>                  | <b>1,149,207,812</b>                    |
| <b>TAKAFUL OPERATIONS' DEFICIT</b>                       |       |                                       |   |
| Deficit in policyholders' fund                           | 10    | (612,124,574)                         | (538,089,080)                           |
| Provision against Qard Hassan                            | 10    | 612,124,874                           | 538,089,080                             |
| <b>Total takaful operations' deficit</b>                 |       | <b>-</b>                              | <b>-</b>                                |
| <b>Total takaful operations' liabilities and deficit</b> |       | <b>1,235,289,273</b>                  | <b>1,149,207,812</b>                    |
| <b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>              |       |                                       |   |
| <b>SHAREHOLDERS' LIABILITIES</b>                         |       |                                       |   |
| Other payables   | 9     | 61,169,888                            | 55,291,778                              |
| Corporate tax payable                                    | 15    | 10,894,498                            | 6,430,102                               |
| Related parties payable                                  |       | 16,328,554                            | 10,445,126                              |
| Employees end of service benefits                        |       | 3,216,873                             | 2,651,295                               |
| <b>Total shareholders' liabilities</b>                   |       | <b>91,609,813</b>                     | <b>74,818,301</b>                       |

The attached notes 1 to 17 form part of these interim condensed financial statements.

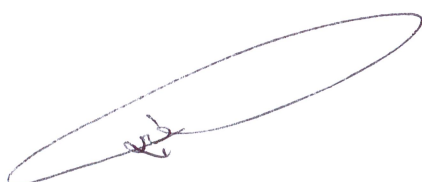
Orient Takaful P.J.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

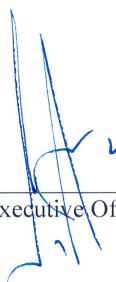
As at 30 June 2025 (Unaudited)

|  | Notes | 30 June<br>2025<br>(Unaudited)<br>AED | 31 December<br>2024<br>(Audited)<br>AED |
|--|-------|---------------------------------------|---|
| <b>SHAREHOLDERS' EQUITY</b>  |       |                                       |   |
| Share capital  | 11    | 200,000,000                           | 200,000,000                             |
| Share premium  | 11    | 1,198,390                             | 1,198,390                               |
| Statutory reserve  | 12    | 16,827,022                            | 16,827,022                              |
| Retakaful risk reserve   | 12    | 13,425,386                            | 11,352,842                              |
| Retained earnings  |       | 148,147,932                           | 119,993,648                             |
| <b>Total shareholders' equity</b>  |       | <b>379,598,730</b>                    | <b>349,371,902</b>                      |
| <b>Total shareholders' liabilities and equity</b>  |       | <b>471,208,543</b>                    | <b>424,190,203</b>                      |
| <b>TOTAL TAKAFUL OPERATIONS' LIABILITIES, DEFICIT<br/>SHAREHOLDERS' LIABILITIES AND EQUITY</b> |       |                                       |   |
|  |       | <b>1,706,497,816</b>                  | <b>1,573,398,015</b>                    |

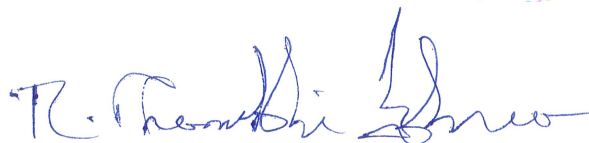
The interim condensed financial statements were approved and authorised for issue by Board of Directors on 4 August 2025 and signed on their behalf by



Chairman



Chief Executive Officer



Head-Finance

The attached notes 1 to 17 form part of these interim condensed financial statements.

Orient Takaful P.J.S.C.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2025 (Unaudited)

|   | Notes | Three months period<br>ended 30 June |                            | Six months period<br>ended 30 June |                            |
|---|-------|--------------------------------------|----------------------------|------------------------------------|----------------------------|
|   |       | 2025<br>(Unaudited)<br>AED           | 2024<br>(Unaudited)<br>AED | 2025<br>(Unaudited)<br>AED         | 2024<br>(Unaudited)<br>AED |
| Takaful contract revenue  | 14    | 296,259,824                          | 198,187,056                | 587,765,496                        | 385,085,773                |
| Takaful service expenses (excluding commission)                 | 14    | (192,179,915)                        | (609,295,397)              | (285,240,325)                      | (630,664,074)              |
| Net income/(expenses) from Retakaful contracts held             | 14    | (37,436,005)                         | 452,746,486                | (172,935,964)                      | 327,733,341                |
| <b>Takaful service result</b>                                   |       | <b>66,643,904</b>                    | <b>41,638,145</b>          | <b>129,589,207</b>                 | <b>82,155,040</b>          |
| Finance expenses from Takaful contracts issued                  | 14    | (4,781,149)                          | (3,278,167)                | (14,991,585)                       | (7,068,352)                |
| Finance income from Retakaful contracts held                    | 14    | 4,207,575                            | 2,800,865                  | 13,157,874                         | 6,070,298                  |
| <b>Net Takaful finance expenses</b>                             |       | <b>(573,574)</b>                     | <b>(477,302)</b>           | <b>(1,833,711)</b>                 | <b>(998,054)</b>           |
| Wakala fees   |       | (93,904,011)                         | (73,349,199)               | (207,105,574)                      | (162,078,267)              |
| Investment Income   |       | 4,115,186                            | 3,195,416                  | 8,176,283                          | 6,351,319                  |
| Mudareb fee expense   |       | (1,440,315)                          | (1,118,396)                | (2,861,699)                        | (2,222,962)                |
| <b>Net Takaful and investment result from Takaful operation</b> |       | <b>(25,158,810)</b>                  | <b>(30,111,336)</b>        | <b>(74,035,494)</b>                | <b>(76,792,924)</b>        |
| Wakala fees income from policyholders                           |       | 93,904,011                           | 73,349,199                 | 207,105,574                        | 162,078,267                |
| Investment Income   |       | 3,858,156                            | 4,568,189                  | 7,716,312                          | 9,129,324                  |
| Mudareb income from policyholders                               |       | 1,440,315                            | 1,118,396                  | 2,861,699                          | 2,222,962                  |
| Other operating expenses  |       | (654,725)                            | (145,563)                  | (1,261,914)                        | (461,055)                  |
| Takaful service expenses  | 14    | (53,597,084)                         | (36,320,126)               | (107,360,076)                      | (69,203,262)               |
| Net credit impairment losses on deposits                        |       | (435,392)                            | (199,566)                  | (334,877)                          | (304,979)                  |
| <b>Profit for the period before Qard Hassan</b>                 |       | <b>44,515,281</b>                    | <b>42,370,529</b>          | <b>108,726,718</b>                 | <b>103,461,257</b>         |
| Provision against Qard Hassan to policyholders' fund            | 10    | (25,158,810)                         | (30,111,336)               | (74,035,494)                       | (76,792,924)               |
| <b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS'</b>      |       | <b>19,356,471</b>                    | <b>12,259,193</b>          | <b>34,691,224</b>                  | <b>26,668,333</b>          |
| Corporate tax expense   | 15    | (2,514,285)                          | (1,103,630)                | (4,464,396)                        | (2,366,703)                |
| <b>Profit for the period after tax</b>                          |       | <b>16,842,186</b>                    | <b>11,155,563</b>          | <b>30,226,828</b>                  | <b>24,301,630</b>          |
| Other comprehensive income                                      |       | -                                    | -                          | -                                  | -                          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>    |       | <b>16,842,186</b>                    | <b>11,155,563</b>          | <b>30,226,828</b>                  | <b>24,301,630</b>          |
| Earnings per share (AED)  | 13    | 8.42                                 | 5.58                       | 15.11                              | 12.15                      |

The attached notes 1 to 17 form part of these interim condensed financial statements.

# Orient Takaful P.J.S.C.

## INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2025 (Unaudited)

|   | <i>Share<br/>capital<br/>AED</i> | <i>Share<br/>premium<br/>AED</i> | <i>Statutory<br/>reserve<br/>AED</i> | <i>Retakaful<br/>risk reserve<br/>AED</i> | <i>Retained<br/>earnings<br/>AED</i> | <i>Total<br/>AED</i> |
|---|----------------------------------|----------------------------------|--------------------------------------|---|--------------------------------------|----------------------|
| As at 1 January 2024  | 200,000,000                      | 1,198,390                        | 10,290,275                           | 7,429,261                                 | 65,086,510                           | 284,004,436          |
| Profit for the period   | -                                | -                                | -                                    | -   | 24,301,630                           | 24,301,630           |
| Transfer from retained earnings to Retakaful risk Reserve (Note 12) | -                                | -                                | -                                    | 1,747,700                                 | (1,747,700)                          | -                    |
| As at 30 June 2024  | <u>200,000,000</u>               | <u>1,198,390</u>                 | <u>10,290,275</u>                    | <u>9,176,961</u>                          | <u>87,640,440</u>                    | <u>308,306,066</u>   |
| As at 1 January 2025  | 200,000,000                      | 1,198,390                        | 16,827,022                           | 11,352,842                                | 119,993,648                          | 349,371,902          |
| Profit for the period   | -                                | -                                | -                                    | -   | 30,226,828                           | 30,226,828           |
| Transfer from retained earnings to Retakaful risk Reserve (Note 12) | -                                | -                                | -                                    | 2,072,544                                 | (2,072,544)                          | -                    |
| As at 30 June 2025  | <u>200,000,000</u>               | <u>1,198,390</u>                 | <u>16,827,022</u>                    | <u>13,425,386</u>                         | <u>148,147,932</u>                   | <u>379,598,730</u>   |

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

**Orient Takaful P.J.S.C.**

**INTERIM STATEMENT OF CASH FLOWS**

For the period ended 30 June 2025 (Unaudited)

|  | <i>30 June<br/>2025<br/>AED<br/>(Unaudited)</i> | <i>30 June<br/>2024<br/>AED<br/>(Unaudited)</i> |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |   |   |
| Profit for the period before tax                         | <b>34,691,224</b>                               | 26,668,333                                      |
| Adjustment for:  |   |   |
| Depreciation of property and equipment                   | <b>891,425</b>                                  | 744,182   |
| Amortisation of intangible assets                        | <b>75,669</b>                                   | 128,747   |
| Provision for employees' end of service benefits         | <b>613,443</b>                                  | 334,222   |
| Net expected credit losses charge on deposits            | <b>334,877</b>                                  | 199,566   |
| Finance costs on lease liabilities                       | <b>147,957</b>                                  | 88,466  |
|  | <hr/>   | <hr/>   |
| Operating cash flows before movements in working capital | <b>36,754,595</b>                               | 28,163,516                                      |
| Change in:   |   |   |
| Retakaful contract assets                                | <b>(6,563,577)</b>                              | (446,198,456)                                   |
| Takaful contract assets                                  | <b>(12,781,446)</b>                             | (11,746,663)                                    |
| Other receivables and prepayments                        | <b>(16,502,865)</b>                             | (16,168,567)                                    |
| Due from related parties (relating to shareholders')     | <b>(256,584)</b>                                | 301,748   |
| Takaful contract liabilities                             | <b>30,920,629</b>                               | 540,288,462                                     |
| Retakaful contract liabilities                           | <b>20,670,432</b>                               | (48,845,441)                                    |
| Due to related parties (relating to shareholders')       | <b>5,883,428</b>                                | 2,323,896                                       |
| Accruals, provisions and other payables                  | <b>6,248,186</b>                                | (12,726,059)                                    |
|  | <hr/>   | <hr/>   |
| Net cash generated from operations                       | <b>64,372,798</b>                               | 35,392,436                                      |
| Employees' end of service benefits paid                  | <b>(47,864)</b>                                 | (298,718)                                       |
|  | <hr/>   | <hr/>   |
| Net cash generated from operating activities             | <b>64,324,934</b>                               | 35,093,718                                      |
|  | <hr/>   | <hr/>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |   |   |
| Purchase of property and equipment                       | <b>(723,761)</b>                                | (73,366)  |
| Purchase of intangible asset                             | <b>(225,450)</b>                                | -   |
|  | <hr/>   | <hr/>   |
| Net cash used in investing activities                    | <b>(949,211)</b>                                | (73,366)  |
|  | <hr/>   | <hr/>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITY</b>                |   |   |
| Payment of lease liabilities                             | <b>(852,910)</b>                                | (351,776)                                       |
|  | <hr/>   | <hr/>   |
| Net cash used in financing activity                      | <b>(852,910)</b>                                | (351,776)                                       |
|  | <hr/>   | <hr/>   |
| <b>NET INCREASE IN CASH AND<br/>CASH EQUIVALENTS</b>     | <b>62,522,813</b>                               | 34,668,576                                      |
| Cash and cash equivalents at 1 January                   | <b>58,834,156</b>                               | 47,908,404                                      |
|  | <hr/>   | <hr/>   |
| <b>CASH AND CASH EQUIVALENTS AT 30 JUNE (NOTE 5)</b>     | <b>121,356,969</b>                              | 82,576,980                                      |
|  | <hr/> <hr/>                                     | <hr/> <hr/>                                     |

The attached notes 1 to 17 form part of these interim condensed financial statements.



**1 LEGAL STATUS AND ACTIVITIES**

Orient Takaful P.J.S.C (the “Company”) is a public joint stock company registered under UAE Federal Law No. (32) of 2021 relating to the incorporation of commercial companies in the UAE. The Company is subject to the regulations of the UAE Federal Decree Law No. 48 of 2023 regarding the Regulation of Insurance Activities and is registered in the Insurance Companies Register of the Central Bank of the UAE (“CBUAE”) (formerly, the UAE Insurance Authority (“IA”)) under registration number 92.

The Company was incorporated on 8 November 2016, while the formalities of issuance and allotment of shares to the public were finalised on 28 December 2016. The shares of the Company are listed on the Dubai Financial Market. The Company obtained a commercial license on 23 January 2017 and a license from the Insurance Authority of the UAE (currently the CBUAE) on 16 July 2017.

The principal activity of the Company is issuance of short term takaful contracts in connection with accidents and liabilities insurance, fire insurance, transportation risk insurance, other type of insurance and health insurance. The Company also invests its funds in wakala deposits.

The Company has not purchased any shares during the period ended 30 June 2025.

During 2021, Orient Insurance P.J.S.C., a public joint stock company incorporated in Dubai, United Arab Emirates acquired shares of the Company from Abu Dhabi Commercial Bank PJSC and Al Wifaq Finance Company to become the parent company and have taken control over the Company. The ultimate parent company is Al Futtaim Private Co. which is based in Dubai, United Arab Emirates.

During the year 2022, the Parent Company Orient Insurance P.J.S.C has further acquired shareholdings of Orient Takaful P.J.S.C and has increased their equity interest from 83.91% to 95.78%.

As at reporting dates, the shareholding patterns are as follows:

|                           | <b>30 June<br/>2025<br/>AED<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>AED<br/>(Audited)</b> |
|---------------------------|---|---|
| Orient Insurance P.J.S.C. | <b>95.78%</b>                                   | 95.78%  |
| Others                    | <b>4.22%</b>                                    | 4.22%   |
|                           | <b>100.00%</b>                                  | 100.00%   |

**2 BASIS OF PREPARATION****a) Statement of compliance**

These interim condensed financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting", (“IAS 34”) issued by the International Accounting Standards Board (“IASB”) and also complies with the applicable requirements of the laws in the U.A.E. The Company has prepared the interim condensed 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 of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements as at 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards. In addition, results for the six months period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

**2 BASIS OF PREPARATION (continued)**

**b) Basis of measurement**

This interim condensed financial information have been prepared on the historical cost basis.

**c) Functional and presentation currency**

These interim condensed financial information are presented in UAE Dirhams (AED), which is the Company's functional currency. Except as otherwise indicated, financial information is presented in AED and presented in order of liquidity.

**d) Use of estimates and judgments**

In preparing the interim condensed financial information, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2024.

**3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS Accounting Standards) ('IFRS')**

**3.1 New and revised IFRS adopted in the interim condensed financial statements**

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these interim condensed financial statements. The application of these revised IFRS, did not have any material impact on the amounts reported for the current and prior periods.

**New and revised IFRSs**

**Effective for annual periods beginning on or after**

Lack of exchangeability - Amendments to IAS 21

1 January 2025

**3.2 New and revised IFRS in issue but not yet effective and not early adopted**

**New and revised IFRS**

**Effective for annual periods beginning on or after**

IFRS 9 and IFRS 7— Amendment regarding the classification and measurement of financial instrument

1 January 2026, earlier application is permitted

IFRS 18 — Presentation and Disclosure in Financial Statements

1 January 2027, earlier application is permitted

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the period of initial application.

**4 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 31 December 2024 and 30 June 2025, all financial assets and liabilities are stated at amortised cost and are classified as Level 3 within the fair value hierarchy.

**As at 30 June 2025 (Unaudited)**

| <b><u>Financial Assets</u></b>          | <b><i>Notes</i></b> | <b><u>Amortised cost</u></b><br><b><u>AED</u></b> |
|---|---------------------|---|
| Cash and cash equivalents               | 5                   | 121,356,969                                       |
| Wakala deposit                          | 8                   | 626,396,028                                       |
| Statutory deposit                       | 8                   | 6,000,000   |
| Other receivables and prepayments       | 7                   | 42,421,476  |
| Receivables from related party          |                     | 886,285   |
|   |                     | <hr/> <hr/>                                       |
| <b><u>Financial Liabilities</u></b>     |                     | <b><u>Amortised cost</u></b><br><b><u>AED</u></b> |
| Accruals, provisions and other payables | 9                   | 69,797,159  |
| Related parties payable                 |                     | 16,328,554  |
| Lease liabilities                       | 9                   | 5,484,100   |
|   |                     | <hr/> <hr/>                                       |

**4 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**As at December 2024 (Audited)

| <i>Financial Assets</i>           | <i>Notes</i> | <i>Amortised cost<br/>AED</i> |
|-----------------------------------|--------------|-------------------------------|
| Cash and cash equivalents         | 5            | 58,834,156                    |
| Wakala deposit                    | 8            | 626,366,028                   |
| Statutory deposit                 | 8            | 6,000,000                     |
| Other receivables and prepayments | 7            | 25,918,611                    |
| Receivables from related party    |              | 629,701                       |

| <i>Financial Liabilities</i>            |   | <i>Amortised cost<br/>AED</i> |
|---|---|-------------------------------|
| Accruals, provisions and other payables | 9 | 58,392,976                    |
| Related parties payable                 |   | 10,445,126                    |
| Lease liabilities                       | 9 | 5,980,199                     |

**5 CASH AND CASH EQUIVALENTS****30 June 2025 (Unaudited)**

|   | <i>Takaful<br/>operations<br/>AED</i> | <i>Shareholders'<br/>operations<br/>AED</i> | <i>Total<br/>AED</i> |
|---|---------------------------------------|---|----------------------|
| Cash in hand  | -                                     | 5,843                                       | 5,843                |
| Current accounts with banks and Islamic<br>Financial institutions | 115,737,759                           | 5,613,367                                   | 121,351,126          |
|   | <b>115,737,759</b>                    | <b>5,619,210</b>                            | <b>121,356,969</b>   |

**31 December 2024 (Audited)**

|   | <i>Takaful<br/>operations<br/>AED</i> | <i>Shareholders'<br/>operations<br/>AED</i> | <i>Total<br/>AED</i> |
|---|---------------------------------------|---|----------------------|
| Cash in hand  | -                                     | 5,621                                       | 5,621                |
| Current accounts with banks and Islamic<br>financial institutions | 56,480,996                            | 2,347,539                                   | 58,828,535           |
|   | <b>56,480,996</b>                     | <b>2,353,160</b>                            | <b>58,834,156</b>    |

As at 30 June 2025, the Company has determined that the ECL related to cash and cash equivalents is not material. Therefore, detailed disclosures regarding ECL calculations and assumptions have not been provided in these financial statements.

The Company maintains its cash and cash equivalents with reputable financial institutions and continuously monitors the credit risk associated with these balances. Management believes that the risk of default is low, and as such, only an immaterial amount of ECL has been recognized.

**6 RECEIVABLES FROM POLICYHOLDERS AND PAYABLE TO SHAREHOLDERS - TAKAFUL OPERATIONS**

|  |              | <b>30 June<br/>2025<br/>AED<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>AED<br/>(Audited)</b> |
|--|--------------|---|---|
|  | <i>Notes</i> |   |   |
| As at 1 January                                    |              | <b>(67,521,040)</b>                             | 1,802,191   |
| Wakala fees for the period / year                  | 6.1          | <b>(207,105,574)</b>                            | (373,466,096)                                     |
| Other movement in account during the period / year |              | <b>172,615,174</b>                              | 304,142,865                                       |
|  |              | <b>(102,011,440)</b>                            | (67,521,040)                                      |

- 6.1 For all takaful policies, Wakala fees were charged at 35% (31 December 2024: 35%) of gross takaful contributions. Wakala fees are approved by the Sharia'ah Supervisory Board and are charged to the interim statement of profit or loss and comprehensive income when incurred.

**7 OTHER RECEIVABLES AND PREPAYMENTS**

|                                    | <b>30 June 2025 (Unaudited)</b>       |   |                      |
|------------------------------------|---------------------------------------|---|----------------------|
|                                    | <b>Takaful<br/>operations<br/>AED</b> | <b>Shareholders'<br/>operations<br/>AED</b> | <b>Total<br/>AED</b> |
| Accrued profit on wakala deposits  | <b>7,729,575</b>                      | <b>7,971,488</b>                            | <b>15,701,063</b>    |
| Prepayments Financial institutions | -                                     | <b>1,714,624</b>                            | <b>1,714,624</b>     |
| Other receivables                  | -                                     | <b>25,005,789</b>                           | <b>25,005,789</b>    |
|                                    | <b>7,729,575</b>                      | <b>34,691,901</b>                           | <b>42,421,476</b>    |

|                                    | <b>31 December 2024 (Audited)</b>     |   |                      |
|------------------------------------|---------------------------------------|---|----------------------|
|                                    | <b>Takaful<br/>operations<br/>AED</b> | <b>Shareholders'<br/>operations<br/>AED</b> | <b>Total<br/>AED</b> |
| Accrued profit on wakala deposits  | 249,900                               | 255,176                                     | 505,076              |
| Prepayments Financial institutions | -                                     | 2,913,433                                   | 2,913,433            |
| Other receivables                  | -                                     | 22,500,102                                  | 22,500,102           |
|                                    | <b>249,900</b>                        | <b>25,668,711</b>                           | <b>25,918,611</b>    |

Other receivables includes VAT input to be recovered by the Company from commissions paid to brokers.

**8 WAKALA AND STATUTORY DEPOSIT****Wakala Deposit**

This consists of term Wakala deposits with Islamic Banks / Islamic Division of a Commercial Bank in United Arab Emirates, at profit rates from 4.70% to 4.75% per annum (31 December 2024: from 4.70% to 4.75% per annum) amounting to Gross AED 629.54 million which will mature in December 2025. This includes an amount of AED 1 million under lien against bank guarantees.

**8 WAKALA AND STATUTORY DEPOSIT (continued)****Statutory Deposit**

This consists of a Wakala deposit with the Islamic Division of a commercial bank in the United Arab Emirates, under lien in favour of the Insurance Supervision Central Bank of the UAE, at profit rate of 4.75% per annum (31 December 2024: 4.75% per annum) amounting to Gross AED 6 million which matures in December 2025.

|                        | <i>30 June 2025 (Unaudited)</i>         |   |                      |
|------------------------|---|---|----------------------|
|                        | <i>Takaful<br/>operations<br/>AED</i>   | <i>Shareholders'<br/>operations<br/>AED</i> | <i>Total<br/>AED</i> |
| Wakala Deposits        | 312,632,739                             | 316,911,008                                 | 629,543,747          |
| Expected credit losses | (1,563,164)                             | (1,614,555)                                 | (3,177,719)          |
| Total Wakala Deposits  | 311,069,575                             | 315,296,453                                 | 626,366,028          |
| Statutory Deposits     | -                                       | 6,000,000                                   | 6,000,000            |
| <b>Total Deposits</b>  | <b>311,069,575</b>                      | <b>321,296,453</b>                          | <b>632,366,028</b>   |
|                        | <i>As on 31 December 2024 (Audited)</i> |   |                      |
|                        | <i>Takaful<br/>operations<br/>AED</i>   | <i>Shareholders'<br/>operations<br/>AED</i> | <i>Total<br/>AED</i> |
| Wakala Deposits        | 312,632,739                             | 316,911,008                                 | 629,543,747          |
| Expected credit losses | (1,563,164)                             | (1,614,555)                                 | (3,177,719)          |
| Total Wakala Deposits  | 311,069,575                             | 315,296,453                                 | 626,366,028          |
| Statutory Deposits     | -                                       | 6,000,000                                   | 6,000,000            |
| Total Deposits         | 311,069,575                             | 321,296,453                                 | 632,366,028          |

Profit from these wakala deposits are included in the statement of comprehensive income as follows:

|   | <i>30 June<br/>2025<br/>AED<br/>(Unaudited)</i> | <i>30 June<br/>2024<br/>AED<br/>(Unaudited)</i> |
|---|---|---|
| Profit from wakala deposit (takaful operations)       | 8,176,283                                       | 6,351,319                                       |
| Profit from wakala deposit (shareholders' operations) | 7,716,312                                       | 9,129,324                                       |
|   | <b>15,892,595</b>                               | <b>15,480,643</b>                               |

**9 OTHER PAYABLES (RELATING TO SHAREHOLDERS' OPERATIONS)**

|                       | <i>30 June<br/>2025<br/>AED<br/>(Unaudited)</i> | <i>31 December<br/>2024<br/>AED<br/>(Audited)</i> |
|-----------------------|---|---|
| Accrual and Provision | 55,685,788                                      | 49,311,579  |
| Lease liability       | 5,484,100                                       | 5,980,199   |
|                       | <u>61,169,888</u>                               | <u>55,291,778</u>                                 |

**10 QARD HASSAN**

|                                       | <i>30 June<br/>2025<br/>AED<br/>(Unaudited)</i> | <i>31 December<br/>2024<br/>AED<br/>(Audited)</i> |
|---------------------------------------|---|---|
| <b>Deficit in Policyholders' fund</b> |   |   |
| As at 1 January                       | (538,089,080)                                   | (369,675,365)                                     |
| Deficit during the period/ year       | (74,035,494)                                    | (168,413,715)                                     |
|                                       | <u>(612,124,574)</u>                            | <u>(538,089,080)</u>                              |
| <b>Provision against Qard Hassan</b>  |   |   |
| As at 1 January                       | 538,089,080                                     | 369,675,365                                       |
| Provision during the period/ year     | 74,035,494                                      | 168,413,715                                       |
|                                       | <u>612,124,574</u>                              | <u>538,089,080</u>                                |

**11 SHARE CAPITAL AND SHARE PREMIUM**

|  | <i>30 June<br/>2025<br/>AED<br/>(Unaudited)</i> | <i>31 December<br/>2024<br/>AED<br/>(Audited)</i> |
|--|---|---|
| Issued and paid up capital                             |   |   |
| Issued and fully paid 2,000,000 shares of AED 100 each | 200,000,000                                     | 200,000,000                                       |
| Share premium reserve                                  | 1,198,390                                       | 1,198,390   |
|  | <u>201,198,390</u>                              | <u>201,198,390</u>                                |

**12 RESERVES****Statutory reserve**

In accordance with the UAE Commercial Companies Law no. (2) of 2015 ("the Law") and the Company's Articles of Association, 10% of the profit for the year should be transferred to legal reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated by the Law.

**Retakaful risk reserve**

In accordance with Article 34 of the Insurance Authority's Board of Directors Decision No. (23) of 2019, the Company has created a retakaful risk reserve, being 0.5% of the total retakaful contribution ceded by the Company in all classes of business amounting to AED 13.43 million (31 December 2024: AED 11.35 million). The Company shall accumulate such provision year on year and not dispose of the provision without the written approval of the Director General of the Central Bank of UAE.

**13 EARNINGS PER SHARE**

|   | <i>Three-months period<br/>ended 30 June<br/>(Unaudited)</i> |                     | <i>Six-months period<br/>ended 30 June<br/>(Unaudited)</i> |                     |
|---|--|---------------------|--|---------------------|
|   | <i>2025<br/>AED</i>  | <i>2024<br/>AED</i> | <i>2025<br/>AED</i>  | <i>2024<br/>AED</i> |
| Profit for the period after tax               | <b>16,842,186</b>  | 11,155,563          | <b>30,226,828</b>  | 24,301,630          |
| Weighted average number of outstanding shares | <b>2,000,000</b>   | 2,000,000           | <b>2,000,000</b>   | 2,000,000           |
| Earnings per share (in AED)                   | <b>8.42</b>  | 5.58                | <b>15.11</b>   | 12.15               |

There is no dilution impact on basic earnings per share.

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the number of weighted average shares outstanding at the end of the reporting period. Diluted earnings per share is equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.



**14 TAKAFUL CONTRACT ASSETS AND LIABILITIES****Reconciliation of the Liability for Remaining Coverage & Liability for Incurred claims for Takaful Contracts**

| <i>30 June 2025 (Unaudited)</i>   | <i>Liabilities for remaining coverage</i>       |                                   | <i>Liability for incurred claims - PAA</i>                                    |  |                      |
|---|---|-----------------------------------|---|--|----------------------|
|   | <i>Excluding<br/>loss<br/>component<br/>AED</i> | <i>Loss<br/>component<br/>AED</i> | <i>Estimates of the<br/>present value<br/>of future<br/>cash flow<br/>AED</i> | <i>Risk Adjustment<br/>for non-<br/>financial risk<br/>AED</i> | <i>Total<br/>AED</i> |
| Opening Takaful contract Liabilities                                    | 289,421,016                                     | 1,471,827                         | 738,990,796   | 34,317,627   | 1,064,201,266        |
| Opening Takaful contract Assets   | (2,055,736)                                     | -                                 | -   | -  | (2,055,736)          |
| <b>Net opening position of Takaful<br/>Contracts at 01 January 2025</b> | <b>287,365,280</b>                              | <b>1,471,827</b>                  | <b>738,990,796</b>  | <b>34,317,627</b>  | <b>1,062,145,530</b> |
| <b>Takaful Revenue</b>  | (587,765,496)                                   | -                                 | -   | -  | (587,765,496)        |
| <b>Takaful Service Expenses</b>   |   |                                   |   |  |                      |
| Incurred Claims and Expenses  | -   | -                                 | 398,611,312   | 13,463,538   | 412,074,850          |
| Amortisation of<br>acquisition Cash Flows                               | 73,059,541                                      | -                                 | -   | -  | 73,059,541           |
| Changes in Incurred Claims (release)                                    | -   | -                                 | (80,744,830)  | (10,317,333)   | (91,062,163)         |
| Changes in Onerous Liability  | -   | (1,471,827)                       | -   | -  | (1,471,827)          |
| <b>Takaful service expenses</b>   | <b>73,059,541</b>                               | <b>(1,471,827)</b>                | <b>317,866,482</b>  | <b>3,146,205</b>   | <b>392,600,401</b>   |
| <b>Takaful service result</b>   | <b>(514,705,955)</b>                            | <b>(1,471,827)</b>                | <b>317,866,482</b>  | <b>3,146,205</b>   | <b>(195,165,095)</b> |
| Takaful finance expense<br>through profit or loss                       | -   | -                                 | 14,912,848  | 78,737   | 14,991,585           |
| <b>Total changes in the statement to<br/>comprehensive income</b>       | <b>(514,705,955)</b>                            | <b>(1,471,827)</b>                | <b>332,779,330</b>  | <b>3,224,942</b>   | <b>(180,173,510)</b> |
| <b>Cash flows</b>   |   |                                   |   |  |                      |
| Contribution Received   | 556,702,916                                     | -                                 | -   | -  | 556,702,916          |
| Claims and other directly<br>attributable expenses paid                 | -   | -                                 | (296,551,362)   | -  | (296,551,363)        |
| Acquisition cost paid   | (61,838,861)                                    | -                                 | -   | -  | (61,838,861)         |
| <b>Total cash flows</b>   | <b>494,864,055</b>                              | <b>-</b>                          | <b>(296,551,362)</b>  | <b>-</b>   | <b>198,312,692</b>   |
| <b>Net Balance as at 30 June 2025</b>                                   | <b>267,523,380</b>                              | <b>-</b>                          | <b>775,218,764</b>  | <b>37,542,569</b>  | <b>1,080,284,713</b> |
| Closing Takaful Contract Liabilities                                    | 282,360,562                                     | -                                 | 775,218,764   | 37,542,569   | 1,095,121,895        |
| Closing Takaful Contract Assets   | (14,837,182)                                    | -                                 | -   | -  | (14,837,182)         |
| <b>Net Balance as at 30 June 2025</b>                                   | <b>267,523,380</b>                              | <b>-</b>                          | <b>775,218,764</b>  | <b>37,542,569</b>  | <b>1,080,284,713</b> |

Takaful service expense of AED 392,600,401 consists of AED 285,240,325 pertaining to Policyholders' operations and AED 107,360,076 relating to Shareholders' operations.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (Unaudited)

## 14 TAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)

**Reconciliation of the Liability for Remaining Coverage & Liability for Incurred claims for Takaful Contracts (continued)**

| 31 December 2024<br>(Audited)                                     | Liabilities for remaining coverage    |                          | Liability for incurred claims - PAA                                |  |               |
|---|---------------------------------------|--------------------------|--|--|---------------|
|   | Excluding<br>loss<br>component<br>AED | Loss<br>component<br>AED | Estimates of the<br>present value<br>of future<br>cash flow<br>AED | Risk Adjustment<br>for non-<br>financial risk<br>AED | Total<br>AED  |
| Opening Takaful Contract Liabilities                              | 220,584,699                           | 1,225,859                | 441,391,769  | 21,194,847   | 684,397,174   |
| Opening Takaful Contract Assets                                   | (36,474,481)                          | -                        | -  | -  | (36,474,481)  |
| Net opening position of Takaful<br>Contracts as at 1 January 2024 | 184,110,218                           | 1,225,859                | 441,391,769  | 21,194,847   | 647,922,693   |
| Takaful Revenue   | (867,587,167)                         | -                        | -  | -  | (867,587,167) |
| Takaful Service Expenses<br>Incurred Claims and Expenses          | -                                     | -                        | 781,677,957  | 23,053,900   | 804,731,857   |
| Amortization of Acquisition<br>Cashflows                          | 109,969,116                           | -                        | -  | -  | 109,969,116   |
| Changes in Incurred Claims<br>(Release)                           | -                                     | -                        | (68,775,127)   | (9,892,301)  | (78,667,428)  |
| Changes in Onerous Liability                                      | -                                     | 245,968                  | -  | -  | 245,968       |
| Takaful Service Expenses  | 109,969,116                           | 245,968                  | 712,902,830  | 13,161,599   | 836,279,513   |
| Takaful Service Result  | (757,618,051)                         | 245,968                  | 712,902,830  | 13,161,599   | (31,307,654)  |
| Takaful Finance expense/ (income) -<br>through profit or loss     | -                                     | -                        | 12,531,315   | (38,819)   | 12,492,496    |
| Total changes to statement of<br>comprehensive income             | (757,618,051)                         | 245,968                  | 725,434,145  | 13,122,780   | (18,815,158)  |
| Cash flows  |                                       |                          |  |  |               |
| Contribution Received   | 983,325,456                           | -                        | -  | -  | 983,325,456   |
| Claims and Other directly<br>attributable Expenses Paid           | -                                     | -                        | (427,835,118)  | -  | (427,835,118) |
| Acquisition Cost paid   | (122,452,343)                         | -                        | -  | -  | (122,452,343) |
| Total Cash Flows  | 860,873,113                           | -                        | (427,835,118)  | -  | 433,037,995   |
| Net Balance as at<br>31 December 2024                             | 287,365,280                           | 1,471,827                | 738,990,796  | 34,317,627   | 1,062,145,530 |
| Closing Takaful Contract Liabilities                              | 289,421,016                           | 1,471,827                | 738,990,796  | 34,317,627   | 1,064,201,266 |
| Closing Takaful Contract Assets                                   | (2,055,736)                           | -                        | -  | -  | (2,055,736)   |
| Net Balance as at<br>31 December 2024                             | 287,365,280                           | 1,471,827                | 738,990,796  | 34,317,627   | 1,062,145,530 |

Takaful service expense of AED 836,279,513 consists of AED 682,963,563 pertaining to Policyholders' operations and AED 153,315,950 relating to Shareholders' operations.

**14 TAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)****Reconciliation of the Assets for Remaining Coverage & Amounts Recoverable on Incurred Claims for Retakaful Contracts (continued)**

| <i>30 June 2025 (Unaudited)</i>                                | <i>Assets for remaining coverage</i>                     |  | <i>Amounts recoverable on incurred claims</i>                                |  |                      |
|--|--|--|--|--|----------------------|
|  | <i>Excluding<br/>loss recovery<br/>component<br/>AED</i> | <i>Loss recovery<br/>component<br/>AED</i> | <i>Estimates of the<br/>present value<br/>of future<br/>cashflow<br/>AED</i> | <i>Risk Adjustment<br/>for non-<br/>financial risk<br/>AED</i> | <i>Total<br/>AED</i> |
| Opening Balance of Retakaful Contract Assets                   | 111,764,805  | 912,533                                    | 636,904,008  | 29,770,259   | 779,351,605          |
| Opening Balance of Retakaful Contract Liabilities              | (17,485,506)   | -  | -  | -  | (17,485,506)         |
| <b>Net Position of Retakaful contract as at 1 January 2025</b> | <b>94,279,299</b>  | <b>912,533</b>                             | <b>636,904,008</b>   | <b>29,770,259</b>  | <b>761,866,099</b>   |
| <b>Retakaful Expenses</b>                                      |  |  |  |  |                      |
| Allocation of Retakaful Contribution                           | (417,048,223)  | (912,533)                                  | -  | -  | (417,960,756)        |
| Recovery of Incurred Claims and Expenses                       | -  | -  | 267,298,998  | 10,165,906   | 277,464,904          |
| Amortisation of Takaful Acquisition Cash Flows                 | 50,216,320   | -  | -  | -  | 50,216,320           |
| Changes in Incurred Claims Contracts held (increase)           | -  | -  | (73,997,482)   | (8,658,950)  | (82,656,432)         |
| Claims Recovered (Loss Recovery)                               | -  | -  | -  | -  | -                    |
| <b>Net(expenses) / income from retakaful contracts held</b>    | <b>(366,831,903)</b>                                     | <b>(912,533)</b>                           | <b>193,301,516</b>   | <b>1,506,956</b>   | <b>(172,935,964)</b> |
| Retakaful finance income through profit or loss                | -  | -  | 13,088,689   | 69,185   | 13,157,874           |
| <b>Total changes in the statement to comprehensive income</b>  | <b>(366,831,903)</b>                                     | <b>(912,533)</b>                           | <b>206,390,205</b>   | <b>1,576,141</b>   | <b>159,778,090</b>   |
| <b>Cash flows</b>  |  |  |  |  |                      |
| Contributions paid   | 356,123,711  | -  | -  | -  | 356,123,711          |
| Claims received  | -  | -  | (156,972,027)  | -  | (156,972,027)        |
| Acquisition cost received (ceding commission)                  | (53,480,449)   | -  | -  | -  | (53,480,449)         |
| <b>Total cash flows</b>  | <b>302,643,262</b>                                       | <b>-</b>                                   | <b>(156,972,027)</b>   | <b>-</b>   | <b>145,671,235</b>   |
| <b>Net Balance as at 30 June 2025</b>                          | <b>30,090,658</b>  | <b>-</b>                                   | <b>686,322,186</b>   | <b>31,346,400</b>  | <b>747,759,244</b>   |
| Closing retakaful contract assets                              | 68,246,596   | -  | 686,322,186  | 31,346,400   | 785,915,182          |
| Closing retakaful contract liabilities                         | (38,155,938)   | -  | -  | -  | (38,155,938)         |
| <b>Net Balance as at 30 June 2025</b>                          | <b>30,090,658</b>  | <b>-</b>                                   | <b>686,322,186</b>   | <b>31,346,400</b>  | <b>747,759,244</b>   |

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (Unaudited)

**14 TAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)****Reconciliation of the Assets for Remaining Coverage & Amounts Recoverable on Incurred Claims for Retakaful Contracts (continued)**

| 31 December 2024<br>(Audited)                            | Assets for Remaining coverage                  |                          | Amounts recoverable on incurred claims                                |  |               |
|--|--|--------------------------|---|--|---------------|
|  | Excluding<br>loss recovery<br>component<br>AED | Loss<br>component<br>AED | Estimates of the<br>present<br>value of<br>future<br>cash flow<br>AED | Risk Adjustment<br>for non-<br>financial risk<br>AED | Total<br>AED  |
| Opening Balance of Retakaful Contract Assets             | 66,131,127                                     | 652,157                  | 381,394,344   | 17,454,974   | 465,632,602   |
| Opening Balance Retakaful Contract Liabilities           | (64,036,344)                                   | -                        | -   | -  | (64,036,344)  |
| Net position of Retakaful Contracts as on 1 January 2024 | 2,094,783                                      | 652,157                  | 381,394,344   | 17,454,974   | 401,596,258   |
| Allocation of Retakaful Contribution                     | (640,690,694)                                  | (652,157)                | -   | -  | (641,342,851) |
| Recovery of Incurred claims and Expenses                 | -  | -                        | 609,044,964   | 20,279,290   | 629,324,254   |
| Amortisation of acquisition cash flows                   | 88,968,476                                     | -                        | -   | -  | 88,968,476    |
| Changes in Incurred Claims contract held (Release)       | -  | -                        | (56,764,201)  | (7,929,293)  | (64,693,494)  |
| Claims Recovered (Loss Recovery)                         | -  | 912,533                  | -   | -  | 912,533       |
| Net (expense)/ income from retakaful contracts held      | (551,722,218)                                  | 260,376                  | 552,280,763   | 12,349,997   | 13,168,918    |
| Retakaful finance income through profit or loss          | -  | -                        | 10,754,217  | (34,712)   | 10,719,505    |
| Total changes to SOPL                                    | (551,722,218)                                  | 260,376                  | 563,034,980   | 12,315,285   | 23,888,423    |
| Cash flows   |  |                          |   |  |               |
| Contribution Paid  | 762,729,220                                    | -                        | -   | -  | 762,729,220   |
| Claims Received  | -  | -                        | (307,525,316)   | -  | (307,525,316) |
| Acquisition Cost Received (Ceding Commission)            | (118,822,486)                                  | -                        | -   | -  | (118,822,486) |
| Total Cash Flows   | 643,906,734                                    | -                        | (307,525,316)   | -  | 336,381,418   |
| Net balance as at 31 December 2024                       | 94,279,299                                     | 912,533                  | 636,904,008   | 29,770,259   | 761,866,099   |
| Closing Retakaful Contract Assets                        | 111,764,805                                    | 912,533                  | 636,904,008   | 29,770,259   | 779,351,605   |
| Closing Retakaful Contract Liabilities                   | (17,485,506)                                   | -                        | -   | -  | (17,485,506)  |
| Net balance as at 31 December 2024                       | 94,279,299                                     | 912,533                  | 636,904,008   | 29,770,259   | 761,866,099   |

**15 CORPORATE 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>30 June<br/>2025<br/>AED<br/>(Unaudited)</b> | <b>30 June<br/>2024<br/>AED<br/>(Unaudited)</b> |
|--|---|---|
| Current corporate tax charge @13% (30 June 2024: 9%) | <b>4,464,396</b>                                | 2,366,703                                       |
| Deferred tax charge                                  | -   | -   |
|  | <b>4,464,396</b>                                | 2,366,703                                       |

Below is the movement in the tax provision:

|                     | <b>30 June<br/>2025<br/>AED<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>AED<br/>(Audited)</b> |
|---------------------|---|---|
| Opening Balance     | <b>6,430,102</b>                                | -   |
| Income taxes paid   | -   | -   |
| Current tax expense | <b>4,464,396</b>                                | 6,430,102   |
| Closing balance     | <b>10,894,498</b>                               | 6,430,102   |

The Company is in scope of Pillar Two legislation as it operates in jurisdictions that have enacted, or substantively enacted Pillar Two legislation and its consolidated revenue exceeds Euro 750 million threshold. The introduction of Pillar 2 represents a significant development in international tax policy, aiming to ensure a fairer distribution of tax revenues among jurisdictions. Our financial statements reflect the impact of these measures, with increased tax expenses, recognition of deferred tax liabilities, and enhanced disclosures. The Company remains committed to complying with the new rules and providing transparent reporting to our stakeholders.

The tax expense for the period ended 30 June 2025 is AED 4,464,396 (30 June 2024: AED 2,366,703) driven by the introduction and adoption of Top-up Tax on Multinational Enterprises with effect from 01 January 2025. The Effective Tax Rate ("ETR") is 13% (30 June 2024: 9%).

**16 CAPITAL RISK MANAGEMENT**

The Company's objectives when managing capital is to comply with the insurance capital requirements required by UAE Federal Law No. (6) of 2007, concerning insurance companies and agents. In UAE, the local insurance regulator specifies the minimum amount and type of capital that must be held by the Company in addition to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the period. The Company is subject to local insurance solvency regulations and is currently assessing its compliance with these regulations. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

As per Article (8) of Section 2 of the financial regulations issued for insurance companies issued by the CBUAE (formerly the "Insurance Authority"), the Company has to maintain a solvency margin. The Company has incorporated in its policies and procedures the necessary procedures to ensure continuous and full compliance with such regulations.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (Unaudited)

**16 CAPITAL RISK MANAGEMENT (continued)**

The table below summarises the consolidated Minimum Capital Requirement ("MCR"), Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet the required Solvency Margins in line with the requirements of the UAE Insurance Authority. The Company has disclosed the solvency position for the preceding period since the solvency position for current period is not yet finalised.

|                            | <b>30 June<br/>2025<br/>AED<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>AED<br/>(Unaudited)</b> |
|----------------------------|---|---|
| Share capital              | <b>200,000,000</b>                              | 200,000,000   |
| Minimum regulatory capital | <b>100,000,000</b>                              | 100,000,000   |

|  | <b>31 March<br/>2025<br/>AED<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>AED<br/>(Unaudited)</b> |
|--|--|---|
| Minimum Capital Requirement (MCR)                          | <b>100,000,000</b>                               | 100,000,000   |
| Solvency Capital Requirement (SCR)                         | <b>184,289,035</b>                               | 178,423,263   |
| Minimum Guarantee Fund (MGF)                               | <b>70,437,763</b>                                | 61,994,636  |
| Basic Own Funds  | <b>309,133,604</b>                               | 252,342,754   |
| MCR Solvency Margin - Minimum Capital Requirement surplus  | <b>209,133,604</b>                               | 152,342,754   |
| SCR Solvency Margin - Solvency Capital Requirement surplus | <b>124,844,570</b>                               | 73,919,491  |
| MGF Solvency Margin – Minimum Guarantee Fund surplus       | <b>238,695,841</b>                               | 190,348,118   |

Above numbers are based on eforms and are unaudited and unreviewed.

**17 SUBSEQUENT EVENTS**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization of these financial statements.