Islamic Arab Insurance Co. (Salama) and its subsidiaries

Condensed consolidated interim financial information

for the nine-month period ended 30 September 2015

KPMG

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Independent auditors' report on review of condensed consolidated interim financial information

The Shareholders
Islamic Arab Insurance Co. (Salama) and its subsidiaries

Introduction

We have reviewed the accompanying 30 September 2015 condensed consolidated interim financial information of Islamic Arab Insurance Co. (Salama) ("the Company") and its subsidiaries (collectively referred to as "the Group"), consisting of:

- the condensed consolidated interim statement of financial position as at 30 September 2015;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month period ended 30 September 2015;
- the condensed consolidated interim statement of comprehensive income for the three-month and nine-month period ended 30 September 2015;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2015;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2015; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated 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 30 September 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No: 793
12 NOV 2015

Islamic Arab Insurance Co. (Salama) and its subsidiaries

Condensed consolidated interim statement of profit or loss

for the nine-month period ended 30 September 2015

	Note	Nine-month period ended 30 September 2015 AED'000 (Un-audited)	Nine-month period ended 30 September 2014 AED'000 (Un-audited) (Restated)	Three-month period ended 30 September 2015 AED'000 (Un-audited)	Three-month period ended 30 September 2014 AED'000 (Un-audited) (Restated)
CONTINUING OPERATIONS					
UNDERWRITING RESULTS					
Underwriting income					
Gross written contributions	18	683,093	561,314	242,681	198,539
Less: reinsurance and retakaful contributions ceded		(166,287)	(135,123)	(50,062)	(40,296)
Net contributions		516,806	426,191	192,619	158,243
Net movement in unearned contributions		(6,799)	(29,652)	3,366	(11,776)
Contributions earned	18	510,007	396,539	195,985	146,467
Commission received on ceded reinsurance and retakaful	18	32,336	16,704	11,826	5,794
	18	542,343	413,243	207,811	152,261
Underwriting expenses					
Gross claims paid		338,229	253,545	117,184	83,911
Less: reinsurance and retakaful share of claims paid		(89,131)	(67,299)	(26,627)	(26,419)
Net claims paid		249,098	186,246	90,557	57,492
Net movement in outstanding claims and technical reserve for family takaful		45,981	32,685	35,851	30,105
Claims incurred	18	295,079	218,931	126,408	87,597
Commission paid and other costs	18	171,009	120,056	63,555	42,540
		466,088	338,987	189,963	130,137
Net underwriting income	18	76,255	74,256	17,848	22,124
Income from other sources					
Income from investments		10,200	23,830	71	6,559
Other income		16,781	11,387	506	3,230
		103,236	109,473	18,425	31,913
Expenses					
General, administrative and other expenses		(95,871)	(94,605)	(28,247)	(25,761)
Financial expenses / (income)		(805)	(1,092)	(246)	(367)
Impairment on goodwill	13	(27,043)	-	(27,043)	-
Net profit before tax for the period		(20,483)	13,776	(37,111)	5,785
Taxation - current		(8,783)	(13,739)	(3,074)	(5,304)
Net profit after tax for the period before policyholders' distribution		(29,266)	37	(40,185)	481
Distribution to policyholders of Company		(1,086)	-	(1,086)	-
Policyholders' surplus		-	-	-	-
Net profit after tax and distribution to policyholders for the period from continuing operations		(30,352)	37	(41,271)	481
DISCONTINUED OPERATIONS					
(Loss) / profit from discontinued operations	13	(48,806)	21,565	(6,570)	31,778
Net (loss) / profit after tax and distribution to policyholders for the period		(79,158)	21,602	(47,841)	32,259

Islamic Arab Insurance Co. (Salama) and its subsidiaries

Condensed consolidated interim statement of profit or loss *(continued)*

for the nine-month period ended 30 September 2015

	Note	**Nine-month period ended 30 September 2015 AED'000 (Un-audited)**	Nine-month period ended 30 September 2014 AED'000 (Un-audited) (Restated)	**Three-month period ended 30 September 2015 AED'000 (Un-audited)**	Three-month period ended 30 September 2014 AED'000 (Un-audited) (Restated)
Net (loss) / profit after tax and distribution to policyholders for the period		**(79,158)**	21,602	**(47,841)**	32,259
Attributable to:					
Shareholders		**(84,628)**	16,031	**(49,322)**	31,702
Non-controlling interest		**5,470**	5,571	**1,481**	557
		(79,158)	21,602	**(47,841)**	32,259
(Loss) / earnings per share (AED) (Note 16)		**(0.071)**	0.013	**(0.042)**	0.027
Earnings / (loss) per share (AED) - continuing operations		**(0.030)**	(0.005)	**(0.036)**	(0.0001)

The notes on pages 9 to 21 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Islamic Arab Insurance Co. (Salama) and its subsidiaries

Condensed consolidated interim statement of comprehensive income

for the nine-month period ended 30 September 2015

	Nine-month period ended 30 September 2015 AED'000 (Un-audited)	Nine-month period ended 30 September 2014 AED'000 (Un-audited)	**Three-month period ended 30 September 2015 AED'000 (Un-audited)**	Three-month period ended 30 September 2014 AED'000 (Un-audited)
Net (loss) / profit after tax and distribution to policyholders' for the period	**(79,158)**	21,602	**(47,841)**	32,259
Other comprehensive (loss) / income net of income tax				
Items that are or may be reclassified to profit or loss:				
Net change in fair value of available-for-sale investments	**(7,281)**	5,809	**(1,426)**	3,824
Foreign exchange translation reserve	**(34,853)**	(10,340)	**(10,832)**	(5,103)
Other comprehensive loss for the period	**(42,134)**	(4,531)	**(12,258)**	(1,279)
Total comprehensive (loss) / income for the period	**(121,292)**	17,071	**(60,099)**	30,980
Attributable to:				
Shareholders	**(121,631)**	13,544	**(60,428)**	30,853
Non-controlling interest	**339**	3,527	**329**	127
	(121,292)	17,071	**(60,099)**	30,980

The notes on pages 9 to 21 form an integral part of these condensed consolidated interim financial statements.

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Islamic Arab Insurance Co. (Salama) and its subsidiaries

Condensed consolidated interim statement of financial position

as at 30 September 2015

	Note	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
ASSETS			
Property and equipments		**64,874**	99,370
Goodwill and intangibles		**126,893**	155,270
Investment properties	*8*	**55,392**	257,267
Investments in associates	*9*	**88,215**	42,559
Statutory deposits		**19,626**	13,557
Investments	*11*	**585,766**	840,119
Participants' investments in unit-linked contracts	*11.2*	**742,146**	664,210
Deposits with takaful and retakaful companies		**4,564**	144,211
Contributions and takaful balance receivables		**189,190**	461,408
Retakafuls' share of outstanding claims		**132,742**	195,115
Retakafuls' share of unearned contributions		**76,967**	72,142
Amounts due from related parties	*12*	**11,146**	15,648
Other assets and receivables		**400,908**	241,960
Cash and bank balances		**127,395**	388,753
Assets held-for-sale	*14*	**804,386**	-
TOTAL ASSETS		**3,430,210**	3,591,589
LIABILITIES			
Bank finance		**4,367**	147,842
Outstanding claims and family takaful reserve		**368,931**	671,023
Payable to Participants for unit-linked contracts		**735,227**	661,334
Unearned contributions reserve		**225,078**	303,302
Takaful balances payable		**145,504**	398,208
Other payables and accruals		**167,975**	171,276
Liabilities held-for-sale	*14*	**661,607**	-
TOTAL LIABILITIES		**2,308,689**	2,352,985
Policyholders' fund	*15*	**-**	-
NET ASSETS EMPLOYED		**1,121,521**	1,238,604
FINANCED BY:			
Shareholders' equity		**1,051,322**	1,172,933
Non-controlling interest		**70,199**	65,671
		1,121,521	1,238,604

The notes on pages 9 to 21 form an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial information were approved and authorised for issue by the Board of Directors on 12 NOV 2015 and signed on their behalf by:

Sheikh Khaled Bin Zayed Al Nehayan
Chairman

Dr. Saleh J. Malaikah
Vice Chairman & CEO

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Islamic Arab Insurance Co. (Salama) and its subsidiaries

Condensed consolidated interim statement of cash flows

for the nine-month period ended 30 September 2015

	Note	Nine month period ended 30 September 2015 AED'000 (Un-audited)	Nine month period ended 30 September 2014 AED'000 (Un-audited)
Cash flows from operating activities			
Net (loss) / profit before non-controlling interest		(79,158)	21,602
Adjustments for:			
Depreciation		3,493	5,197
Net movement in unearned contributions reserve		(83,049)	(47,802)
Investment properties		201,875	(17,322)
Amortisation of intangible assets		480	690
Share of profit from associates		(3,063)	(2,308)
Dividend income		(1,292)	-
Operating loss before changes in working capital		39,286	(39,943)
Change in deposits with takaful and retakaful companies		139,647	3,915
Change in contributions and takaful balance receivable		272,218	91,763
Change in due from / to related parties		4,502	(3,829)
Change in other assets and receivables		(158,948)	934
Change in assets held-for-sale	14	(804,386)	-
Change in outstanding claims (net of retakaful)		(239,719)	(178,080)
Change in takaful payables and other payables		(256,005)	(104,170)
Change in liabilities held-for-sale	14	661,607	-
Net cash flows used in operating activities		(341,798)	(229,410)
Cash flows from investing activities			
Property and equipment - net		31,003	(2,241)
Net movement in intangible assets		27,897	(1,394)
Net movement in associates		(43,524)	-
Statutory deposits		(6,069)	(2,638)
Dividend received		1,292	-
Investments-net		212,219	285,966
Dividend income from associate		931	620
Dividend paid		-	(1,750)
Net movement in Participants' investments in unit-linked contracts		(4,043)	733
Net cash flows provided by investing activities		219,706	279,296
Cash flows from financing activities			
Bank finance		(143,475)	(11,960)
Net movement in non-controlling interest		4,209	1,777
Net cash flows used in financing activities		(139,266)	(10,183)
Net (decrease) / increase in cash and cash equivalents		(261,358)	39,703
Cash and cash equivalents at 1 January		388,753	341,570
Cash and cash equivalents at 30 September		127,395	381,273

The notes on pages 9 to 21 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Islamic Arab Insurance Co. (Salama) and its subsidiaries

Condensed consolidated interim statement of changes in equity (Un-audited)

for the nine-month period ended 30 September 2015

	Attributable to the equity holders of the Company									
	Share capital AED'000	Statutory reserve AED'000	Revaluation reserve AED'000	Foreign exchange translation reserve AED'000	Investment fair value reserve AED'000	Treasury stock AED'000	Accumulated losses AED'000	Total AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance at 1 January 2014	1,210,000	69,983	46,723	(15,601)	13,917	(35,972)	(134,050)	1,155,000	71,769	1,226,769
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	16,031	16,031	5,571	21,602
Other comprehensive (loss) / income										
Movement in foreign exchange translation reserve	-	-	-	(8,283)	-	-	-	(8,283)	(2,057)	(10,340)
Movement in net change in fair value of available-for-sale investments	-	-	-	-	5,796	-	-	5,796	13	5,809
Total other comprehensive (loss) / income	-	-	-	(8,283)	5,796	-	-	(2,487)	(2,044)	(4,531)
Total comprehensive (loss) / income for the period	-	-	-	(8,283)	5,796	-	16,031	13,544	3,527	17,071
Transaction with owners, recorded directly in equity										
Dividend paid	-	-	-	-	-	-	-	-	(1,750)	(1,750)
Balance at 30 September 2014	1,210,000	69,983	46,723	(23,884)	19,713	(35,972)	(118,019)	1,168,544	73,546	1,242,090

The notes on pages 9 to 21 form an integral part of these condensed consolidated interim financial statements.

Islamic Arab Insurance Co. (Salama) and its subsidiaries

Condensed consolidated interim statement of changes in equity (Un-audited) (continued)

for the nine-month period ended 30 September 2015

	Attributable to the equity holders of the Company									
	Share capital AED'000	Statutory reserve AED'000	Revaluation reserve AED'000	Foreign exchange translation reserve AED'000	Investment fair value reserve AED'000	Treasury stock AED'000	Accumulated losses AED'000	Total AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance at 1 January 2015	1,210,000	73,861	42,173	(30,697)	12,719	(35,972)	(99,151)	1,172,933	65,671	1,238,604
Total comprehensive income for the period										
(Loss) / profit for the period	-	-	-	-	-	-	(84,628)	(84,628)	5,470	(79,158)
Other comprehensive loss										
Movement in foreign exchange translation reserve	-	-	-	(29,751)	-	-	-	(29,751)	(5,102)	(34,853)
Movement in net change in fair value of available-for-sale investments	-	-	-	-	(7,252)	-	-	(7,252)	(29)	(7,281)
Total other comprehensive loss	-	-	-	(29,751)	(7,252)	-	-	(37,003)	(5,131)	(42,134)
Total comprehensive (loss) / income for the period	-	-	-	(29,751)	(7,252)	-	(84,628)	(121,631)	339	(121,292)
Surplus revaluation reserve transferred on disposals of property	-	-	(4,258)	-	-	-	4,278	20	(20)	-
Transaction with owners, recorded directly in equity										
Movement upon the acquisition of subsidiary	-	-	-	-	-	-	-	-	6,719	6,719
Dividend paid	-	-	-	-	-	-	-	-	(2,510)	(2,510)
Balance at 30 September 2015	**1,210,000**	**73,861**	**37,915**	**(60,448)**	**5,467**	**(35,972)**	**(179,501)**	**1,051,322**	**70,199**	**1,121,521**

The notes on pages 9 to 21 form an integral part of these condensed consolidated interim financial statements.

1 Legal status and activities

Islamic Arab Insurance Co. (Salama) ("the Company") is a public shareholding company, registered in the Emirate of Dubai, United Arab Emirates (UAE) and operates through various branches in the UAE. The registered office of the Company is P.O. Box 10214, Dubai, United Arab Emirates. The principal activity of the Company is the writing of all classes of general takaful and family takaful business, in accordance with Islamic Shari'ah principles and in accordance with the relevant Articles of the Company and the UAE Federal Law No. 8 of 1984 (as amended) concerning commercial companies and U.A.E. Federal Law No. 6 of 2007, concerning regulations of insurance operations.

The Company and its subsidiaries are referred to as "the Group". Tariic Holding B.S.C (Tariic), a subsidiary of the company, is an intermediate holding company in Bahrain and no commercial activities are carried out in the Kingdom of Bahrain. The Group has the following principal subsidiaries which are engaged in insurance and reinsurance under Islamic Shari'ah principles:

	Group's Ownership		
Subsidiaries	**30 September 2015**	31 December 2014	**Country of incorporation**
Directly owned			
Tariic Holding Company B.S.C	**99.40%**	99.40%	Kingdom of Bahrain
Misr Emirates Takaful Life Insurance Co.	* **85.00%**	-	Egypt
Salama Immobilier	* **81.50%**	-	Senegal
Through Tariic			
Salama Assurances Senegal	**57.41%**	57.41%	Senegal
Salama Assurances Algerie	**96.98%**	96.98%	Algeria
Egyptian Saudi Insurance Home	**51.15%**	51.15%	Egypt
Best Re Holding Company	**100%**	100%	Malaysia

* During the year, the Group formed two new subsidiaries i.e. MISR Emirates Takaful Life Insurance Co. in Egypt with an investment of AED 13.8 million and effective ownership of 85% and Salama Immobilier with an investment of AED 5.5 million and effective ownership of 81.50%.

2 Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for the full annual audited consolidated financial statements, and should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended 31 December 2014.

b) Basis of measurement

The condensed consolidated interim financial information have been prepared on the historical cost basis except for the following:

i) financial instruments at fair value through profit and loss ("FVTPL") and unit-linked contracts are measured at fair value,
ii) available-for-sale ("AFS") financial assets are measured at fair value, and
iii) investment properties are measured at fair value.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended 31 December 2014.

2 Basis of preparation (continued)

c) Functional and reporting currency

These condensed consolidated interim financial information are presented in UAE Dirham (AED). Except as otherwise indicated, financial information presented in UAE Dirham has been rounded to the nearest thousand.

3 Significant accounting policies

The Groups' financial risk management objectives, policies and accounting policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2014.

4 Estimates

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions 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 the future periods effected.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were significantly same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2014, except for the valuation of investment properties as explained in note 8.

5 Interim measurement

The nature of the Group's business is such that income and expense are incurred in a manner, which is not materially impacted by any form of seasonality. These condensed consolidated interim financial information were prepared on the accrual basis, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the period. However, the interim results may not represent a proportionate share of the annual profits due to variability in contributions and investment income and uncertainty of claims occurrences.

Notes *(continued)*

6 Allocation of the net profit (Un-audited)

	For the nine-month period ended 30 September 2015				For the nine-month period ended 30 September 2014			
	Shareholders AED'000	**Policyholders AED'000**	**Non-controlling interest AED'000**	**Total AED'000**	Shareholders AED'000	Policyholders AED'000	Non - controlling interest AED'000	Total AED'000
Net underwriting income	-	76,255	-	76,255	-	74,256	-	74,256
Income								
Wakalah share (Note 7)	74,142	(74,142)	-	-	52,937	(52,937)	-	-
Mudarib share (Note 7)	20	(20)	-	-	24	(24)	-	-
Net technical charges from shareholders to policyholders	10,111	(10,111)	-	-	8,259	(8,259)	-	-
Net underwriting (loss) / income from subsidiaries	45,969	(45,969)	-	-	55,668	(55,668)	-	-
Income from investments	9,998	202	-	10,200	23,604	226	-	23,830
Other income	16,781	-	-	16,781	11,387	-	-	11,387
	157,021	(53,785)	-	103,236	151,879	(42,406)	-	109,473
Expenses								
General, administrative and other expenses	(95,393)	-	-	(95,393)	(94,056)	-	-	(94,056)
Financial expenses	(805)	-	-	(805)	(1,092)	-	-	(1,092)
Impairment on goodwill	(27,043)	-	-	(27,043)	-	-	-	-
Charitable donations	(478)	-	-	(478)	(549)	-	-	(549)
Net profit / (loss) before tax for the period	33,302	(53,785)	-	(20,483)	56,182	(42,406)	-	13,776
Tax – current	(8,783)	-	-	(8,783)	(13,739)	-	-	(13,739)
Net profit / (loss) after tax for the period	24,519	(53,785)	-	(29,266)	42,443	(42,406)	-	37
(Loss) / profit from discontinued operations	(48,806)	-	-	(48,806)	21,565	-	-	21,565
Share of non-controlling interest	(5,470)	-	5,470	-	(5,571)	-	5,571	-
Distribution to policyholders of Company	-	(1,086)	-	(1,086)	-	-	-	-
Policyholders' loss financed by shareholders / recovery of loss from policyholders' fund (Note 15)	(54,871)	54,871	-	-	(42,406)	42,406	-	-
Net (loss) / profit for the period	(84,628)	-	5,470	(79,158)	16,031	-	5,571	21,602

7 Wakalah and Mudarib Share

The shareholders manage the takaful operations of the Group for the policyholders and charge 15% *(2014: 15%)* of gross written contributions of non family takaful business (excluding subsidiaries) as wakalah share. For family takaful business, sharing ratio is 15% *(2014: 15%)* of mortality costs.

The shareholders of the Group also manage the policyholders' investment funds other than family takaful and charge 15% *(2014: 15%)* of investment income earned by the policyholders as Mudarib share.

8 Investment properties

The geographic dispersion of investment properties is as follows:

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Within UAE	**17,445**	17,445
Outside UAE	**37,947**	239,822
	55,392	257,267

The carrying values of the investment properties reflect their fair values at 30 September 2015. These investment properties were previously stated at fair values as determined by independent external valuers at 31 December 2014. An independent external valuation has not been carried out at 30 September 2015 and accordingly, the carrying values are based on management's internal assessment, which equates to their fair values.

During the period, the Group has sold its investment in a property in KSA at its carrying value amounting to AED 79.98 million.

The Group investment property portfolio is being managed and maintained by a third party; administrative and the rental income received from these properties are being set off with the administrative fees.

9 Investments in associates

The principal significant associates of the Group, all of which have 31 December as their year end are as follows:

Associates	**Ownership 2015**	**Ownership 2014**	**Country of incorporation**	**30 September 2015 AED'000 (Un-audited)**	31 December 2014 AED'000 (Audited)
Generale d'Etudes et de Placement en Assurance Reassurance ("GEPAR")	**28.00%**	28.00%	Tunisia	-	516
Salama Cooperative Insurance Company (formerly Saudi IAIC)	**30.00%**	30.00%	KSA	**59,147**	13,613
Islamic Insurance Jordan	**20.00%**	20.00%	Jordan	**29,068**	28,430
				88,215	42,559

Movements during the period/year	**30 September 2015 AED'000 (Un-audited)**	31 December 2014 AED'000 (Audited)
Balance at the beginning of period/year	**42,559**	41,505
Rights share issue	**44,040**	-
Share of profit from associates	**3,063**	1,674
Dividend received	**(931)**	(620)
Transfer to assets held-for-sale	**(516)**	-
Balance at the end of period/year	**88,215**	42,559

10 Classes and categories of financials assets and financial liabilities

The table below sets out the classification of each class of financial assets and liabilities and their fair values. For instruments carried at amortised cost management believes that their carrying values approximates to their fair values.

At 30 September 2015 (Un-audited)

Financial assets

	FVTPL AED'000	AFS AED'000	Amortised cost AED'000	Others AED'000	Total AED'000
Investments	33,291	111,665	440,810	-	585,766
Investments in associates	-	-	-	88,215	88,215
Statutory deposits	-	-	19,626	-	19,626
Participants' investments in unit-linked contracts	742,146	-	-	-	742,146
Deposits with takaful and retakaful companies	-	-	4,564	-	4,564
Contributions and takaful balance receivables	-	-	189,190	-	189,190
Amounts due from related parties	-	-	11,146	-	11,146
Other assets and receivables	-	-	139,885	-	139,885
Cash and bank balances	-	-	127,395	-	127,395
Assets held-for-sale	-	-	-	804,386	804,386
	775,437	111,665	932,616	892,601	2,712,319

Financial liabilities

	FVTPL AED'000	AFS AED'000	Amortised cost AED'000	Others AED'000	Total AED'000
Bank finance	-	-	4,367	-	4,367
Payable to Participants for unit-linked contracts	735,227	-	-	-	735,227
Takaful balances payable	-	-	145,504	-	145,504
Other payables and accruals	-	-	167,975	-	167,975
Liabilities held-for-sale	-	-	-	661,607	661,607
	735,227	-	317,846	661,607	1,714,680

At 31 December 2014 (Audited)

Financial assets

	FVTPL AED'000	AFS AED'000	Amortised cost AED'000	Others AED'000	Total AED'000
Investments	43,365	300,665	496,089	-	840,119
Investments in associates	-	-	-	42,559	42,559
Statutory deposits	-	-	13,557	-	13,557
Participants' investments in unit-linked contracts	664,210	-	-	-	664,210
Deposits with takaful and retakaful companies	-	-	144,211	-	144,211
Contributions and takaful balance receivables	-	-	461,408	-	461,408
Amounts due from related parties	-	-	15,648	-	15,648
Other assets and receivables	-	-	33,278	-	33,278
Cash and bank balances	-	-	388,753	-	388,753
	707,575	300,665	1,552,944	42,559	2,603,743

Financial liabilities

	FVTPL AED'000	AFS AED'000	Amortised cost AED'000	Others AED'000	Total AED'000
Bank finance	-	-	147,842	-	147,842
Payable to Participants for unit-linked contracts	661,334	-	-	-	661,334
Takaful balances payable	-	-	398,208	-	398,208
Other payables	-	-	171,276	-	171,276
	661,334	-	717,326	-	1,378,660

11 Investments

	30 September 2015 (Un-audited)			31 December 2014 (Audited)		
	Domestic investments AED'000	**International investments AED'000**	**Total AED'000**	Domestic investments AED'000	International investments AED'000	Total AED'000
Financial assets at fair value through profit or loss						
Mutual fund and externally managed portfolios	**-**	**19,940**	**19,940**	-	30,253	30,253
Shares and securities	**4,979**	**8,372**	**13,351**	5,743	7,369	13,112
	4,979	**28,312**	**33,291**	5,743	37,622	43,365
Available-for-sale investments						
Mutual fund and externally managed portfolios	**-**	**105,473**	**105,473**	-	293,291	293,291
Shares and securities	**5,759**	**433**	**6,192**	6,766	608	7,374
	5,759	**105,906**	**111,665**	6,766	293,899	300,665
Islamic placements (refer 11.1)	**-**	**169,918**	**169,918**	-	440,938	440,938
Held to maturity						
SUKUK and Government bonds	**-**	**270,892**	**270,892**	-	55,151	55,151
Total investments	**10,738**	**575,028**	**585,766**	12,509	827,610	840,119

11.1 Represent Shari'ah compliant placements with different financial institutions having profit rates of 0.22% to 4.75% *(2014: 0.22% to 4.75%)* and with original maturities of more than three months.

11.2 Participants' investments in unit-linked contracts

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Financial asset at fair value through profit or loss	**742,146**	664,210

11 **Investments** (continued)

Determining fair values

The determination of fair value for financial assets and liabilities is based on quoted market price in an active market under level 1 of fair value hierarchy.

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

Investments securities	**Level 1 AED'000**	**Level 2 AED'000**	**Level 3 AED'000**	**Total AED'000**
30 September 2015 (Un-audited)				
Fair value through profit or loss				
Mutual fund	**16,553**	**3,387**	**-**	**19,940**
Participants' investments in unit-linked contracts	**-**	**742,146**	**-**	**742,146**
Shares and securities	**13,351**	**-**	**-**	**13,351**
	29,904	**745,533**	**-**	**775,437**
Available-for-sale				
Mutual fund	**-**	**105,473**	**-**	**105,473**
Shares and securities	**5,759**	**433**	**-**	**6,192**
	5,759	**105,906**	**-**	**111,665**
31 December 2014 (Audited)				
Fair value through profit or loss				
Mutual fund	25,669	4,584	-	30,253
Participants' investments in unit-linked contracts	-	664,210	-	664,210
Shares and securities	13,112	-	-	13,112
	38,781	668,794	-	707,575
Available-for-sale				
Mutual fund	-	293,291	-	293,291
Shares and securities	6,766	608	-	7,374
	6,766	293,899	-	300,665

12 Related party transactions

The Group, in the normal course of business, collects contributions, settles claims and enters into other transactions with other businesses that fall within the definition of related parties contained in the IAS 24 Related Party Disclosures (Revised). The management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties. The following are the details of significant transactions with related parties.

	Nine-month period ended 30 September 2015 AED'000 (Un-audited)	Nine-month period ended 30 September 2014 AED'000 (Un-audited)
General and administrative expenses	**2,113**	1,967
Retakaful on contributions	**1,145**	1,022
Retakaful on claims	**26**	2,246
Compensation of key management personnel		
Short term benefits	**6,666**	5,964
Employees end of service benefits	**384**	209
	7,050	6,173

Amounts due from related parties	**30 September 2015 AED'000 (Un-audited)**	31 December 2014 AED'000 (Audited)
Bin Zayed Group (funds advanced for investment)	**11,128**	11,128
IAIC Bahrain	**18**	18
Other entities under common management with the Group	**-**	4,502
	11,146	15,648

13 Discontinued operation

During the period, the Board of Directors of the Group has approved to sell its investment in one of its subsidiary Best Re Holding. The subsidiary was not previously classified as held-for-sale. The comparative information has been restated to reflect discontinued operations from continuing operating activities.

The management has allocated goodwill to each subsidiary on systematic basis. On the basis of assumptions they consider appropriatness of carrying value of each business unit after assessing the external market conditions. The carrying value of goodwill attributable to subsidiary has been charged to profit or loss in full during the period as a difference between carrying value and recoverable amount.

13 Discontinued operations (continued)

Results from discontinued operations

	Nine-month period ended 30 September 2015 AED'000 (Un-audited)	Nine-month period ended 30 September 2014 AED'000 (Un-audited)
Revenue	**40,308**	84,953
Expenses	**(83,609)**	(63,311)
Results from operating activities	**(43,301)**	21,642
Income tax	**-**	(77)
Results from operating activities, net of tax	**(43,301)**	21,565
Delinquencies relating to subsidiary	**(5,505)**	-
(Loss) / profit from discontinued operations, net of tax	**(48,806)**	21,565
(Loss) / earnings per share	**(0.041)**	0.018

Cash flows from / (used in) discontinued operations

	30 September 2015 AED'000 (Un-audited)
Net cash used in operating actvities	**(191,258)**
Net cash used in investing actvities	**193,020**
Net cash used in financing actvities	**(20,842)**
Net cash flows for the period	**(19,080)**

14 Disposal group held-for-sale

Delinquencies relating to the disposal group

An amount of AED 5,505 has been charged to profit or loss with respect to difference between carrying value and the recoverable amount of disposal group.

14 Disposal group held-for-sale (continued)

Assets and liabilities of disposal group held-for-sale

At 30 September 2015, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities.

	30 September 2015 AED'000 (Un-audited)
Property and equipment	20,677
Intangible assets	561
Investment property	115,774
Investments in associates	517
Statutory and investment deposits	756
Investments	57,861
Deposits with insurance and reinsurance companies	123,419
Premiums and insurance balance receivables	281,357
Reinsurers' share of outstanding claims	50,793
Reinsurers' share of unearned premium	1,200
Amounts due from related parties	5,475
Other assets	11,384
Islamic placements	92,444
Cash in hand and at bank	47,673
Delinquencies relating to disposal group	(5,505)
Assets held-for-sale	**804,386**
Gross outstanding claims	197,945
Unearned premiums	56,264
Insurance balance payable	272,064
Other payables and accruals	3,603
Bank loan - long term portion	131,731
Liabilities held-for-sale	**661,607**
Net assets	**142,779**

Measurement of fair values

i. Fair value hierarchy

The non-recurring fair value measurement for the disposal group of AED 144,613 thousand (before costs to sell of AED 1,835 thousand) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

ii. Valuation technique

The Group has done the individual assessment of each asset and liability based on the current situation. the expected recoverable amount of the assets and settlement amount of liabilities has been computed based on the most recent information available.

15 Policyholders' fund

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Balance at 1 January	(98,407)	(34,371)
Net deficit attributable to policyholders for the period/year (note 6)	(53,785)	(56,944)
Surplus distribution to policyholders of family takaful	(1,086)	(7,092)
	(153,278)	(98,407)
Financed by shareholders'	153,278	98,407
	-	-

	30 September 2015 AED'000 (Un-audited)	30 September 2014 AED'000 (Un-audited)
Balance at 1 January	(98,407)	(34,371)
Net deficit attributable to policyholders for the period (note 6)	(53,785)	(42,406)
Surplus distribution to policyholders of family takaful	(1,086)	-
	(153,278)	(76,777)
Financed by shareholders'	153,278	76,777
	-	-

The shareholders of the Company financed the policyholders' deficit in accordance with the takaful contracts between the Company and its policyholders.

16 Loss / earnings per share

The calculation of loss / earnings per share for the period ended 30 September 2015 is based on the loss attributable to shareholders of AED 84.6 million (30 September 2014: profit attributable to shareholders of AED 16 million) divided by the weighted average number of shares of 1,188 million (30 September 2014: 1,188 million) outstanding during the period. There is no dilutive effect on basic earnings per share.

17 Contingent liabilities and capital commitments

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Letters of guarantee	11,119	17,407

Statutory deposits of AED 11.39 million (31 December 2014: AED 17.68 million) are held as lien by the bank against the above guarantees.

17 Contingent liabilities and capital commitments (continued)

The Group is exposed to certain claims and litigations, these are subject to legal cases filed by policyholders, cedants and retakaful operators in connection with policies issued. The management believes, based on independent legal counsel opinions that the ascertainment of liabilities and its timing is highly subjective and dependent on outcomes of court's decisions. Furthermore. as per independent legal counsel, the Group has strong grounds to defend the suits successfully. Accordingly, no additional provision for these claims has been made in the condensed consolidated interim financial statements. However a provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Group in terms of an outflow of economic resources and a reliable estimate of the amount of outflow can be made.

There are no significant capital commitments at 30 September 2015 (31 December 2014: nil).

18 Operating segment

By business

(for the nine-month period ended 30 September 2015)

	General takaful AED'000	**Family takaful AED'000**	**Total AED'000**
Gross written contributions	**495,703**	**187,390**	**683,093**
Net contributions earned	**350,230**	**159,777**	**510,007**
Commissions received on ceded reinsurance and retakaful	**29,289**	**3,047**	**32,336**
	379,519	**162,824**	**542,343**
Net claims incurred	**(274,505)**	**(20,574)**	**(295,079)**
Commissions paid and other costs	**(80,503)**	**(90,506)**	**(171,009)**
Net underwriting income	**24,511**	**51,744**	**76,255**
Investment and other income			**26,981**
Unallocated expenses and tax			**(105,459)**
Impairment on goodwill			**(27,043)**
Distribution to policyholders of Company			**(1,086)**
Loss from discontinued operations			**(48,806)**
Net loss after tax			**(79,158)**

(for the nine-month period ended 30 September 2014)

	General takaful AED'000	Family takaful AED'000	Total AED'000
Gross written contributions	425,194	136,120	561,314
Net contributions earned	284,472	112,067	396,539
Commissions received on ceded reinsurance and retakaful	16,066	638	16,704
	300,538	112,705	413,243
Net claims incurred	(208,031)	(10,900)	(218,931)
Commissions paid and other costs	(55,247)	(64,809)	(120,056)
Net underwriting income	37,260	36,996	74,256
Investment and other income			35,217
Unallocated expenses and tax			(109,436)
Profit from discontinued operations			21,565
Net profit after tax			21,602

18 **Operating segment** (continued)

By geography

(for the nine-month period ended 30 September 2015)

	Africa AED'000	**Asia AED'000**	**Total AED'000**
Gross written contributions	**222,439**	**460,654**	**683,093**
Net contributions earned	**183,052**	**326,955**	**510,007**
Commissions received on ceded reinsurance and retakaful	**9,717**	**22,619**	**32,336**
	192,769	**349,574**	**542,343**
Net claims incurred	**(104,084)**	**(190,995)**	**(295,079)**
Commissions paid and other cost	**(41,597)**	**(129,412)**	**(171,009)**
Net underwriting income	**47,088**	**29,167**	**76,255**
Investment and other income			**26,981**
Unallocated expenses and tax			**(105,459)**
Impairment on goodwill			**(27,043)**
Distribution to policyholders of Company			**(1,086)**
Loss from discontinued operations			**(48,806)**
Net loss after tax			**(79,158)**

(for the nine-month period ended 30 September 2014)

	Africa AED'000	Asia AED'000	Total AED'000
Gross written contributions	246,452	314,862	561,314
Net contributions earned	192,499	204,040	396,539
Commissions received on ceded reinsurance and retakaful	10,594	6,110	16,704
	203,093	210,150	413,243
Net claims incurred	(108,517)	(110,414)	(218,931)
Commissions paid and other cost	(38,908)	(81,148)	(120,056)
Net underwriting income	55,668	18,588	74,256
Investment and other income			35,217
Unallocated expenses and tax			(109,436)
Profit from discontinued operations			21,565
Net profit after tax			21,602