TAKAFUL EMARAT - INSURANCE (PSC)

Condensed interim financial information for the three month period ended 31 March 2016

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Review report on condensed interim financial information to the board of directors of Takaful Emarat - Insurance (PSC)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Takaful Emarat - Insurance (PSC) (the "Company") as at 31 March 2016 and the related condensed statements of comprehensive income, changes in equity and cash flows for the three month period then ended and other explanatory information. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34: "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
11 May 2016

Paul Suddaby
Registered Auditor Number 309
United Arab Emirates

Takaful Emarat - Insurance (PSC)

Condensed interim statement of financial position

	Notes	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
ASSETS			
Cash and bank balances	18	122,204,028	129,076,567
Deposit	10	13,000,000	-
Statutory deposit		4,000,000	4,000,000
Takaful receivables and other assets	5	221,922,376	98,729,057
Retakaful contract assets	6	65,874,868	41,199,181
Deferred policy acquisition costs	8	39,127,013	41,967,234
Investments at fair value through profit and loss	7	88,873,039	78,884,626
Investment properties	9	39,676,256	39,676,256
Held-to-maturity investments		1,000,000	1,000,000
Property and equipment		2,977,753	3,032,384
Intangible assets		1,364,537	1,697,179
Total assets		600,019,870	439,262,484
LIABILITIES AND EQUITY			
LIABILITIES			
Takaful and other payables		133,087,985	98,345,510
Takaful contract liabilities	6	316,001,807	193,544,572
Borrowings	12	11,025,000	11,025,000
Provision for employees' end of service benefits		1,645,799	1,395,084
Total liabilities		461,760,591	304,310,166
EQUITY			
Share capital	11	150,000,000	150,000,000
Accumulated losses		(13,480,318)	(16,787,279)
Statutory reserve		1,739,597	1,739,597
Total equity		138,259,279	134,952,318
Total liabilities and equity		600,019,870	439,262,484

This condensed interim financial information was approved by the Board of Directors on 11 May 2016 and signed on its behalf by:

Mohammed Alhawari	Wael Al Sharif	Mohammed Iqbal Basha
Managing Director	Chief Executive Officer	Chief Financial Officer

Takaful Emarat - Insurance (PSC)

Condensed interim statement of comprehensive income – (Unaudited)

	Notes	Three month period ended 31 March 2016 AED	2015 AED
Attributable to policyholders:			
Gross contribution written	13	**211,413,689**	160,031,668
Changes in unearned contributions	13	**(89,432,026)**	(81,353,092)
Takaful contributions earned		**121,981,663**	78,678,576
Retakaful contributions ceded	13	**(32,258,890)**	(11,898,639)
Net earned contributions		**89,722,773**	66,779,937
Gross claims incurred		**(83,748,128)**	(50,402,881)
Retakaful share of claims incurred		**17,930,024**	4,003,825
Net claims incurred		**(65,818,104)**	(46,399,056)
Commission incurred		**-**	(1,955,217)
Allocation charges on life takaful policies		**(6,788,021)**	(5,707,774)
Change in reserves	14	**(5,863,267)**	(3,246,657)
Net change in fair value of policyholders investment linked contracts		**679,198**	(197,020)
Net takaful income		**11,932,579**	9,274,213
Wakalah fees	15	**(14,756,090)**	(19,009,605)
Net deficit from takaful operations		**(2,823,511)**	(9,735,392)
Attributable to shareholders:			
Wakalah fees from policyholders	15	**14,756,090**	19,009,605
Investment income / (loss)		**8,240,841**	(6,627,893)
Allocation charges on life takaful policies		**6,788,021**	5,707,774
Other income		**328,999**	224,000
Commission incurred		**(10,277,494)**	(3,763,147)
General and administrative expenses	16	**(13,705,985)**	(7,905,852)
Provision for Qard Hassan to policyholders' fund		**(2,823,511)**	(9,735,392)
Profit/ (loss) for the period attributable to shareholders		**3,306,961**	(3,090,905)
Basic and diluted profit/(loss) per share	17	**0.02**	(0.03)
Other comprehensive income		**-**	-
Total comprehensive profit/ (loss) for the period		**3,306,961**	(3,090,905)

Takaful Emarat - Insurance (PSC)

Condensed interim statement of changes in equity

	Share capital AED	Statutory reserve AED	Accumulated losses AED	Total AED
Balance at 1 January 2015 (Audited)	100,000,000	718,111	(25,980,650)	74,737,461
Total comprehensive loss for the period	-	-	(3,090,905)	(3,090,905)
Balance at 31 March 2015 (Unaudited)	100,000,000	718,111	(29,071,555)	71,646,556
Balance at 1 January 2016 (Audited)	**150,000,000**	**1,739,597**	**(16,787,279)**	**134,952,318**
Total comprehensive profit for the period	-	-	**3,306,961**	**3,306,961**
Balance at 31 March 2016 (Unaudited)	**150,000,000**	**1,739,597**	**(13,480,318)**	**138,259,279**

The accompanying notes on pages 6 to 20 form an integral part of the condensed interim financial information.

Takaful Emarat - Insurance (PSC)

Condensed interim statement of cashflows – (Unaudited)

	Three month period ended 31 March	
	2016 AED	2015 AED
Cash flows from operating activities		
Profit/(loss) for the period	**3,306,961**	(3,090,905)
Adjustments for:		
Depreciation and amortisation of property and equipment and intangible assets (note 16)	**531,939**	584,240
Profit on held to maturity investments	**(6,094)**	-
Profit on investments at fair value through profit or loss	**(503,792)**	-
Realised (gain)/loss on sale of investments at fair value through profit or loss	**(1,444,528)**	715,709
(Gain) / loss on revaluation of investments carried at fair value through profit or loss	**(5,147,988)**	5,647,528
Provision for employees' end of service benefits	**253,245**	84,641
Loss on sale of property and equipment	**-**	(19,180)
Provision against other receivables	**-**	30,000
Operating (loss) / profit before working capital changes and payment of employee end of service benefits	**(3,010,257)**	3,952,033
Employees' end of service benefits paid	**(2,530)**	(380,593)
Operating (loss)/ profit before working capital changes	**(3,012,787)**	3,571,440
Working capital changes:		
Changes in retakaful contract assets	**(24,675,687)**	(14,866,344)
Changes in takaful receivables and other assets	**(119,843,212)**	(99,356,749)
Changes in takaful contract liabilities	**122,457,235**	108,171,729
Changes in takaful and other payables	**34,742,475**	28,587,463
Change in deposits	**(1,500,000)**	(12,000,000)
Net cash generated from operating activities	**8,168,024**	14,107,539
Cash flows from investing activities		
Purchase of investments at fair value through profit or loss	**(8,297,287)**	(20,675,486)
Deposit	**(13,000,000)**	-
Proceeds from sale of investments at fair value through profit or loss	**4,901,390**	17,965,481
Purchase of property and equipment	**(144,666)**	(295,821)
Proceeds from sale of property and equipment	**-**	36,900
Net cash used in investing activities	**(16,540,563)**	(14,968,926)
Net (decrease) / increase in cash and cash equivalents	**(8,372,539)**	11,138,613
Cash and cash equivalents at the beginning of the period	**129,076,567**	23,871,231
Cash and cash equivalents at end of the period	**120,704,028**	35,009,844

The accompanying notes on pages 6 to 20 form an integral part of the condensed interim financial information.

Takaful Emarat - Insurance (PSC)

Notes to the condensed interim financial information for the three month period ended 31 March 2016

1 General information

Takaful Emarat - Insurance (PSC), Dubai, United Arab Emirates (the "Company") is a public joint stock company incorporated in the Emirate of Dubai – United Arab Emirates, pursuant to decree No. 62 for the year 2007 issued by the Ministry of Economy on February 6, 2007, and is subject to the provisions of the UAE Federal Law No. 2 of 2015 ("Companies Law").

UAE Federal Law No. 2 of 2015 (Companies Law) which is applicable to the Company has come into effect from 1 July 2015. The Company is currently assessing and evaluating the relevant provisions of the Companies Law. It has twelve months from the effective date of the Companies Law to fully comply with the Companies Law under the transitional provisions set out therein.

The Company carries out takaful insurance activities in Health Insurance, Life Insurance and Credit and Saving Insurance in accordance with the Islamic Sharia'a and within the provisions of the Articles of Association of the Company.

The registered address of the Company is P.O. Box 64341, Dubai, United Arab Emirates.

2 Basis of preparation

The condensed interim financial information for the three month period ended 31 March 2016 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards.

3 Summary of significant accounting policies

The condensed interim financial information have been prepared in accordance with International Accounting Standard (IAS) No. 34, "*Interim Financial Reporting*".

The condensed interim financial information is presented in U.A.E. Dirhams (AED).

The condensed interim financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments and investment properties.

The accounting policies, presentation and methods, critical accounting judgements and estimates in the condensed interim financial information are consistent with those used in the audited financial information for the year ended 31 December 2015.

Amendments to IFRSs effective for the financial year ending 31 December 2016 are not expected to have a material impact on the Company.

4 Related party transactions and balances

Related parties comprise companies and entities under common ownership and/or common management and control, their partners and key management personnel. The terms and conditions of the transactions are mutually agreed by the parties.

Compensation of key management personnel

	Three month period ended 31 March	
	2016 (Unaudited) AED	2015 (Unaudited) AED
Short and long term benefits	**1,425,436**	788,088

Transactions with related parties during the period

Gross written contribution	**105,723**	-
Gross claim incurred	**334,079**	230,155

	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
Balances with related party		
Claims reported	**335,494**	200,548

5 Takaful and other assets

Takaful receivables and other assets – Inside UAE

	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
Takaful receivables	**179,123,569**	61,838,603
Provision for impairment	**(1,582,362)**	(1,582,362)
	177,541,207	60,256,241
Receivable from retakaful companies	**335,800**	335,800
Prepaid expenses	**1,198,007**	1,198,171
Other receivables	**22,961,083**	20,974,708
	202,036,097	82,764,920

Takaful receivables and other assets – Outside UAE

Receivable from retakaful companies	**19,886,279**	15,964,137
Total takaful receivables and other assets	**221,922,376**	98,729,057

6 Takaful contract liabilities and retakaful contract assets

	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
Gross takaful contract liabilities		
Claims reported	**51,259,778**	34,071,485
Claims incurred but not reported	**26,116,428**	14,354,358
Unearned contributions	**203,884,994**	114,452,968
Mathematical reserves	**1,562,459**	1,350,322
Policyholders' investment linked contracts at fair value	**33,178,148**	29,315,439
	316,001,807	193,544,572
Retakaful contract assets		
Claims reported	**13,977,606**	6,284,596
Claims incurred but not reported	**6,442,745**	3,895,892
Unearned contributions	**45,454,517**	31,018,693
	65,874,868	41,199,181
Net takaful contract liabilities		
Claims reported	**37,282,172**	27,786,889
Claims incurred but not reported	**19,673,683**	10,458,466
Unearned contributions	**158,430,476**	83,434,275
Mathematical reserves	**1,562,459**	1,350,322
Fair value of policyholders investment linked contracts	**33,178,148**	29,315,439
	250,126,938	152,345,391

Movement in payable to policyholders of investment linked contracts

Opening balance	**29,315,439**	14,040,477
Gross contribution	**13,335,671**	46,984,144
Allocation charges	**(6,788,021)**	(25,629,351)
Other expenses and policy charges	**(18,292)**	(69,175)
Redemptions during the period / year	**(1,987,451)**	(4,817,559)
Change in fair value	**(679,198)**	(1,193,097)
Closing balance	**33,178,148**	29,315,439

7 Investments at fair value through profit or loss

	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
Mutual funds	**38,387,573**	34,833,433
Sukuk investments	**34,654,438**	33,493,094
Equity investments	**15,831,028**	10,558,099
	88,873,039	78,884,626

Movements during the period were as follows:

	31 March 2016 (Unaudited)		
	Attributable to policyholders AED	Attributable to shareholders AED	Total AED
At beginning of the period	**29,315,439**	**49,569,187**	**78,884,626**
Purchases during the period	**6,529,358**	**1,767,929**	**8,297,287**
Disposals during the period	**(1,987,451)**	**(1,469,411)**	**(3,456,862)**
Change in fair value during the period	**(679,198)**	**5,827,186**	**5,147,988**
At end of the period	**33,178,148**	**55,694,891**	**88,873,039**

Movements during the year were as follows:

	31 December 2015 (Audited)		
	Attributable to policyholders AED	Attributable to shareholders AED	Total AED
At beginning of the year	14,040,477	29,520,297	43,560,774
Purchases during the year	21,285,618	118,032,241	139,317,859
Disposals during the year	(4,817,559)	(93,620,477)	(98,438,036)
Change in fair value during the year	(1,193,097)	(4,362,874)	(5,555,971)
At end of the year	29,315,439	49,569,187	78,884,626

8 Deferred policy acquisition costs

	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
Balance as at beginning of the period/year	**41,967,234**	27,599,349
Commission paid during the period/year	**2,234,502**	32,059,737
Amortisation for the period/year	**(5,074,723)**	(17,691,852)
Balance at the end of the period/year	**39,127,013**	41,967,234

8 Deferred policy acquisition costs (continued)

As per Article (3) of Section 7 of the Financial Regulations for Takaful Insurance Companies, the shareholders account should bear all operational, administrative and general expenses for takaful insurance business. Accordingly, effective from 1 January 2016, the commission incurred related to medical business has been classified in the statement of comprehensive income as attributable to shareholders.

9 Investment properties

	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
Plot of land	**16,927,615**	16,927,615
Residential apartments	**22,748,641**	22,748,641
	39,676,256	39,676,256

10 Deposit

This represents deposit held with investment entity with expected profit of 15% per annum.

11 Share capital

	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
Issued and fully paid:		
150,000,000 ordinary shares of AED 1 each	**150,000,000**	150,000,000
	150,000,000	150,000,000

The Company proposed cash distribution to shareholders of 5.33% (AED 8 million) for the year ended 31 December 2015 in the Annual General Meeting held on 21 April 2016.

12 Borrowings

The borrowing of AED 11.025 million is from First Gulf Bank and is utilised to purchase the DIB Tier 1 Sukuk of an equivalent amount, which is pledged against the borrowing. The borrowing carries a profit rate of 1.25% above the 3 month LIBOR.

13 Contributions

	Three month period ended 31 March 2016			Three month period ended 31 March 2015		
	Medical (Unaudited) AED	**Life and savings (Unaudited) AED**	**Total (Unaudited) AED**	Medical (Unaudited) AED	Life and savings (Unaudited) AED	Total (Unaudited) AED
Gross contributions written	**195,869,590**	**15,544,099**	**211,413,689**	149,948,275	10,083,393	160,031,668
Change in unearned contributions	**(89,841,617)**	**409,591**	**(89,432,026)**	(81,537,796)	184,704	(81,353,092)
Takaful contributions earned	**106,027,973**	**15,953,690**	**121,981,663**	68,410,479	10,268,097	78,678,576
Retakaful contributions	**43,899,668**	**2,795,046**	**46,694,714**	23,981,718	508,637	24,490,355
Change in unearned contributions	**(14,739,035)**	**303,211**	**(14,435,824)**	(12,728,714)	136,998	(12,591,716)
Retakaful contributions ceded	**29,160,633**	**3,098,257**	**32,258,890**	11,253,004	645,635	11,898,639
Net earned contributions	**76,867,340**	**12,855,433**	**89,722,773**	57,157,475	9,622,462	66,779,937

14 Change in reserves

	Three month period ended 31 March	
	2016 (Unaudited) AED	2015 (Unaudited) AED
Change in reserve relating to takaful life products	**5,184,069**	3,443,677
Change in fair value	**679,198**	(197,020)
	5,863,267	3,246,657

15 Wakalah fees

Wakalah fees for the period ended 31 March 2016 amounted to AED 14,756,090 (31 March 2015: AED 19,009,605).

For group life and group medical policies, wakalah fees were charged at 10% to 20% of gross takaful contributions. For life takaful policies, wakalah fees were charged at a maximum of 50% of takaful risk contributions. Wakalah fees are approved by the Sharia'a Supervisory Board and is charged to the statement of comprehensive income when incurred.

16 General and administrative expenses

	Three month period ended 31 March	
	2016 (Unaudited) AED	2015 (Audited) AED
Salaries and other benefits	**6,144,518**	4,167,404
Third party administration expenses	**3,399,684**	450,000
Depreciation and amortization	**531,939**	584,240
Authority fees	**465,532**	262,500
Rent and related expenses	**463,611**	414,475
Legal and professional fees	**25,200**	32,199
Remuneration of sharia advisory board	**42,000**	42,000
Other expenses	**2,633,501**	1,953,034
	13,705,985	7,905,852

17 Basic and diluted profit per share

	Three month period ended 31 March	
	2016	2015
Profit/(loss) for the period attributable to shareholders (in AED)	**3,306,961**	(3,090,905)
Weighted average number of shares outstanding during the period	**150,000,000**	100,000,000
Profit/(loss) per share (AED)	**0.02**	(0.03)

Diluted earnings per share has not been presented since the Company has not issued any instruments which would have an impact on the profit per share.

18 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of:

	Three month period ended 31 March	
	2016 (Unaudited) AED	2015 (Audited) AED
Cash on hand	**47,037**	46,037
Bank balances		
Current accounts	**40,656,991**	31,963,807
Deposits	**81,500,000**	15,000,000
	122,204,028	47,009,844
Less: Deposits maturing in more than three months	**(1,500,000)**	(12,000,000)
	120,704,028	35,009,844

The deposits carry profit rates ranging from 0.8% to 1.65% per annum with maturity dates ranging from 6 April 2016 to 25 February 2017.

19 Segment information

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

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

Except for Wakalah fees and Qard Hassan, no other inter-segment transactions occurred during the period. If any other transactions were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expenses and results include transactions between business segments which will then be eliminated on consolidation shown below.

20 Segment information (continued)

Three month period ended 31 March 2016 (Unaudited)

	Underwriting				Shareholders	
	Medical	**Life**	**Total**	**Investments**	**Others**	**Total**
	AED	**AED**	**AED**	**AED**	**AED**	**AED**
Segement revenue	106,027,973	15,953,690	121,981,663	8,240,841	(3,160,474)	5,080,367
Segment result	11,094,534	838,045	11,932,579	8,240,841	(3,160,474)	5,080,367
Wakala fees	(13,727,145)	(1,028,945)	(14,756,090)	-	14,756,090	14,756,090
General and administrative expenses	-	-	-	-	(13,705,985)	(13,705,985)
Provision for Qard Hassan to policyholders' fund.	-	-	-	-	(2,823,511)	(2,823,511)
Profit / (loss) attributable to policyholders/ shareholders	**(2,632,611)**	(190,900)	**(2,823,511)**	8,240,841	(4,933,880)	**3,306,961**

Year ended 31 December 2015 (audited)

	Underwriting				Shareholders	
	Medical	Life	Total	Investments	Others	Total
	AED	AED	AED	AED	AED	AED
Segement revenue	68,410,479	10,268,097	78,678,576	(6,627,893)	2,168,627	(4,459,266)
Segment result	8,650,924	623,289	9,274,213	(6,627,893)	2,168,627	(4,459,266)
Wakala fees	(18,559,684)	(449,921)	(19,009,605)	-	19,009,605	19,009,605
General and administrative expenses	-	-	-	-	(7,905,852)	(7,905,852)
Provision for Qard Hassan to policyholders' fund.	-	-	-	-	(9,735,392)	(9,735,392)
Profit / (loss) attributable to policyholders/ shareholders	(9,908,760)	173,368	(9,735,392)	(6,627,893)	3,536,988	(3,090,905)

21 Segment information (continued)

	As at 31 March 2016 (Unaudited)						
	Medical AED	**Life and savings AED**	**Underwriting Total AED**	**Shareholders' investments AED**	**Unallocated Others AED**	**Total AED**	**Total AED**
Segment assets	335,536,902	50,497,393	386,034,295	146,571,741	67,413,834	213,985,575	600,019,870
Segment liabilities	359,722,481	43,532,788	403,255,269	-	58,505,322	58,505,322	461,760,591

	As at 31 December 2015 (Audited)						
	Medical AED	Life and savings AED	Underwriting Total AED	Shareholders' investments AED	Unallocated Others AED	Total AED	Total AED
Segment assets	197,260,228	36,333,823	233,594,051	115,246,037	90,422,396	205,668,433	439,262,484
Segment liabilities	208,360,356	38,379,052	246,739,408	-	57,570,758	57,570,758	304,310,166

22 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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed interim financial information approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2015.

Fair value measurements recognised in the statement of financial position

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

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

31 March 2016 (Unaudited)	Level 1 AED	Level 2 AED	Total AED
Assets			
Investments at fair value through profit or loss			
Quoted securities	50,485,466	-	50,485,466
Mutual funds	-	38,387,573	38,387,573
Investment property	-	39,676,256	39,676,256
	50,485,466	78,063,829	128,549,295
Liabilities			
Investment linked contracts	-	33,178,148	33,178,148

23 Fair value of financial instruments (continued)

31 December 2015 (Audited)	Level 1 AED	Level 2 AED	Total AED
Assets			
Investments at fair value through profit or loss			
Quoted equities	44,051,193	-	44,051,193
Mutual funds	-	34,833,433	34,833,433
Investment property	-	39,676,256	39,676,256
	44,051,193	74,509,689	118,560,882
Liabilities			
Investment linked contracts	-	29,315,439	29,315,439

There were no transfers between levels during the period/year.

24 Policy holders' fund

	31 March 2016 AED (Unaudited)	31 December 2015 AED (Audited)
Deficit in policy holders' fund		
Balance at the beginning of the period / year	**(58,134,488)**	(43,894,560)
Deficit for the period	**(2,823,511)**	(14,239,928)
Balance at the end of the period/year	**60,957,999**	(58,134,488)
Qard Hassan from shareholders		
Balance at beginning of period / year	**58,134,488**	43,894,560
Provided during the period / year	**2,823,511**	14,239,928
Balance at the end of the period / year	**(60,957,999)**	58,134,488
Total deficit in policyholders' fund	**-**	-

25 Approval of condensed interim financial information

The condensed interim financial information were approved and authorised for issue on 11 May 2016.

26 Assets and liabilities belonging to the shareholders and participants

As required by Financial Regulations for Takaful Insurance Companies issued by the Insurance Authority, the assets and liabilities belonging to the shareholders and participants are provided below:

	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
TAKAFUL OPERATIONS ASSETS		
Cash and bank balances	**82,052,480**	21,571,247
Takaful receivables and other assets	**204,928,799**	91,413,275
Retakaful contract assets	**65,874,868**	41,199,181
Investments at fair value through profit or loss	**33,178,148**	29,315,439
Receivable from shareholders	**17,220,978**	5,010,383
Total takaful operations' assets	**403,255,273**	188,509,525
SHAREHOLDERS' ASSETS		
Cash and bank balances	**40,151,548**	107,505,320
Deposit	**13,000,000**	-
Statutory deposit	**4,000,000**	4,000,000
Takaful receivables and other assets	**16,993,577**	7,315,782
Deferred policy acquisition cost	**39,127,013**	41,967,234
Held to maturity investments	**1,000,000**	1,000,000
Investments at fair value through profit or loss	**55,694,891**	49,569,187
Investment properties	**39,676,256**	39,676,256
Property and equipment	**2,977,753**	3,032,384
Intangible assets	**1,364,537**	1,697,179
Total shareholders' assets	**213,985,575**	255,763,342
Total assets	**617,240,848**	444,272,867

26 Assets and liabilities belonging to the shareholders and participants- (continued)

	31 March 2016 (Unaudited) AED	31 December 2015 (Audited) AED
TAKAFUL OPERATIONS LIABILITIES		
Liabilities		
Takaful and other payables	**87,253,464**	53,194,839
Takaful contract liabilities	**316,001,807**	193,544,570
Payable to shareholders	**-**	3,575
Total takaful operations liabilities	**403,255,271**	246,742,984
SHAREHOLDERS' LIABILITIES AND EQUITY		
Liabilities		
Takaful and other payables	**45,834,521**	45,150,671
Borrowings	**11,025,000**	11,025,000
Provision for employees' end of service benefits	**1,645,799**	1,395,084
Payable to policyholders	**17,220,978**	5,006,808
Total shareholders' liabilities	**75,726,298**	62,577,563
DEFICIT IN POLICYHOLDERS' FUND AND QARD HASSAN FROM SHAREHOLDERS		
Deficit in Policyholders' fund	**(60,957,999)**	(58,134,489)
Qard Hassan from Shareholders	**60,957,999**	58,134,489
Net deficit in policyholders' fund and Qard Hassan from shareholders	**-**	-
EQUITY		
Share capital	**150,000,000**	150,000,000
Accumulated losses	**(13,480,318)**	(16,787,279)
Statutory reserve	**1,739,597**	1,739,597
Total equity	**138,259,279**	134,952,318
Total shareholders' liabilities and equity	**213,985,577**	197,529,881
Total liabilities and equity	**617,240,848**	444,272,867