Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C.)
Dubai - United Arab Emirates

Condensed interim consolidated financial information
for the nine-month period ended 30 September 2019

Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C.)

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Review report on condensed interim consolidated financial information to the board of directors of Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C.)

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Dubai Islamic Insurance & Reinsurance Co (Aman) P.J.S.C. (the "Company") and its subsidiaries (the "Group") as at 30 September 2019 and the related condensed interim consolidated statement of income and condensed interim consolidated statement of comprehensive income for the three month and nine month periods then ended, and the related condensed interim consolidated statements of changes in equity and cash flows for the nine month periods then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim consolidated 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 consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Emphasis of matter

We draw attention to Note 21 to the condensed interim consolidated financial information, which describes that financial assets measured at fair value through other comprehensive income (FVOCI), with a total carrying value of AED 13 million at 30 September 2019 are still held in the name of the former Chief Executive Officer ("CEO") of the Company and entities controlled by him, for the beneficial interest of the Group. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers
14 November 2019

Douglas O' Mahony
Registered Auditor Number 834
Dubai, United Arab Emirates

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Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C.)
Condensed interim consolidated statement of financial position
as at 30 September 2019

	Notes	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
ASSETS			
Cash and bank balances	5	**101,664,965**	107,195,773
Takaful receivables	9	**66,375,283**	76,511,391
Due from related parties	17	**3,566,493**	5,323,358
Retakaful contract assets			
Unearned contribution reserves	7	**63,635,379**	172,512,604
Claims reported unsettled	7	**72,547,378**	89,080,787
Mathematical reserve	7	**773,788**	951,541
Claims incurred but not reported	7	**32,769,280**	33,791,245
Deferred policy acquisition costs		**8,251,788**	8,403,414
Financial assets measured at fair value through other comprehensive income (FVTOCI)	8	**62,365,501**	69,113,735
Financial assets measured at fair value through profit or loss (FVTPL)	8	**726,244,326**	653,782,327
Prepayments and other receivables		**14,787,845**	8,112,614
Statutory deposit	6	**10,000,000**	10,000,000
Investment property	10	**60,672,000**	60,672,000
Property and equipment		**314,991**	404,920
Assets classified as held for sale		**1,652,578**	4,835,954
Total assets		**1,225,621,595**	1,300,691,663
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Due to bank		**19,938,063**	19,842,439
Trade and other payables		**44,440,453**	71,081,296
Takaful payables		**80,214,541**	95,283,321
Due to related parties	17	**487,324**	468,484
Murabaha payable		**15,412,824**	15,411,449
Takaful contract liabilities:			
Unearned contribution reserve	7	**109,841,390**	204,575,664
Claims reported unsettled	7	**90,659,637**	110,128,789
Mathematical reserve	7	**3,487,862**	1,422,554
Claims incurred but not reported	7	**52,512,166**	55,921,830
Unallocated loss adjustment expenses	7	**2,603,000**	2,968,748
Unit linked liabilities	7	**719,751,099**	647,195,413
Deferred discount		**6,141,681**	7,844,384
Amounts held under retakaful treaties		**5,473,243**	4,921,287
Liabilities directly associated with assets classified as held for sale		**13,128,105**	17,095,888
Total liabilities		**1,164,091,388**	1,254,161,546

The accompanying notes on pages 9 to 32 form an integral part of this condensed interim consolidated financial information.

Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C.)
Condensed interim consolidated statement of financial position
as at 30 September 2019 (continued)

	Notes	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (continued)			
SHAREHOLDERS' EQUITY			
Share capital	11	225,750,000	225,750,000
Legal reserve	12	2,321,799	2,321,799
General reserve	13	2,321,799	2,321,799
Investments revaluation reserve – FVTOCI		(74,373,872)	(104,336,230)
Accumulated losses		(93,170,564)	(78,189,737)
Equity attributable to shareholders of the parent		62,849,162	47,867,631
Non-controlling interest		(1,318,955)	(1,337,514)
Total equity		61,530,207	46,530,117
Total liabilities and shareholders' equity*		1,225,621,595	1,300,691,663

*The breakdown of the assets and liabilities belonging to the shareholders and the policyholders is shown in Note 22.

This condensed interim consolidated financial information was authorised for issue on 14 November 2019 by the Board of Directors and signed on its behalf by:

Jihad Faitrouni
Chief Executive Officer

Abdul Nazar Moopentakath
Executive Director- Finance & Investments

Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C.)
Condensed interim consolidated statement of income (Un-audited)
for the nine month period ended 30 September 2019

	Notes	Three month period ended 30 September 2019 AED	2019 AED	Nine month period ended 30 September 2019 AED	2018 AED
Attributable to policyholders					
Takaful income					
Gross takaful contribution	18	**57,673,216**	66,202,026	**195,294,278**	196,023,173
Retakaful share of accepted business	18	**(22,075,153)**	(35,158,375)	**(76,027,320)**	(90,222,849)
Retakaful share of ceded business	18	**(9,745,506)**	(18,360,061)	**(47,031,096)**	(44,597,637)
Net takaful contributions		**25,852,557**	12,683,590	**72,235,862**	61,202,687
Net transfer to unearned contribution reserve		**(3,921,719)**	9,434,479	**(14,142,952)**	9,338,438
Net decrease in mathematical reserve		**(2,423,012)**	1,584,529	**(2,243,060)**	1,823,114
Net takaful contributions earned		**19,507,826**	23,702,598	**55,849,850**	72,364,239
Discount received on ceded Retakaful		**3,557,279**	4,950,512	**21,026,002**	14,390,297
Policy fees		**4,235,809**	2,984,223	**9,882,941**	8,979,550
		27,300,914	31,637,333	**86,758,793**	95,734,086
Takaful expenses					
Gross claims settled	18	**(27,839,861)**	(27,455,392)	**(100,162,138)**	(92,377,695)
Retakaful share of accepted business claims	18	**9,191,141**	6,384,624	**42,238,365**	27,765,867
Retakaful share of ceded business claims	18	**10,421,689**	10,727,630	**29,634,914**	30,592,010
Net takaful claims		**(8,227,031)**	(10,343,138)	**(28,288,859)**	(34,019,818)
Release of provision for claims reported unsettled		**3,113,328**	5,348,972	**19,469,152**	41,595,454
Retakaful share of claims reported unsettled		**(2,260,985)**	(4,609,879)	**(16,533,409)**	(40,482,476)
Net decrease/(increase) in claims incurred but not reported		**362,204**	1,075,235	**2,387,699**	(180,895)
Net decrease in unallocated loss adjustment expenses		**90,747**	56,958	**365,749**	284,630
Net claims incurred		**(6,921,737)**	(8,471,852)	**(22,599,668)**	(32,803,105)
Excess of loss of takaful contribution		**(824,340)**	(723,568)	**(2,840,936)**	(2,402,183)
		(7,746,077)	(9,195,420)	**(25,440,604)**	(35,205,288)
Net takaful income		**19,554,837**	22,441,913	**61,318,189**	60,528,798
Wakala fees	14	**(17,567,526)**	(15,035,799)	**(58,136,964)**	(49,785,386)
Investment income	15	**315,328**	20,836	**1,361,499**	1,171,360
Mudarib's share	14	**(78,832)**	(5,209)	**(340,375)**	(292,840)
Net profit from takaful operation for the period		**2,223,807**	7,421,741	**4,202,349**	11,621,932

The accompanying notes on pages 9 to 32 form an integral part of this condensed interim consolidated financial information.

	Notes	Three month period ended 30 September 2019 AED	Three month period ended 30 September 2018 AED	Nine month period ended 30 September 2019 AED	Nine month period ended 30 September 2018 AED
Attributable to shareholders					
Income					
Wakala fees from policyholders	14	**17,567,526**	15,035,799	**58,136,964**	49,785,386
Investment income	15	**1,439,698**	1,215,637	**4,535,522**	5,529,730
Mudarib's share from policyholders	14	**78,832**	5,209	**340,375**	292,840
Other operating income		**32**	-	**535,096**	3,401
		19,086,088	16,256,645	**63,547,957**	55,611,357
Expenses					
Policy acquisition cost		**(9,238,248)**	(9,081,656)	**(25,778,615)**	(23,279,872)
General and administrative expenses		**(9,505,306)**	(10,959,719)	**(29,464,328)**	(29,682,693)
Reversal of Qard Hassan to policyholders' fund		**-**	7,421,741	**-**	11,621,932
Net operating income of subsidiaries		**444,077**	-	**270,893**	-
		(18,299,477)	(12,619,634)	**(54,972,050)**	(41,340,633)
Profit for the period attributable to shareholders for continuing operations		**786,611**	3,637,011	**8,575,907**	14,270,724
Discontinued operations					
Profits /(losses) from discontinued operations		**473,725**	(2,456,312)	**144,390**	(6,346,168)
Profit for the period attributable to shareholders		**1,260,336**	1,180,699	**8,720,297**	7,924,556
Attributable to:					
Shareholders of the parent		**1,208,847**	1,325,081	**8,701,738**	8,307,167
Non-controlling interests		**51,489**	(144,382)	**18,559**	(382,611)
		1,260,336	1,180,699	**8,720,297**	7,924,556
Earnings per share	16	**0.006**	0.005	**0.057**	0.037

The accompanying notes on pages 9 to 32 form an integral part of this condensed interim consolidated financial information.

Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C.)
Condensed interim consolidated statement of comprehensive income (Un-audited) for the nine month period ended 30 September 2019

	Three month period ended 30 September		Nine month period ended 30 September	
	2019	2018	**2019**	2018
	AED	AED	**AED**	AED
Attributable to policyholders:				
Profit for the period	**2,223,807**	7,421,741	**4,202,349**	11,621,932
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Changes in fair value of financial assets carried at fair value through other comprehensive income	**309,980**	154,221	**409,667**	(1,853,282)
Total comprehensive income for the period attributable to policyholders	**2,533,787**	7,575,962	**4,612,016**	9,768,650
Attributable to shareholders:				
Profit for the period	**1,260,336**	1,180,699	**8,720,297**	7,924,556
Other comprehensive loss				
Items that will not be reclassified subsequently to profit or loss:				
Changes in fair value of financial assets carried at fair value through other comprehensive income	**1,041,348**	670,314	**1,667,777**	(8,054,987)
Total comprehensive income /(loss) for the period attributable to shareholders	**2,301,684**	1,851,013	**10,388,074**	(130,431)
Attributable to:				
Shareholders of the parent	**2,250,195**	1,995,395	**10,369,515**	252,180
Non-controlling interests	**51,489**	(144,382)	**18,559**	(382,611)
	2,301,684	1,851,013	**10,388,074**	(130,431)

The accompanying notes on pages 9 to 32 form an integral part of this condensed interim consolidated financial information.

Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C.)
Condensed interim consolidated statement of changes in equity
for the nine month period ended 30 September 2019

	Share capital	Legal reserve	General reserve	Investments revaluation reserve - FVTOCI	Accumulated losses	Equity attributable to shareholders of the Parent	Non-controlling interest	Total Equity
	AED	AED	AED	AED	AED	AED	AED	AED
Balance at 1 January 2018 (Audited)	225,750,000	1,371,054	1,371,054	(67,567,235)	(76,547,190)	84,377,683	(801,589)	83,576,094
Adjustment on adoption of IFRS 9	-	-	-	-	(3,703,530)	(3,703,530)	-	(3,703,530)
Restated balances at 1 January 2018	225,750,000	1,371,054	1,371,054	(67,567,235)	(80,250,720)	80,674,153	(801,589)	79,872,564
Profit / (loss) for the period	-	-	-	-	8,307,167	8,307,167	(382,611)	7,924,556
Other comprehensive loss for the period	-	-	-	(8,054,987)		(8,054,987)		(8,054,987)
Total comprehensive (loss) / income for the period	-	-	-	(8,054,987)	8,307,167	252,180	(382,611)	(130,431)
Directors' remuneration	-	-	-	-	(500,000)	(500,000)	-	(500,000)
Balance at 30 September 2018 (Un-audited)	225,750,000	1,371,054	1,371,054	(75,622,222)	(72,443,553)	80,426,333	(1,184,200)	79,242,133
Balance at 1 January 2019 (Audited)	**225,750,000**	**2,321,799**	**2,321,799**	**(104,336,230)**	**(78,189,737)**	**47,867,631**	**(1,337,514)**	**46,530,117**
Profit for the period	-	-	-	-	**12,904,087**	**12,904,087**	**18,559**	**12,922,646**
Other comprehensive income for the period	-	-	-	**2,077,444**		**2,077,444**	-	**2,077,444**
Total comprehensive income for the period	-	-	-	**2,077,444**	**12,904,087**	**14,981,531**	**18,559**	**15,000,090**
Realised loss on equity investments measured at FVTOCI transferred to accumulated losses	-	-	-	**27,884,914**	**(27,884,914)**	-	-	-
Balance at 30 September 2019 (Un-audited)	**225,750,000**	**2,321,799**	**2,321,799**	**(74,373,872)**	**(93,170,564)**	**62,849,162**	**(1,318,955)**	**61,530,207**

The accompanying notes on pages 9 to 32 form an integral part of this condensed interim consolidated financial information.

Dubai Islamic Insurance & Reinsurance Co. (Aman) (P.J.S.C.)
Condensed interim consolidated statement of cash flows (Un-audited)
for the nine month period ended 30 September 2019

	Nine months period ended 30 September 2019 AED	2018 AED
Cash flows from operating activities		
Profit for the period	**12,922,646**	19,546,488
Adjustments for:		
Reversal of provision for Qard Hassan	**-**	(11,621,932)
Depreciation of furniture and equipment	**89,929**	876,734
Gain on investments measured at FVTPL, net	**93,687**	1,147,173
Provision for employees' end of service benefits	**861,552**	1,042,717
Dividend income	**(4,375,447)**	(6,955,870)
Impairment allowance provision	**1,711,220**	655,909
Loss on write-off of furniture and equipment	**-**	787,662
	11,303,587	5,478,881
Changes in operating assets and liabilities:		
Decrease in Retakaful contract assets	**126,610,352**	105,603,817
Decrease / (increase) in Takaful receivables	**11,667,892**	(4,415,070)
(Increase) / decrease in prepayments and other receivables	**(4,370,790)**	507,490
Decrease in Takaful contract liabilities	**(115,913,530)**	(117,982,082)
Increase / (decrease) in amounts held under retakaful treaties	**551,956**	(722,717)
(Decrease) / increase in Takaful and retakaful payables	**(15,068,780)**	13,849,542
Decrease in trade and other payables	**(27,223,473)**	(7,786,540)
Increase in due from related parties	**(1,512,770)**	(2,262,265)
Increase in due to related parties	**18,840**	(2,510,795)
(Decrease) / increase in deferred discount	**(1,702,703)**	3,124,752
Decrease in deferred policy acquisition costs	**151,626**	264,560
Decrease in net assets classified as held for sale	**(2,894,998)**	-
Cash generated from operations	**(18,382,688)**	(6,850,427)
Employees' end of service benefits paid	**(278,922)**	(947,480)
Net cash from operating activities	**(18,661,610)**	(7,797,907)
Cash flows from investing activities		
Purchase of furniture and equipment	**-**	(132,164)
Proceeds from sale of other financial assets	**-**	2,323,504
Increase in wakala deposits	**(20,000,000)**	(25,000,000)
Dividend income received	**2,071,006**	6,955,870
Proceeds from sale of OCI Investments	**8,825,674**	-
Net cash used in investing activities	**(9,103,320)**	(15,852,790)
Cash flows from financing activities		
Increase in murabaha financing	**1,375**	15,387,006
Increase in due to bank	**95,624**	(10,033,627)
Directors' remuneration paid	**-**	(500,000)
Net cash from financing activities	**96,999**	13,853,379
Net decrease in cash and cash equivalents	**(27,667,931)**	(9,797,318)
Cash and cash equivalents at the beginning of the period	**60,368,699**	39,232,695
Cash and cash equivalents at the end of the period (Note 5)	**32,700,768**	29,435,377

The accompanying notes on pages 9 to 32 form an integral part of this condensed interim consolidated financial information.

1. General information

Dubai Islamic Insurance & Reinsurance Company (Aman) (P.J.S.C.) (the "Company") is registered as a public shareholding company in Dubai, United Arab Emirates. The Company carries out general takaful (insurance), retakaful and life takaful business in accordance with the teachings of Islamic Sharia'a. The Company is also licensed to engage in retakaful and life Takaful business. The registered address of the Company is P.O. Box 157, Dubai, United Arab Emirates (UAE).

The Company obtained its commercial license on 12 March 2003 and commenced operations on 8 April 2003.

The Company issues short term takaful contracts in connection with motor, marine, fire and engineering, general accident and medical risks and life takaful risks. The Company also invests in investment securities and properties.

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

The Company with its subsidiaries are together referred to as the "Group" in this condensed interim consolidated financial information. At 30 September 2019 and 2018, the Company had the following subsidiaries:

Name of subsidiary	**Place of incorporation (or registration) and operation**	**Proportion of ownership profit** %	**Proportion of voting power held** %	**Principal activity**	**Status**
Nawat Investments L.L.C.	United Arab Emirates	100.00	100.00	Investment in commercial, industrial and agricultural enterprises and management	Active
Technik Auto Service Centre Co. L.L.C	United Arab Emirates	100.00	100.00	Vehicles' repair services	Under Liquidation
Amity Health L.L.C.	United Arab Emirates	90.00	90.00	Medical billing services	Under Liquidation

The Chairman of the Group holds 1% of Nawat Investments L.L.C. and 1% of Technik Auto Service Centre Co. L.L.C on behalf and for the benefit of the Group.

The Group is in the process of implementing the related requirements to comply fully with the Financial Regulations and Circular No. (4) and (9) of 2016 concerning the report requirements for insurance companies operating in the UAE. This mainly includes preparation of the financial statements and disclosures based on Appendix (1) of the Financial Regulations as well as compliance with the solvency ratio requirements.

2. Application of new and revised International Financial Reporting Standards ("IFRS")

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2015–2017 Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23.	1 January 2019
Amendments to IAS 19, "Employee benefits" on plan amendment, curtailment or settlement.	1 January 2019
IFRS 16 "Leases" This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting remains mainly unchanged. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. There was no impact on the condensed interim financial information of the Group from the adoption of IFRS 16 on 1 January 2019 since all the Group's leases are short-term or low-value leases which have been recognized on a straight-line basis as an expense.	1 January 2019

There are no other applicable new standards, amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the condensed interim consolidated financial information of the Group.

3. Summary of significant accounting policies

3.1 Basis of preparation

The condensed interim consolidated financial information of the Group is prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standard Board and also complies with the applicable requirements of the laws in the UAE.

The condensed interim consolidated financial information has been prepared on the going concern basis applying the historical cost convention, except for financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and investment property, which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. Summary of significant accounting policies (continued)

3.1 Basis of preparation (continued)

The Group's condensed interim consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: Cash and bank balances, takaful receivables, prepayments and other receivables, assets classified as held for sale, trade and other payables and liabilities directly associated with assets classified as held for sale. The following balances would generally be classified as non-current: property and equipment, investment property, statutory deposits, due to banks and liabilities directly associated with assets classified as held for sale. The following balances are of mixed nature (including both current and non-current portions): financial assets at FVTOCI, financial assets at FVTPL, retakaful contract assets, deferred acquisition costs, retakaful contract liabilities and deferred discount.

The accounting policies, presentation and methods in this condensed interim consolidated financial information are consistent with those used in the consolidated financial statements for the year ended 31 December 2018, except for the adoption of the new accounting standards in Note 2.

This condensed interim consolidated financial information do not include all the information required for full annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2018.

In addition, results for the three and nine months period ended 30 September 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

3.2 Basis of consolidation

This condensed interim consolidated financial information incorporates the financial statements of the Company and entities controlled by the Group. Control is achieved where the Group has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

The condensed interim consolidated financial information comprises the financial statements of the Company and of the subsidiaries as disclosed in Note 1 to this condensed interim consolidated financial information. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. All significant inter-group balances, income and expense items are eliminated on consolidation.

3. Summary of significant accounting policies (continued)

3.3 Accounting policies

The accounting policies in respect of investment property, financial assets and property and equipment have been disclosed in this condensed interim financial information as required by Securities and Commodities Authority ("SCA") notification dated 12 October 2008.

Financial instruments

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Debt instruments, including receivables related to Takaful contracts, are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Amortised cost and effective profit method

The effective profit method is a method of calculating the amortised cost of a debt instrument and of allocating profit income over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective profit basis for debt instruments (other than those financial assets designated as FVTPL) are measured subsequently at amortised cost. Profit income is recognised in the condensed interim consolidated statement of income.

3. Summary of significant accounting policies (continued)

3.3 Accounting policies (continued)

Financial instruments (continued)

***Financial assets* (continued)**

Cash and cash equivalents

Cash and cash equivalents include cash on hand, in banks and deposits in banks with original maturity not more than three months from the date of placement.

Takaful, retakaful and other receivables

Takaful, retakaful and other receivables that have fixed or determinable payments are measured at amortised cost using the effective profit rate method, less any impairment.

Financial assets at fair value through other comprehensive income (FVTOCI)

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not transferred to the condensed interim consolidated statement of income, but is reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in the condensed interim consolidated statement of income when the Group's right to receive the dividends is established, it is probable that economic benefits associated with the dividend will flow to the Group and the amount of dividend can be measured reliably.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition (as described above).

3. Summary of significant accounting policies (continued)

3.3 Accounting policies (continued)

Financial instruments (continued)

***Financial assets* (continued)**

Financial assets at fair value through profit or loss (FVTPL) (continued)

Debt instruments that do not meet the amortised cost criteria (as described above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the condensed interim consolidated statement of income. The net gain or loss recognised in the condensed interim consolidated statement of income is included in the 'net investment income' line item in the condensed interim consolidated statement of income. Fair value is determined in the manner described in Note 21 to this condensed interim consolidated financial information.

Profit income on debt instruments as at FVTPL is included in the net gain or loss described above and is included in the 'net investment income' line item.

Dividend income on investments in equity instruments at FVTPL is recognised in the condensed interim consolidated statement of income when the Group's right to receive the dividends is established, it is probable that economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained profit in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised financing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the condensed interim consolidated statement of income.

On de-recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the condensed interim consolidated statement of income, but is reclassified to retained earnings.

3. Summary of significant accounting policies (continued)

3.3 Accounting policies (continued)

Property and equipment

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

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

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

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

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in condensed interim consolidated statement of income.

Investment properties

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

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

3.4 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2018.

4. Judgements and estimates

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

In preparing this condensed interim consolidated financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2018.

5. Cash and bank balances

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
Cash on hand	**267,902**	29,500
Bank balances:		
Wakala deposits	**70,000,000**	50,000,000
Current accounts	**31,407,023**	57,202,868
	101,674,925	107,232,368
Less: Provision for impairment	**(9,960)**	(36,595)
	101,664,965	107,195,773

Details of provision for impairment as per IFRS 9 are as follows:

	Amount AED
Balance as at 31 December 2017	-
Add: Provision on initial application of IFRS 9	**89,040**
Balance as at 1 January 2018	**89,040**
Released during the year	**(52,445)**
Balance as at 31 December 2018	**36,595**
Released during the period	**(26,635)**
Balance as at 30 September 2019	**9,960**

For cash flow purposes, the cash and cash equivalents are as follows:

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Un-audited)
Cash and bank balances	**101,674,925**	107,232,368
Cash and bank balances included in the assets held for sale	**1,025,843**	3,136,331
Deposits with original maturities of more than three months	**(70,000,000)**	(50,000,000)
Cash and cash equivalents	**32,700,768**	60,368,699

The profit rates on Wakala deposits with banks ranges from 1.7% to 3.7% (2018: 1.5% to 2.0%) per annum.

6. Statutory deposit

Wakala deposits held as restricted deposits are maintained in accordance with the requirements of U.A.E. Federal Law No. 6 of 2007 concerning the formation of Insurance Authority of U.A.E. and are not available to finance the day to day operations of the Group.

7. Retakaful contract assets and Takaful contract liabilities

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
Gross		
Takaful contract liabilities:		
Unearned contribution reserve	**109,841,390**	204,575,664
Claims reported unsettled	**90,659,637**	110,128,789
Mathematical Reserve	**3,487,862**	1,422,554
Claims incurred but not reported	**52,512,166**	55,921,830
Unallocated loss adjustment expenses	**2,603,000**	2,968,748
Unit linked liabilities	**719,751,099**	647,195,413
Total takaful contract liabilities, gross	**978,855,154**	1,022,212,998
Recoverable from retakaful		
Retakaful contract assets:		
Unearned contribution reserve	**63,635,379**	172,512,604
Claims reported unsettled	**72,547,378**	89,080,787
Mathematical reserve	**773,788**	951,541
Claims incurred but not reported	**32,769,280**	33,791,245
Total retakaful share of takaful liabilities	**169,725,825**	296,336,177
Net		
Unearned contribution reserve	**46,206,011**	32,063,060
Claims reported unsettled	**18,112,259**	21,048,002
Mathematical reserve	**2,714,074**	471,013
Claims incurred but not reported	**19,742,886**	22,130,585
Unallocated loss adjustment expenses	**2,603,000**	2,968,748
Unit linked liabilities	**719,751,099**	647,195,413
	809,129,329	725,876,821

8. Financial assets measured at fair value

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
Financial assets measured at fair value through other comprehensive income (FVTOCI) (A)		
- Listed	**38,062,371**	44,810,605
- Unlisted	**24,303,130**	24,303,130
	62,365,501	69,113,735
Financial assets measured at fair value through profit or loss (FVTPL) (B)		
- Listed	**6,493,227**	6,586,914
- Unit linked investments	**719,751,099**	647,195,413
	726,244,326	653,782,327
Total financial assets measured at fair value (A+B)	**788,609,827**	722,896,062

Investments by geographical concentration are as follows:

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
- Within U.A.E.	**38,615,489**	45,384,537
- Outside U.A.E.	**749,994,338**	677,511,525
	788,609,827	722,896,062

9. Takaful receivables

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
Due from policyholders	**32,462,219**	25,993,419
Less: Allowance for impairment	**(3,914,115)**	(3,853,268)
	28,548,104	22,140,151
Due from takaful /retakaful companies	**25,564,371**	48,795,456
Due form brokers /agents	**16,679,918**	21,572,516
Less: Allowance for impairment	**(4,417,110)**	(15,996,732)
	66,375,283	76,511,391

Movements in provision for impairment are as follows:

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
Balance at the beginning of the period / year	**19,850,000**	17,500,000
Initial application of IFRS 9	**-**	1,563,044
Balance at 1 January	**19,850,000**	19,063,044
Impairment (reversal) / allowance for the period / year	**(1,531,780)**	1,436,956
Write-off during the period / year	**(9,986,995)**	(650,000)
Balance at the end of the period / year	**8,331,225**	19,850,000

10. Investment property

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
Balance at beginning of the period /year	**60,672,000**	65,090,000
Loss on revaluation of investment property	**-**	(4,418,000)
Balance at end of the period /year	**60,672,000**	60,672,000
Attributable to:		
Policyholders	**11,348,462**	11,348,462
Shareholders	**49,323,538**	49,323,538
	60,672,000	60,672,000

The carrying value of investment property represent its fair value as determined by an independent valuation expert as at 31 December 2018 .The Group's management reassessed the valuation internally during the nine month period ended 30 September 2019 and no material differences were noted. The fair value of the Group's investment property is based on unobservable inputs i.e. Level 3.

11. Share capital

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
Issued and fully paid:		
225,750,000 ordinary shares of AED 1 each (2018: 225,750,000 ordinary shares)	**225,750,000**	225,750,000

12. Legal reserve

In accordance with United Arab Emirates Federal Law No. (2) Of 2015, the Group has established a legal reserve by appropriation of 10% of the profit of the Company for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law.

13. General reserve

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

14. Wakala fees and Mudarib's share

The Group manages the Takaful operations for the policyholders and charges 33% of the gross Takaful contributions net of fronting contribution as Wakala fees (30 September 2018: 30%). In addition, the Group charges (2%) on fronting contribution as Wakala fees and 100% on certain Bancatakaful policies. These Wakala fees rates were approved by the Group's Fatwa and Sharia'a Supervisory Board.

The Group also manages the Policyholders' investment funds and is entitled to 25% (30 September 2018: 25%) of net investment income earned by the policyholders' investment funds as the Mudarib's share. The Mudarib's share was AED 340,375 (30 September 2018: 292,840).

15. Investment income

	Nine month period ended 30 September	
	2019 AED (Un-audited)	2018 AED (Un-audited)
Loss on investments measured at FVTPL, net	**(93,687)**	(1,147,173)
Other investment income		
Income from investment deposits	**1,123,334**	348,490
Dividend income	**4,375,447**	6,955,870
Rental income	**491,927**	543,903
	5,897,021	6,701,090

15. Investment income (continued)

	Nine month period ended 30 September	
	2019	2018
	AED	AED
	(Un-audited)	(Un-audited)
Allocated to:		
Policyholders	**1,361,499**	1,171,360
Shareholders	**4,535,522**	5,529,730
	5,897,021	6,701,090

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

16. Basic and diluted earnings per share

Earnings per share are calculated by dividing profit attributable to the shareholders of the parent for the period by the weighted average number of shares outstanding during the period as follows:

	Nine months period ended 30 September	
	2019	2018
	(Un-audited)	(Un-audited)
Profit for the period attributable to shareholders of the parent (in AED)	**12,904,087**	8,307,167
Weighted average number of shares outstanding during the period	**225,750,000**	225,750,000
Earnings per share (AED)	**0.057**	0.037

Earnings per share above is calculated on the aggregate profit of the policyholders and shareholders for the period .The final earnings attributable to shareholders are dependent on approval by the Group Fatwa and Sharia's Supervisory Board

17. Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 24: Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, their partners and key management personnel. Transactions with such related parties are made on substantially the same terms, as those prevailing at the same time for comparable transactions with external customers and parties.

The income and expenses in respect of related parties included in the condensed interim consolidated financial information were as follows:

	30 September 2019 (Un-audited)			30 September 2018 (Un-Audited)		
	Major shareholders AED	Other related parties AED	Total AED	Major shareholders AED	Other related parties AED	Total AED
Gross contributions	2,104,611	36,080	2,140,691	1,188,899	2,028,088	3,216,987
Gross claims (paid)	94,933	243,325	338,258	1,275,762	53,425	1,329,187

17. Related party transactions (continued)

Compensation of key management personnel was as follows:

	Nine month period ended 30 September 2019 AED (Un-audited)	2018 AED (Un-audited)
Short term employee benefits	**1,442,258**	1,402,008
End of service benefits	**73,533**	42,408
Total compensation paid to key management personnel	**1,515,791**	1,444,416

Due from related parties

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
Entities owned by the Chairman of the Board of Directors		
Nation Hospital - UAE	**5,013,113**	4,335,649
Bin Omeir Education Foundation - UAE	**2,122,367**	1,505,456
Bin Omeir Holding Group - UAE	**1,375,018**	1,194,430
Bin Omeir Auto Motive Group - UAE	**879,360**	879,320
Chocolatier - UAE	**105,752**	105,751
International Market Group For General Services - UAE	**104,365**	63,005
Yas Mineral Water Bottling - UAE	**46,919**	50,751
National Consultants - UAE	**35,125**	35,125
Al Massa Art Products - UAE	**1,279**	1,041
Fast Rent A Car L.L.C. - UAE	**600**	600
	9,683,898	8,171,128
Less: Provision for impairment	**(6,117,405)**	(2,847,770)
Total	**3,566,493**	5,323,358

Details of provision for impairment as per IFRS 9 are as follows:

	Amount (Un-audited) AED
Balance as at 31 December 2017	-
Add: Provision on initial application of IFRS 9 (Note 2.1)	**2,037,584**
Balance as at 1 January 2018 and 30 September 2018	**2,037,584**
Impairment allowance for the year	**810,186**
Balance as at 31 December 2018	**2,847,770**
Impairment allowance for the period	**3,269,635**
Balance as at 30 September 2019	**6,117,405**

17. Related party transactions (continued)

Due to related parties

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
Entities owned by the Chairman of the Board of Directors		
Fast Service Centre - UAE	**487,324**	468,484
Total	**487,324**	468,484

18. Segmental information

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

- **Takaful activities** include the general, life and medical insurance business undertaken by the Group.
- **Investment activities** represent investment and cash management for the Group's own account.
- **Others** represent income and expense activities conducted by the subsidiaries and included in this consolidated financial report.

The following table presents segment information for the nine month period ended 30 September 2019 and the nine month period ended 30 September 2018.

Notes to the condensed interim consolidated interim financial information for the nine month period ended 30 September 2019 (continued)

18. Segmental information (continued)

	Nine month period ended 30 September 2019 (Un-audited)				Nine month period ended 30 September 2018 (Un-audited)			
	Takaful AED	**Investments AED**	**Other AED**	**Total AED**	Takaful AED	Investments AED	Other AED	Total AED
Takaful								
Takaful income	**86,758,793**	**-**	**-**	**86,758,793**	95,734,086	-	-	95,734,086
Takaful expenses	**(25,440,604)**	**-**	**-**	**(25,440,604)**	(35,205,288)	-	-	(35,205,288)
Net Takaful income	**61,318,189**	**-**	**-**	**61,318,189**	60,528,798	-	-	60,528,798
Wakala fees	**(58,136,964)**	**58,136,964**	**-**	**-**	(49,785,386)	49,785,386	-	-
Mudarib fees	**(340,375)**	**340,375**	**-**	**-**	(292,840)	292,840	-	-
Policy acquisition cost	**-**	**(25,778,615)**	**-**	**(25,778,615)**	-	(23,279,872)	-	(23,279,872)
	(58,477,339)	**32,698,724**	**-**	**(25,778,615)**	(50,078,226)	26,798,354	-	(23,279,872)
Investment income	**1,361,499**	**4,535,522**	**-**	**5,897,021**	1,171,360	5,529,730	-	6,701,090
Unallocated expenses	**-**	**(29,464,328)**	**-**	**(29,464,328)**	-	(29,682,693)	-	(29,682,693)
Other operating income	**-**	**535,096**	**-**	**535,096**	-	3,401	-	3,401
Net operating income of subsidiaries	**-**	**-**	**396,724**	**396,724**	-	-	(5,963,557)	(5,963,557)
Net profit for the period	**4,202,349**	**8,305,014**	**396,724**	**12,904,087**	11,621,932	2,648,792	(5,963,557)	8,307,167

Other information

	Takaful		Investment		Total	
	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)	**30 September 2019 AED (Un-audited)**	31 December 2018 AED (Audited)	**30 September 2019 AED (Un-audited)**	31 December 2018 AED (Audited)
Segment assets	**1,070,799,233**	1,166,517,686	**209,530,728**	196,372,649	**1,280,329,961**	1,362,890,335
Segment liabilities	**1,218,799,754**	1,316,360,218	**-**	-	**1,218,799,754**	1,316,360,218

18. Segmental information (continued)

Net Takaful contributions

	Nine months period ended 30 September				Three months period ended 30 September			
	Gross takaful contribution	Retakaful share of accepted business	Retakaful share of ceded business	Net takaful contribution	Gross takaful contribution	Retakaful share of accepted business	Retakaful share of ceded business	Net takaful contribution
	AED	AED	AED	AED	AED	AED	AED	AED
2019 (Un-audited)								
Motor	**60,624,248**	**(5,981)**	**11,198,733**	**49,431,496**	**19,374,448**	**(32,613)**	**644,407**	**18,762,654**
Engineering	**1,875,448**	**200,312**	**1,490,435**	**184,701**	**852,356**	**128,605**	**656,390**	**67,361**
Marine & aviation	**8,411,912**	**5,742,771**	**1,710,588**	**958,553**	**1,204,474**	**509,997**	**469,685**	**224,792**
Fire	**18,272,820**	**9,518,702**	**7,644,023**	**1,110,095**	**7,720,379**	**5,436,910**	**1,950,799**	**332,670**
General insurance & liabilities	**45,306,343**	**37,743,291**	**404,630**	**7,158,422**	**10,626,421**	**8,324,926**	**71,353**	**2,230,142**
Medical	**25,699,922**	**1,664,024**	**15,955,228**	**8,080,670**	**5,668,562**	**499,589**	**3,132,183**	**2,036,790**
Life	**35,103,585**	**21,164,201**	**8,627,459**	**5,311,925**	**12,226,576**	**7,207,739**	**2,820,689**	**2,198,148**
Total	**195,294,278**	**76,027,320**	**47,031,096**	**72,235,862**	**57,673,216**	**22,075,153**	**9,745,506**	**25,852,557**
2018 (Un-audited)								
Motor	47,682,373	1,660,994	10,777,682	35,243,697	15,459,740	23,918	10,747,216	4,688,606
Engineering	2,122,277	861,940	1,075,195	185,142	1,329,314	771,093	493,760	64,461
Marine & aviation	4,498,956	2,147,192	1,469,015	882,749	1,543,931	766,673	424,952	352,306
Fire	28,410,405	20,483,092	6,862,294	1,065,019	6,853,903	4,658,578	1,894,066	301,259
General insurance & liabilities	48,287,452	38,492,092	353,423	9,441,937	20,790,641	17,841,549	76,387	2,872,705
Medical	29,849,665	900,154	19,590,676	9,358,835	8,255,577	409,337	5,356,889	2,489,351
Life	35,172,045	25,677,385	4,469,352	5,025,308	11,968,920	10,687,227	(633,209)	1,914,902
Total	196,023,173	90,222,849	44,597,637	61,202,687	66,202,026	35,158,375	18,360,061	12,683,590

18. Segmental information (continued)

Net takaful claims

	Nine months period ended 30 September				Three months period ended 30 September			
	Gross claims settled	Retakaful share of accepted business claims	Retakaful share of ceded business claims	Net takaful claims	Gross claims settled	Retakaful share of accepted business claims	Retakaful share of ceded business claims	Net takaful claims
	AED	AED	AED	AED	AED	AED	AED	AED
2019 (Un-audited)								
Motor	25,080,325	142,668	8,037,232	16,900,425	9,467,919	59,519	3,606,446	5,801,954
Engineering	669,035	37,401	584,460	47,174	190,064	5,622	159,291	25,151
Marine & aviation	3,412,239	1,739,478	1,131,208	541,553	103,912	93,583	50,697	(40,368)
Fire	4,621,390	2,939,291	1,556,675	125,424	4,064,736	2,880,127	1,107,085	77,524
General insurance & liabilities	24,541,316	22,319,178	62,581	2,159,557	514,268	244,068	15,825	254,375
Medical	24,320,594	-	18,261,947	6,058,647	7,328,503	-	5,481,534	1,846,969
Life	17,517,239	15,060,349	811	2,456,079	6,170,459	5,908,222	811	261,426
Total	100,162,138	42,238,365	29,634,914	28,288,859	27,839,861	9,191,141	10,421,689	8,227,031
2018 (Un-audited)								
Motor	28,304,259	4,330,414	2,477,559	21,496,286	8,461,357	1,127,540	892,228	6,441,589
Engineering	779,186	402,479	347,581	29,126	92,592	55,854	33,669	3,069
Marine & aviation	767,677	308,158	383,389	76,130	522,075	88,835	364,660	68,580
Fire	18,652,167	8,409,356	8,697,945	1,544,866	974,577	153,715	778,868	41,994
General insurance & liabilities	10,223,201	9,048,430	212,567	962,204	3,817,545	3,553,978	-	263,567
Medical	24,302,537	-	16,263,735	8,038,802	9,193,496	-	6,620,382	2,573,114
Life	9,348,668	5,267,030	2,209,234	1,872,404	4,393,750	1,404,702	2,037,823	951,225
Total	92,377,695	27,765,867	30,592,010	34,019,818	27,455,392	6,384,624	10,727,630	10,343,138

18. Segmental information (continued)

Segmental Statement Life and Non-Life

Life and non-life segments (Condensed interim consolidated statement of financial position)

	Non-life 30 September 2019 AED (Un-audited)	Non-life 31 December 2018 AED (Un-audited)	**Life 30 September 2019 AED (Un-audited)**	Life 31 December 2018 AED (Un-audited)	**Total 30 September 2019 AED (Un-audited)**	Total 31 December 2018 AED (Un-audited)
Segment assets	**332,010,974**	473,693,095	**33,537,759**	36,180,157	**365,548,733**	509,873,252
Segment liabilities	**343,754,451**	490,048,587	**33,537,759**	36,180,157	**377,292,210**	526,228,744

Life and non-life segments (Condensed interim consolidated statement of income)

	Non-life 30 September 2019 AED (Un-audited)	Non-life 30 September 2018 AED (Un-audited)	**Life 30 September 2019 AED (Un-audited)**	Life 30 September 2018 AED (Un-audited)	**Total 30 September 2019 AED (Un-audited)**	Total 30 September 2018 AED (Un-audited)
Segment takaful income	**74,016,475**	81,087,420	**12,742,318**	14,646,666	**86,758,793**	95,734,086
Segment takaful expenses	**(22,778,120)**	(33,776,707)	**(2,662,484)**	(1,428,581)	**(25,440,604)**	(35,205,288)
Segment other expenses	**(48,281,606)**	(40,990,149)	**(8,834,234)**	(7,916,717)	**(57,115,840)**	(48,906,866)
Segment net income from takaful operations	**2,956,749**	6,320,564	**1,245,600**	5,301,368	**4,202,349**	11,621,932

19. Contingencies

(a) At reporting date, the Group has contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business amounting AED 0.6 million (31 December 2018: AED 1.2 million).

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

20. 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. Differences can therefore arise between book value under historical cost method and fair value estimates.

(a) Fair value of financial instruments measured at amortised cost

The management considers that the carrying amounts of financial assets and financial liabilities recognised in this condensed interim consolidated financial information approximate their fair values.

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

Valuation of financial instruments recorded at fair value, is based on quoted market prices and other valuation techniques.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value of the financial assets that are measured at fair value on a recurring basis

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

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

20. Fair value of financial instruments (continued)

(b) Valuation techniques and assumptions applied for the purposes of measuring fair value (continued)

Fair value of the financial assets that are measured at fair value on a recurring basis (continued)

Financial assets	Fair value as at 30 September 2019 AED'000 (Un-audited)	31 December 2018 AED'000 (Audited)	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets at FVTOCI						
Quoted equity securities	38,062	44,811	Level 1	Quoted bid prices in an active market.	None	N/A
Unquoted equity securities	24,303	24,303	Level 3	Net assets valuation method and comparable, multiples approach	Net assets value	Higher the net assets value of the investees, higher the fair value.
Financial assets at FVTPL						
Quoted equity securities	6,493	6,58	Level 1	Quoted bid prices in an active market.	None	N/A
Unit linked investments	719,751	647,195	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value.

There were no transfers between each of the levels during the period.

Reconciliation of Level 3 fair value measurement of other financial assets measured at FVTOCI:

	30 September 2019 AED'000 (Un-audited)	31 December 2018 AED'000 (Audited)
At 1 January	**24,303**	28,907
Changes in fair value	**-**	(4,604)
At end of the period / year	**24,303**	24,303

20. Fair value of financial instruments (continued)

Reconciliation of Level 3 fair value measurement of other financial assets measured at FVTPL:

	30 September 2019 AED'000 (Un-audited)	31 December 2018 AED'000 (Audited)
At 1 January	**647,195**	639,149
Net change during the period/year (change in fair value and net investment / withdrawal)	**72,556**	8,046
At end of the period / year	**719,751**	647,195

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

21. Significant matters

The former CEO of the Group resigned on 10 July 2013. The Group entered into an agreement with the former CEO on 9 July 2013 for the payment and / or transfer of certain assets and investments that were held by him or by entities controlled by him on trust and for the benefit of the Group. As of 30 September 2019, assets with a total carrying value of AED 13 million (31 December 2018: AED 13 million) which are still in his name or owing from him, have not been yet transferred or paid to the Group. The Group underwent several legal litigations in regards to the transfer of these assets. The Court declared the case to be in the favour of the Company on its decision dated 30 June 2014. Appeal against the decision was filed by the CEO dated 27 November 2014 which was rejected by the Dubai Courts of Cassation on 10 March 2016, and he was ordered to settle the outstanding claims. The Board of Directors is confident in the realization of a minimum of the carrying value of assets due from him and therefore no adjustments to the carrying value of the assets are required.

22. Condensed interim consolidated statement of financial position - Shareholders and policyholders' assets and liabilities

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
ASSETS		
Takaful operations' assets		
Cash and bank balances	**48,974,507**	49,454,401
Retakaful contract assets		
Unearned contribution reserve	**63,635,379**	172,512,604
Claims reported unsettled	**72,547,378**	89,080,787
Mathematical reserve	**773,788**	951,541
Claims incurred but not reported	**32,769,280**	33,791,245
Takaful receivables	**66,375,283**	76,511,391
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	**13,336,453**	12,926,788
Other financial assets measured at fair value through profit and loss (FVTPL)	**1,079,837**	1,097,361
Investment property	**11,348,462**	11,348,462
Due from shareholders	**54,708,366**	62,198,672
Total takaful operations' assets	**365,548,733**	509,873,252
Shareholders' assets		
Cash and bank balances	**52,690,458**	57,741,372
Statuary deposit	**10,000,000**	10,000,000
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	**49,029,048**	56,186,947
Other financial assets measured at fair value through profit and loss (FVTPL)	**725,164,489**	652,684,966
Prepayments and other receivables	**14,787,845**	8,112,614
Deferred policy acquisition costs	**8,251,788**	8,403,414
Investment property	**49,323,538**	49,323,538
Furniture and equipment	**314,991**	404,920
Assets classified as held for sale	**1,652,578**	4,835,954
Due from related parties	**3,566,493**	5,323,358
Total shareholders' assets	**914,781,228**	853,017,083
Total assets	**1,280,329,961**	1,362,890,335

22. Condensed interim consolidated statement of financial position - Shareholders and policyholders' assets and liabilities (continued)

	30 September 2019 AED (Un-audited)	31 December 2018 AED (Audited)
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT		
Takaful operations' liabilities		
Trade and other payables	**26,358,690**	47,007,308
Takaful payables	**80,214,541**	91,438,180
Takaful contract liabilities:		
Unearned contribution reserve	**109,841,390**	204,575,664
Claims reported unsettled	**90,659,637**	110,128,789
Mathematical reserve	**3,487,862**	1,422,554
Claims incurred but not reported	**52,512,166**	55,921,830
Unallocated loss adjustment expenses	**2,603,000**	2,968,748
Deferred discount	**6,141,681**	7,844,384
Amounts held under retakaful treaties	**5,473,243**	4,921,287
Total takaful operations' liabilities	**377,292,210**	526,228,744
Takaful operations' deficit		
Surplus in policyholders' fund	**7,507,610**	3,305,261
Policyholders' investments revaluation reserve	**(19,251,087)**	(19,660,753)
Total deficit from takaful operations	**(11,743,477)**	(16,355,492)
Total takaful operations' liabilities and surplus	**365,548,733**	509,873,252
SHAREHOLDERS' LIABILITIES AND EQUITY		
Shareholders' liabilities		
Due to bank	**19,938,063**	19,842,439
Trade and other payables	**18,081,763**	24,073,988
Takaful payables	**-**	3,845,141
Due to related parties	**487,324**	468,484
Unit linked liabilities	**719,751,099**	647,195,413
Murabaha payable	**15,412,824**	15,411,449
Due to policyholders	**54,708,366**	62,198,672
Liabilities directly associated with assets classified as held for sale	**13,128,105**	17,095,888
Total shareholders' liabilities	**841,507,544**	790,131,474
Shareholders' equity		
Share capital	**225,750,000**	225,750,000
Legal reserve	**2,321,799**	2,321,799
General reserve	**2,321,799**	2,321,799
Investments revaluation reserve - FVTOCI	**(55,122,785)**	(84,675,477)
Accumulated losses	**(100,678,174)**	(81,494,998)
Equity attributable to shareholders of the Parent	**74,592,639**	64,223,123
Non-controlling interest	**(1,318,955)**	(1,337,514)
Total equity	**73,273,684**	62,885,609
Total shareholders' liabilities and equity	**914,781,228**	853,017,083
Total takaful operations' liabilities and deficit, shareholders' liabilities and equity	**1,280,329,961**	1,362,890,335