

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

**Review report and condensed interim consolidated financial information
for the six-month period ended 30 June 2021**

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

**Condensed interim consolidated financial information
for the six-month period ended 30 June 2021**

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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 June 2021 and the related condensed interim consolidated statements of income and comprehensive income for the three month and six month periods then ended, and the related condensed interim consolidated statements of changes in equity and cash flows for the six month period 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 23 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 9.2 million at 30 June 2021 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
11 August 2021

Rami Sarhan
Registered Auditor Number 1152
Dubai, United Arab Emirates

**Condensed interim consolidated statement of financial position
as at 30 June 2021**

		30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited) (Restated)	1 January 2020 AED (Audited) (Restated)
	Notes			
ASSETS				
Cash and bank balances	5	108,695,547	114,532,907	136,353,713
Financial assets measured at fair value through profit and loss (FVTPL)	6	886,982,195	874,284,320	756,890,551
Financial assets measured at fair value through other comprehensive income (FVTOCI)	6	64,409,992	58,244,499	67,498,024
Takaful receivables	7	79,319,028	58,602,525	52,040,295
Due from related parties	18	-	2,979,095	2,370,495
Prepayments and other receivables	24	7,963,096	7,071,414	7,578,690
Retakaful contract assets				
Unearned contribution reserves	8	38,189,844	30,778,105	42,024,089
Claims reported unsettled	8	64,489,857	58,009,511	68,452,413
Mathematical reserve	8	6,520,882	700,293	816,173
Claims incurred but not reported	8	39,083,290	37,500,160	30,596,918
Deferred policy acquisition costs		9,738,123	7,642,874	8,465,105
Statutory deposit	9	10,000,000	10,000,000	10,000,000
Investment property	11	54,750,000	54,750,000	58,188,000
Property and equipment		220,719	281,753	301,259
Assets classified as held for sale		1,583,321	1,583,321	1,586,020
Total assets		1,371,945,894	1,316,960,777	1,243,161,745
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Due to bank		19,980,906	19,981,327	19,972,520
Trade and other payables	25	31,872,571	68,986,770	68,856,494
Takaful payables		86,363,440	55,291,582	74,246,673
Due to related parties	18	-	272,814	701,044
Takaful contract liabilities:				
Unearned contribution reserve	8	97,426,976	81,204,057	91,713,761
Claims reported unsettled	8	79,420,725	71,931,439	84,577,517
Mathematical reserve	8	9,341,400	2,847,862	3,540,063
Claims incurred but not reported	8	63,542,608	62,602,479	49,565,462
Unallocated loss adjustment expenses	8	2,359,431	2,343,996	2,368,573
Unit linked liabilities	8	861,652,210	839,410,979	750,500,215
Murabaha payable		15,218,700	15,239,606	15,351,053
Deferred discount		5,717,084	6,456,898	5,099,181
Amounts held under retakaful treaties		6,705,140	6,374,916	5,459,240
Liabilities directly associated with assets classified as held for sale		13,022,356	13,022,356	13,022,356
Total liabilities before takaful operations surplus liability		1,292,623,547	1,245,967,081	1,184,974,152
Takaful operations' surplus	10, 26	-	6,870,801	4,308,305
Total liabilities		1,292,623,547	1,252,837,882	1,189,282,457

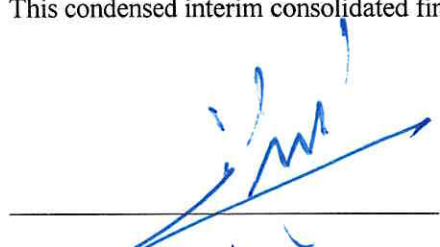
The accompanying notes on pages 10 to 35 form an integral part of this condensed interim consolidated financial information.

**Condensed interim consolidated statement of financial position
as at 30 June 2021 (continued)**

		30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited) (Restated)	1 January 2020 AED (Audited) (Restated)
	Notes			
LIABILITIES AND SHAREHOLDERS' EQUITY				
SHAREHOLDERS' EQUITY				
Share capital	12	225,750,000	225,750,000	225,750,000
Legal reserve	13	5,080,128	5,080,128	3,163,978
General reserve	14	5,080,128	5,080,128	3,163,978
Accumulated losses		(76,285,587)	(88,293,501)	(102,648,627)
Investments revaluation reserve – FVTOCI - for shareholders		(60,403,180)	(62,452,179)	(55,163,447)
Investments revaluation reserve – FVTOCI - for takaful operations	26	(20,403,579)	(21,026,921)	(19,062,128)
Retakaful placement provision	26	1,831,227	1,311,762	-
Equity attributable to shareholders of the parent		80,649,137	65,449,417	55,203,754
Non-controlling interest		(1,326,790)	(1,326,522)	(1,324,466)
		79,322,347	64,122,895	53,879,288
Total liabilities and equity*		1,371,945,894	1,316,960,777	1,243,161,745

*The breakdown of the assets and liabilities between the takaful operations and the shareholders is shown in Note 27.

This condensed interim consolidated financial information was authorised for issue on 11 August 2021 by the Chairman



Jihad Fattouni
Chief Executive Officer



Dr. Saleh Hashem Sayed Al Hashimi
Chairman



**Condensed interim consolidated statement of income (Un-audited)
for the six-month period ended 30 June 2021**

		Three-month period ended 30 June		Six-month period ended 30 June	
	Notes	2021 AED	2020 AED	2021 AED	2020 AED
Attributable to takaful operations					
Takaful income					
Gross takaful contribution	19	77,236,146	58,393,746	137,573,924	117,997,089
Retakaful share of gross takaful contribution	19	(47,617,435)	(36,280,595)	(79,706,413)	(66,072,446)
		-----	-----	-----	-----
Net takaful contributions		29,618,711	22,113,151	57,867,511	51,924,643
Net transfer to unearned contribution reserve		(4,884,067)	2,626,870	(8,811,180)	(4,331,936)
Net change in mathematical reserve		(512,396)	30,119	(672,949)	56,000
		-----	-----	-----	-----
Net takaful contributions earned		24,222,248	24,770,140	48,383,382	47,648,707
Discount received on ceded retakaful		4,798,838	5,518,764	8,278,712	9,851,650
Policy fees		2,235,049	2,121,746	5,002,714	5,499,622
		-----	-----	-----	-----
		31,256,135	32,410,650	61,664,808	62,999,979
		-----	-----	-----	-----
Takaful expenses					
Gross claims settled	19	(19,730,655)	(23,718,292)	(52,157,398)	(58,348,789)
Retakaful share of gross claims settled	19	4,754,962	15,941,549	20,869,719	35,877,694
		-----	-----	-----	-----
Net takaful claims		(14,975,693)	(7,776,743)	(31,287,679)	(22,471,095)
Release of provision for claims reported unsettled		431,865	9,147,937	(7,489,286)	5,030,927
Retakaful share of claims reported unsettled		(1,238,127)	(7,503,448)	6,480,346	(3,654,255)
Net change in claims incurred but not reported		(1,022,068)	(1,735,463)	643,001	(3,867,174)
Net change in unallocated loss adjustment expenses		(116,347)	67,739	(15,435)	54,971
		-----	-----	-----	-----
Net claims incurred		(16,920,370)	(7,799,978)	(31,669,053)	(24,906,626)
		-----	-----	-----	-----
Net takaful income		14,335,765	24,610,672	29,995,755	38,093,353
Wakala fees	15	(22,059,138)	(18,377,568)	(40,583,560)	(37,921,420)
Mudarib's share	15	(47,349)	(65,001)	(101,727)	(93,990)
Investment income, net	16	189,396	260,003	406,909	375,957
		-----	-----	-----	-----
Net (loss) / profit from takaful operation for the period		(7,581,326)	6,428,106	(10,282,623)	453,900
		=====	=====	=====	=====

**Condensed interim consolidated statement of income (Un-audited)
for the six-month period ended 30 June 2021 (continued)**

		Three-month period ended 30 June		Six-month period ended 30 June	
	Note	2021 AED	2020 AED	2021 AED	2020 AED
Attributable to shareholders					
Income					
Wakala fees from takaful operations	15	22,059,138	18,377,568	40,583,560	37,921,420
Mudarib's share from takaful operations	15	47,349	65,001	101,727	93,990
Investment income, net	16	1,423,907	767,767	1,363,060	23,788
Other operating (loss) / income		(3,845)	(1,264)	(7,165)	46,509
		-----	-----	-----	-----
		23,526,549	19,209,072	42,041,182	38,085,707
		-----	-----	-----	-----
Expenses					
Policy acquisition cost		(6,224,016)	(5,858,192)	(10,933,293)	(11,885,864)
General and administrative expenses		(7,816,497)	(10,021,906)	(15,220,581)	(18,020,015)
Contribution from Qard Hassan to takaful operations		(3,876,985)	1,665,898	(3,876,985)	-
Net operating loss of subsidiaries		-	(15,000)	-	(15,000)
		-----	-----	-----	-----
		(17,917,498)	(14,229,200)	(30,030,859)	(29,920,879)
		-----	-----	-----	-----
Profit for the period for continuing operations		5,609,051	4,979,872	12,010,323	8,164,828
Discontinued operations					
Profit from discontinued operations		(2,677)	(2,614)	(2,677)	1,375
		-----	-----	-----	-----
Profit for the period		5,606,374	4,977,258	12,007,646	8,166,203
Attributable to:					
Shareholders of the parent		5,606,642	4,977,519	12,007,914	8,165,811
Non-controlling interests		(268)	(261)	(268)	392
		-----	-----	-----	-----
		5,606,374	4,977,258	12,007,646	8,166,203
		=====	=====	=====	=====
Earnings per share	17	0.025	0.022	0.053	0.036
		=====	=====	=====	=====

**Condensed interim consolidated statement of comprehensive income (Un-audited)
for the six-month period ended 30 June 2021**

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
	AED	AED	AED	AED
Attributable to takaful operations				
Net (loss)/ profit from takaful operation for the period	(7,581,326)	6,428,106	(10,282,623)	453,900
Other comprehensive income/ (loss)				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Changes in fair value of financial assets carried at fair value through other comprehensive income	698,298	692,678	623,342	(2,504,059)
Total comprehensive income / (loss) for the period attributable to takaful operations	(6,883,028)	7,120,784	(9,659,281)	(2,050,159)
	=====	=====	=====	=====
Attributable to shareholders				
Profit for the period	5,606,374	4,977,258	12,007,646	8,166,203
Other comprehensive income/ (loss)				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Changes in fair value of financial assets carried at fair value through other comprehensive income	2,228,543	2,050,691	2,048,999	(8,145,285)
Total comprehensive income for the period attributable to shareholders	7,834,917	7,027,949	14,056,645	20,918
	=====	=====	=====	=====
Attributable to:				
Shareholders of the parent	7,835,185	7,028,210	14,056,913	20,526
Non-controlling interests	(268)	(261)	(268)	392
	=====	=====	=====	=====
	7,834,917	7,027,949	14,056,645	20,918
	=====	=====	=====	=====

**Condensed interim consolidated statement of changes in equity
for the six-month period ended 30 June 2021**

	Share capital	Legal reserve	General reserve	Accumulated losses	Investments revaluation reserve – FVTOCI- for shareholders	Investments revaluation reserve – FVTOCI for - takaful operations	Retakaful placement provision	Equity attributable to shareholders of the parent	Non- controlling interest	Total equity
	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED
Balance at 1 January 2020 (Audited)	225,750,000	3,163,978	3,163,978	(102,648,627)	(55,163,447)	-	-	74,265,882	(1,324,466)	72,941,416
Adjustment due to change in presentation (note 26)	-	-	-	-	-	(19,062,128)	-	(19,062,128)	-	(19,062,128)
Balance at 1 January 2020 (Audited) – as restated	225,750,000	3,163,978	3,163,978	(102,648,627)	(55,163,447)	(19,062,128)	-	55,203,754	(1,324,466)	53,879,288
Profit for the period	-	-	-	8,165,811	-	-	-	8,165,811	392	8,166,203
Other comprehensive loss for the period	-	-	-	-	(8,145,285)	(2,504,059)	-	(10,649,344)	-	(10,649,344)
Total comprehensive (loss) / income for the period	-	-	-	8,165,811	(8,145,285)	(2,504,059)	-	2,458,533	392	(2,483,141)
Directors' fees	-	-	-	(500,000)	-	-	-	(500,000)	-	(500,000)
Balance at 30 June 2020 (Un-audited) - restated	225,750,000	3,163,978	3,163,978	(94,982,816)	(63,308,732)	(21,566,187)	-	52,220,221	(1,324,074)	50,896,147
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**Condensed interim consolidated statement of changes in equity
for the six-month period ended 30 June 2021**

	Share capital AED	Legal reserve AED	General reserve AED	Accumulated losses AED	Investments revaluation reserve – FVTOCI - for shareholders AED	Investments revaluation reserve – FVTOCI for - takaful operations AED	Retakaful placement provision AED	Equity attributable to shareholders of the parent AED	Non- controlling interest AED	Total equity AED
Balance at 1 January 2021 (Audited)	225,750,000	5,080,128	5,080,128	(88,293,501)	(62,452,179)	-	-	85,164,576	(1,326,522)	83,838,054
Adjustment due to change in presentation (note 26)	-	-	-	-	-	(21,026,921)	1,311,762	(19,715,159)	-	(19,715,159)
Balance at 1 January 2021 (Audited) – as restated	225,750,000	5,080,128	5,080,128	(88,293,501)	(62,452,179)	(21,026,921)	1,311,762	65,449,417	(1,326,522)	64,122,895
Profit / (loss) for the period	-	-	-	12,007,914	-	-	-	12,007,914	(268)	12,007,646
Other comprehensive income for the period	-	-	-	-	2,048,999	623,342	-	2,672,341	-	2,672,341
Total comprehensive income / (loss) for the period	-	-	-	12,007,914	2,048,999	623,342	-	14,680,255	(268)	14,679,987
Adjustment of retakaful placement provision	-	-	-	-	-	-	120,933	120,933	-	120,933
Transfer during the period (note 10)	-	-	-	-	-	-	398,532	398,532	-	398,532
Balance at 30 June 2021 (Un-audited)	225,750,000	5,080,128	5,080,128	(76,285,587)	(60,403,180)	(20,403,579)	1,831,227	80,649,137	(1,326,790)	79,322,347
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**Condensed interim consolidated statement of cash flows (Un-audited)
for the six-month period ended 30 June 2021**

	Six-month period ended 30 June	
	2021 AED	2020 AED
Cash flows from operating activities		
Profit for the period	12,007,646	8,166,203
<i>Adjustments for:</i>		
Depreciation of property and equipment	70,543	93,498
Loss on investments measured at FVTPL, net	9,543,356	2,220,338
Provision for employees' end of service benefits	299,163	432,705
Profit income	(240,185)	(950,993)
Dividend income	(10,889,639)	(1,351,090)
Impairment of financial assets	135,896	979,081
	10,926,780	9,589,742
Changes in operating assets and liabilities:		
Retakaful contract assets	(21,295,804)	379,506
Takaful receivables	(20,716,503)	(11,664,502)
Prepayments and other receivables	(891,682)	(243,187)
Takaful contract liabilities	53,402,538	252,419
Amounts held under Retakaful treaties	330,224	(8,517,727)
Takaful payables	31,071,858	(27,102,382)
Trade and other payables	(37,111,829)	(2,030,845)
Due from related parties	2,979,095	25,729,481
Due to related parties	(272,814)	(16,189)
Deferred discount	(739,814)	1,546,238
Deferred policy acquisition costs	(6,870,801)	420,536
Takaful operations' surplus	(2,095,249)	784,262
Assets classified as held for sale	-	2,697
Liabilities directly associated with assets held for sale	-	3,155
Cash used in operations	8,715,713	(10,866,796)
Employees' end of service benefits paid	(7,533)	(491,492)
Net cash generated from / (used in) operating activities	8,708,466	(11,358,288)
Cash flows from investing activities		
Purchase of property and equipment	(9,509)	(127,535)
Increase in wakala deposits	-	(25,000,000)
Net decrease in unit linked investments	(22,241,231)	(19,397,521)
Dividend income received	10,889,639	1,351,090
Profit income received	329,046	950,993
Purchase of investments at fair value through other comprehensive income	(3,493,150)	-
Net cash used in investing activities	(14,525,205)	(42,222,973)
Cash flows from financing activities		
Murabaha payable	(20,906)	(70,057)
Due to bank	(421)	(19,311)
Director remuneration paid	-	(500,000)
Net cash used in financing activities	(21,327)	(589,368)
Net decrease in cash and cash equivalents	(5,838,066)	(54,170,629)
Cash and cash equivalents at the beginning of the period	55,567,060	82,383,065
Cash and cash equivalents at the end of the period (Note 5)	49,728,994	28,212,436
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Notes to the condensed interim consolidated financial information for the six month period ended 30 June 2021

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, 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.

On 29 September 2020 the Board of Directors approved the resignation of Mr. Mubarak Matar Al Shamisi, and re-constituted the Board of Directors by electing Dr. Saleh Hashem Sayed Shareef Al Hashimi as Chairman, and Mr. Mohamed Omeir Yousuf Al Muhari as Vice Chairman.

On 28 June 2021 The Annual General Meeting was held remotely and approved the Following:-

- Resignation of the Board Members: Mr. Muhammad Amir Yusef Ahmed Al Muhairi, Mr. Abdul Rahman Ahmed Abdullah Senan and Mr. Muhammad Ali Al Hosani.
- Election of new three Board members until the end of the current term in (2022). Ms. Maha Khadem Khalfan Khadem Al Mheiri, Mr. Omran Mohammed Saleh Mahmood Husain AlKhoori and Mr. Mohammed Ahmed Abdulla Mohammed Al Malik

The Company with its subsidiaries are together referred to as the “Group” in this condensed interim consolidated financial information. At 30 June 2021 and 2020, 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
Nawat Investments L.L.C.	United Arab Emirates	100.00	100.00	Investment in commercial, industrial and agricultural enterprises and management
Technik Auto Service Centre Co. L.L.C	United Arab Emirates	100.00	100.00	Vehicles' repair services
Amity Health L.L.C.	United Arab Emirates	90.00	90.00	Medical billing services

The Vice 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.

Federal Decree Law No. (26) of 2020 which amends certain provisions of Federal Law No. (2) of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021, however, some of the amended articles refer to further executive regulations to be issued. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

Federal Decree Law No. (24) of 2020 which amends certain provisions of the U.A.E. Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of its Operations was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. Effective 2 January 2021, the Insurance Sector became under the supervision and authority of the UAE Central Bank.

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 takaful 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 and single counter party exposure limits.

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

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

New standards, amendments to published standards or IFRIC interpretations effective for the Group’s accounting period beginning on 1 January 2021

New and revised IFRSs	Effective for annual periods beginning on or after
Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.	1 June 2020
Amendments to IAS 1 and IAS 8 on the definition of material The Phase 2 amendments that were issued on 27 August 2020 address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. For instruments to which the amortised cost measurement applies, the amendments require entities, as a practical expedient, to account for a change in the basis for determining the contractual cash flows as a result of IBOR reform by updating the effective interest rate using the guidance in paragraph B5.4.5 of IFRS 9. As a result, no immediate gain or loss is recognised. This practical expedient applies only to such a change and only to the extent it is necessary as a direct consequence of IBOR reform, and the new basis is economically equivalent to the previous basis. Insurers applying the temporary exemption from IFRS 9 are also required to apply the same practical expedient. IFRS 16 was also amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of IBOR reform (for example, where lease payments are indexed to an IBOR rate).	1 January 2021

There are no other IFRSs, IFRIC interpretations or amendments to standards that were effective for the first time for the financial year beginning 1 January 2021 that have had a material impact on the Group’s condensed interim consolidated financial information.

New standards, amendments to published standards or IFRIC interpretations issued but not yet effective for the Group’s accounting period beginning on 1 January 2021 and which have not been early adopted by the Group.

New standards and significant amendments to standards applicable to the Group	Effective date
Amendments to IAS 1, Presentation of financial statements on classification of liabilities These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.	1 January 2022

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

2. Application of new and revised International Financial Reporting Standards (“IFRS”) (continued)

New standards, amendments to published standards or IFRIC interpretations issued but not yet effective for the Group’s accounting period beginning on 1 January 2021 and which have not been early adopted by the Group (continued)

New standards and significant amendments to standards applicable to the Group	Effective date
IFRS 17, ‘Insurance contracts’ On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17, ‘Insurance Contracts’. IFRS 17 replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. IFRS 17 requires a current measurement model, where estimates are re-measured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin (“CSM”) representing the unearned profit of the contract. A simplified premium allocation approach is permitted for the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. However, claims incurred will need to be measured based on the building blocks of discounted, risk-adjusted, probability weighted cash flows. For presentation and measurement, entities are required at initial recognition to disaggregate a portfolio (that is, contracts that are subject to similar risks and managed together as a single pool) into three groups of contracts: onerous; no significant risk of becoming onerous; and remaining contracts. Contracts that are issued more than one year apart should not be in the same group. The standard applies to annual periods beginning on or after 1 January 2023, with earlier application permitted if IFRS 15, ‘Revenue from contracts with customers’ and IFRS 9, ‘Financial instruments’ are also applied. Management anticipates that IFRS 17 will be adopted in the Group’s consolidated financial statements on its application date. An optional, simplified premium allocation approach (PAA) is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model (GMM) called the ‘variable fee approach’ (VFA) for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity’s share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach. The Group expects that the new standard will result in a change to the accounting policies for insurance contracts and reinsurance, together with amendments to presentation and disclosures. The Group expects that the adoption of IFRS 17 will have an impact on the amounts reported and disclosures made in this condensed interim financial information in respect of its insurance contracts issued and reinsurance contracts held. However, it is not practicable to provide a reasonable estimate of the effects of the application of this standard until the Group performs a detailed review post the design phase of implementation which is in progress.	1 January 2023

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

2. Application of new and revised International Financial Reporting Standards (“IFRS”) (continued)

New standards, amendments to published standards or IFRIC interpretations issued but not yet effective for the Group’s accounting period beginning on 1 January 2021 and which have not been early adopted by the Group (continued)

New standards and significant amendments to standards applicable to the Group	Effective date
Amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 Amendments to IFRS 3, ‘Business combinations’ updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, ‘Property, plant and equipment’ prohibits a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related costs in profit or loss. Amendments to IAS 37, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.	1 January 2023
Amendments to IAS 1, Presentation of financial statements on classification of liabilities These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.	1 January 2022
Amendments to IFRS 17, ‘Insurance contracts’ and Amendments to IFRS 4 ‘Insurance contracts’ The IASB issued the amendments to IFRS 17, ‘Insurance contracts’, on 25 June 2020, together with an amendment to IFRS 4, so that eligible insurers can still apply IFRS 9 alongside IFRS 17. This concluded the IASB’s targeted amendments to IFRS 17 which aimed to ease implementation of the standard by reducing implementation costs and making it easier for entities to explain, to investors and others, the results from applying IFRS 17.	1 January 2023

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s condensed interim consolidated financial information as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 17, is not expected to have a material impact on the condensed interim consolidated financial information of the Group in the period of initial application.

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2020 (continued)****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.

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 cash equivalents, takaful receivables, financial assets at FVTOCI, financial assets at FVTPL, prepayments and other receivables, due from related parties, assets classified as held for sale, trade and other payables, takaful payables, due to bank, murabaha payable, due to related parties 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 and statutory deposit. The following balances are of mixed nature (including both current and non-current portions): retakaful contract assets, deferred policy acquisition costs, takaful contract liabilities, policyholders' reserve and deferred discount.

The accounting policies, presentation and methods in this condensed interim consolidated financial information are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2020 except for the change in presentation as disclosed in note 26 of this condensed interim consolidated financial information. This condensed interim consolidated financial information does not include all the information required for full annual financial statements and should be read in conjunction with the Group's audited consolidated financial statements as at and for the year ended 31 December 2020.

In addition, results for the six-month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

3.2 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 2020.

4. Judgements and estimates

The preparation of this 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 2020.

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

5. Cash and bank balances

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Cash in hand	62,804	18,576
Bank balances:		
Wakala deposits	60,000,000	60,000,000
Current accounts	48,657,214	54,539,508
	108,720,018	114,558,084
Less: Provision for impairment	(24,471)	(25,177)
	108,695,547	114,532,907
	=====	=====

The profit rates on Wakala deposits with Banks ranges from 0.70% to 1.25% (2020: 1.0% to 1.3%).

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

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Balance at the beginning of the period / year	25,177	20,376
(Reversal) / charge during the period / year	(706)	4,801
	24,471	25,177
	=====	=====

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

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Cash and bank balances	108,720,018	114,558,084
Cash and bank balances included in the assets held for sale	1,008,976	1,008,976
Deposits with original maturities of more than six-months	(60,000,000)	(60,000,000)
	49,728,994	55,567,060
	=====	=====

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

6. Financial assets measured at fair value

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Financial assets measured at fair value through other comprehensive income (FVTOCI) (A)		
- Listed	30,260,344	27,588,001
- Unlisted	34,149,648	30,656,498
	64,409,992	58,244,499
Financial assets measured at fair value through profit or loss (FVTPL) (B)		
- Listed	4,273,019	4,072,568
- Unlisted	21,056,966	30,800,773
- Unit linked investments	861,652,210	839,410,979
	886,982,195	874,284,320
Total financial assets measured at fair value (A+B)	951,392,187 =====	932,528,819 =====

Investments by geographical concentration are as follows:

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
- Within U.A.E.	54,606,061	61,516,929
- Outside U.A.E.	896,786,126	871,011,890
	951,392,187 =====	932,528,819 =====

- i. i. FVTOCI listed and unlisted securities are carried at a value of AED 64,409,992 (2020: AED 58,244,499), with an accumulated decline in their fair value as of 30 June 2021 amounting to AED 80,806,759 (2020: AED 83,479,102). Of these amounts, the fair value of the FVTOCI securities amounting to AED 52,226,031 (2020: AED 46,683,880) is attributable to the Company's shareholders and AED 12,183,961 (2020: AED 11,560,619) to the policyholders. Further, the accumulated losses of AED 60,403,180 (2020: AED 62,452,179) is attributable to the Company's shareholders and AED 20,403,579 (2020: AED 21,026,921) is attributable to the takaful operations. Losses arising from the FVTOCI investments for takaful operations are not borne by the policyholders but by the Company under takaful regulations. Accordingly, such cumulative losses are recognised as a separate reserve of the Company. Refer to note 26.
- ii. Unlisted securities carried at a fair value of AED 55,206,615 (2020: AED 61,457,271) mainly represent the Group's investments in shares of companies registered in Dubai, Algeria and certain other international markets.
- iii. The Group owns shares of Al Salam Bank - Algeria which are held by the former CEO (who resigned during 2013 - see Note 23).

**Notes to the condensed interim consolidated financial information
for the Six month period ended 30 June 2021 (continued)**

7. Takaful receivables

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Due from policyholders	41,809,655	28,025,280
Less: Allowance for impairment	(7,132,913)	(4,117,920)
	34,676,742	23,907,360
Due from takaful / retakaful companies	29,910,880	25,101,769
Due from brokers / agents	20,858,900	16,436,142
Less: Allowance for impairment	(6,127,494)	(6,842,746)
	79,319,028	58,602,525

Movement in provision for impairment is as follows:

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Balance at the beginning of the period / year	10,960,666	9,481,602
Impairment charge for the period / year	2,299,741	1,479,064
Balance at the end of the period / year	13,260,407	10,960,666

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

8. Retakaful contract assets and Takaful contract liabilities

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Takaful contract liabilities:		
Unearned contribution reserve	97,426,976	81,204,057
Claims reported unsettled	79,420,725	71,931,439
Mathematical reserve	9,341,400	2,847,862
Claims incurred but not reported	63,542,608	62,602,479
Unallocated loss adjustment expenses	2,359,431	2,343,996
Unit linked liabilities	861,652,210	839,410,979
Total takaful contract liabilities, gross	1,113,743,350	1,060,340,812
Retakaful contract assets:		
Unearned contribution reserve	38,189,844	30,778,105
Claims reported unsettled	64,489,857	58,009,511
Mathematical reserve	6,520,882	700,293
Claims incurred but not reported	39,083,290	37,500,160
Total retakaful share of takaful liabilities	148,283,873	126,988,069
Net		
Unearned contribution reserve	59,237,132	50,425,952
Claims reported unsettled	14,930,868	13,921,928
Mathematical reserve	2,820,518	2,147,569
Claims incurred but not reported	24,459,318	25,102,319
Unallocated loss adjustment expenses	2,359,431	2,343,996
Unit linked liabilities	861,652,210	839,410,979
	965,459,477	933,352,743
	=====	=====

9. 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.

**Notes to the condensed interim consolidated financial information
for the Six month period ended 30 June 2021 (continued)**

10. Takaful operations' surplus / (deficit)

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Balance at beginning of the period / year	6,870,801	4,308,305
(Deficit) / profit for the period attributable to takaful operations	(10,282,623)	3,141,986
Adjustment on retakaful placement provision	(66,631)	-
Transfer to retakaful placement provision during the period	(398,532)	(579,490)
Takaful operations' (deficit) / surplus at the end of the period / year	(3,876,895)	6,870,801
Qard Hassan against deficit in takaful operations' fund	3,876,895	-
Balance at end of the period / year	-	6,870,801
	=====	=====

11. Investment property

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Balance at beginning of the period / year	54,750,000	58,188,000
Loss on revaluation of investment property	-	(3,438,000)
Balance at end of the period / year	54,750,000	54,750,000
	=====	=====

12. Share capital

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Issued and fully paid:		
225,750,000 ordinary shares of AED 1 each (2020: 225,750,000 ordinary shares)	225,750,000	225,750,000
	=====	=====

13. 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, appropriated on an annual basis, until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law.

14. General reserve

The Group is required to transfer 10% of the profit of the Company for the year to a general reserve, appropriated on an annual basis, 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.

**Notes to the condensed interim consolidated financial information
for the Six month period ended 30 June 2021 (continued)**

15. Wakala fees and Mudarib's share

The Group manages the Takaful operations for the takaful operations and charges 33% (30 June 2020: 33%) of the gross Takaful contributions net of fronting contribution as Wakala fees. In addition, the Group charges 2% (30 June 2020: 2%) on fronting contribution as Wakala fees and 100% (30 June 2020: 100%) on FWU Administration fees. These Wakala fees rates were approved by the Group's Fatwa and Sharia'a Supervisory Board. The Group also manages the takaful operations' investment funds and is entitled to 25% (30 June 2020: 25%) of net investment income earned by the takaful operations' investment funds as the Mudarib's share. The Mudarib's share was AED 101,727 (30 June 2020: AED 93,990).

16. Investment income, net

	Six-month period ended 30 June	
	2021	2020
	AED	AED
	(Un-audited)	(Un-audited)
Revaluation loss on investments measured at FVTPL, net	(9,543,355)	(2,220,338)
Income from investment deposits	240,185	950,993
Dividend income	10,889,639	1,351,090
Rental income	183,500	318,000
	1,769,969	399,745
	=====	=====
<i>Allocated to:</i>		
Takaful operations	406,909	375,957
Shareholders	1,363,060	23,788
	1,769,969	399,745
	=====	=====

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

Investment income and losses are allocated amongst the shareholders and policy holders are based on their holding. All the investment requests are identified for shareholders and takaful operations separately.

17. Basic and diluted earnings per share

Earnings per share is 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:

	Six-month period ended 30 June	
	2021	2020
	(Un-audited)	(Un-audited)
Profit for the period attributable to shareholders of the parent (in AED)	12,007,914	8,165,811
	=====	=====
Weighted average number of shares outstanding during the period	225,750,000	225,750,000
	=====	=====
Earnings per share (AED per share)	0.053	0.036
	=====	=====

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

18. 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 significant balances outstanding at reporting date in respect of related parties included in the condensed interim consolidated financial information were as follows:

	As at 30 June 2021 (Un-audited)			As at 31 December 2020 (Audited)		
	Major shareholders AED	Other related parties AED	Total AED	Major shareholders AED	Other related parties AED	Total AED
Carrying value of investments in ordinary shares [Note 18(a)]	-	-	-	-	30,656,498	30,656,498
Due to related parties [Note 18(b)]	-	-	-	26,198	246,616	272,814
Due from related parties – gross [Note 18(c)]	-	-	-	5,087,451	54,783	5,142,234

(a) A major shareholder, who is a member of the Board of Directors, is also a Board Member of Al Salam Bank -Algeria. The Group has equity investments in Al Salam Bank - Algeria amounting to AED Nil (31 December 2020: AED 34.1 million). Also refer Note 23 for details of shares held by a former CEO of the Group in Al Salam Bank – Algeria for the benefit of the Group.

(b) Due to related parties represents the following:

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
<i>Entities owned by the Vice Chairman of the Board of Directors</i>		
Fast Rent A Car LLC - UAE	-	226,944
Omeir Bin Youssef & Sons - UAE	-	26,198
Emirates Taxi - UAE	-	19,672
Total	-	272,814
	=====	=====

(c) Due from related parties represents the following:

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
<i>Entities owned by the Vice Chairman of the Board of Directors</i>		
Bin Omeir Education Foundation - UAE	-	2,447,222
Nation Hospital - UAE	-	1,789,012
Bin Omeir Holding Group - UAE	-	443,818
Bin Omeir Medical Group - UAE	-	360,584
International Market Group For General Services - UAE	-	46,815
Yas Mineral Water Bottling - UAE	-	37,959
Chocolatier - UAE	-	15,558
Al Massa Art Products - UAE	-	1,266
	-	5,142,234
Less: Provision for impairment	-	(2,163,139)
Total	-	2,979,095
	=====	=====

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

18. Related party transactions (continued)

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

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Balance at the beginning of the period/ year	2,163,139	1,921,512
Provision during the period/ year	(2,163,139)	241,627
Balance at the end of the period/ year	-	2,163,139

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

	30 June 2021 (Un-audited)			30 June 2020 (Un-audited)		
	Major shareholders AED	Other related parties AED	Total AED	Major shareholders AED	Other related parties AED	Total AED
Gross contributions	1,198,150	-	1,198,150	1,962,935	13,010	1,975,945
Gross claims paid	82,078	30,895	112,973	57,768	112,875	170,643

As disclosed in note 1 of this condensed interim consolidated financial information, the Company's directors were changed in the Annual General Meeting held on 28 June 2021 and accordingly the former directors and entities owned by the former directors ceased to be related parties of the Group as of the date of the Annual General meeting. There were no balances and transactions with the newly appointed directors as of and for the period ended 30 June 2020.

Compensation of key management personnel was as follows:

	Six-month period ended 30 June	
	2021 AED (Un-audited)	2020 AED (Un-audited)
Short term employee benefits	980,083	1,041,800
End of service benefits	41,655	41,885
Total compensation paid to key management personnel	1,021,738	1,083,685

19. 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.

Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)

19. Segmental information (continued)

	Six-month period ended 30 June 2021 (Un-audited)				Six-month period ended 30 June 2020 (Un-audited)			
	Takaful AED	Investments AED	Other AED	Total AED	Takaful AED	Investments AED	Other AED	Total AED
Takaful								
Takaful income	61,664,808	-	-	61,664,808	62,999,979	-	-	62,999,979
Takaful expenses	(31,669,053)	-	-	(31,669,053)	(24,906,626)	-	-	(24,906,626)
Net takaful income	29,995,755	-	-	29,995,755	38,093,353	-	-	38,093,353
Wakala fees	(40,583,560)	40,583,560	-	-	(37,921,420)	37,921,420	-	-
Mudarib fees	(101,727)	101,727	-	-	(93,990)	93,990	-	-
Policy acquisition cost	-	(10,933,293)	-	(10,933,293)	-	(11,885,864)	-	(11,885,864)
	(40,685,287)	29,751,994	-	(10,933,293)	(38,015,410)	26,129,546	-	(11,885,864)
Investment income	406,909	1,363,060	-	1,769,969	375,957	23,788	-	399,745
Other income	-	(7,165)	-	(7,165)	-	46,509	-	46,509
General and administrative expenses	-	(15,220,581)	-	(15,220,581)	-	(18,020,015)	-	(18,020,015)
Qard Hassan to takaful operations' fund	3,876,985	(3,876,985)	-	-	-	-	-	-
Net operating loss of subsidiaries	-	-	(2,409)	(2,409)	-	-	(14,017)	(14,017)
Net profit/ (loss) for the period	(6,405,638)	12,010,323	(2,409)	5,602,276	453,900	8,179,828	(14,017)	8,619,711
	=====	=====	=====	=====	=====	=====	=====	=====

	Takaful		Investment		Total	
	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Segment assets	1,195,115,662	1,144,379,897	214,489,977	217,867,840	1,409,605,639	1,362,247,737
	=====	=====	=====	=====	=====	=====
Segment liabilities	1,330,283,293	1,291,254,041	-	-	1,330,283,293	1,291,254,041
	=====	=====	=====	=====	=====	=====

Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)

19. Segmental information (continued)

Net takaful contributions	Three-month period ended 30 June 2021 (Un-audited)			Six-month period ended 30 June 2021 (Un-audited)		
	Gross AED	Retakaful AED	Net AED	Gross AED	Retakaful AED	Net AED
Motor	18,735,725	2,682,292	16,053,433	37,578,413	4,313,223	33,265,190
Engineering	507,641	471,132	36,509	1,372,140	1,250,881	121,259
Marine & aviation	591,921	488,657	103,264	1,106,787	926,630	180,157
Fire	4,475,142	4,147,208	327,934	10,083,272	9,286,224	797,048
General insurance & liabilities	25,173,095	23,597,808	1,575,287	37,219,320	33,763,000	3,456,320
Medical	9,022,196	628,805	8,393,391	15,645,650	1,063,776	14,581,874
Life	18,730,426	15,601,533	3,128,893	34,568,342	29,102,679	5,465,663
Total	77,236,146	47,617,435	29,618,711	137,573,924	79,706,413	57,867,511
	=====	=====	=====	=====	=====	=====
Net takaful contributions	Three-month period ended 30 June 2020 (Un-audited)			Six-month period ended 30 June 2020 (Un-audited)		
	Gross AED	Retakaful AED	Net AED	Gross AED	Retakaful AED	Net AED
Motor	14,641,487	2,274,849	12,366,638	29,677,240	4,025,788	25,651,452
Engineering	617,045	476,763	140,282	1,404,813	1,186,518	218,295
Marine & aviation	1,032,978	955,757	77,221	2,115,728	1,797,321	318,407
Fire	4,392,921	4,147,194	245,727	10,939,416	10,219,948	719,468
General insurance & liabilities	18,322,146	17,014,326	1,307,820	29,611,369	26,453,651	3,157,718
Medical	5,486,158	78,356	5,407,802	17,584,734	676,653	16,908,081
Life	13,901,011	11,333,350	2,567,661	26,663,789	21,712,567	4,951,222
Total	58,393,746	36,280,595	22,113,151	117,997,089	66,072,446	51,924,643
	=====	=====	=====	=====	=====	=====

Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)

19. Segmental information (continued)

Net takaful claims	Three-month period ended 30 June 2021 (Un-audited)			Six-month period ended 30 June 2021 (Un-audited)		
	Gross AED	Retakaful AED	Net AED	Gross AED	Retakaful AED	Net AED
Motor	9,258,382	677,714	8,580,668	19,895,938	3,011,432	16,884,506
Engineering	457,697	436,320	21,377	1,082,932	1,003,574	79,358
Marine & aviation	420,853	415,099	5,754	1,593,184	1,552,801	40,383
Fire	814,364	777,876	36,488	2,158,547	2,072,845	85,702
General insurance & liabilities	1,036,075	273,458	762,617	6,866,148	5,568,294	1,297,854
Medical	5,338,808	198,668	5,140,140	12,579,031	1,132,318	11,446,713
Life	2,404,476	1,975,827	428,649	7,981,618	6,528,455	1,453,163
Total	19,730,655	4,754,962	14,975,693	52,157,398	20,869,719	31,287,679
	=====	=====	=====	=====	=====	=====
Net takaful claims	Three-month period ended 30 June 2020 (Un-audited)			Six-month period ended 30 June 2020 (Un-audited)		
	Gross AED	Retakaful AED	Net AED	Gross AED	Retakaful AED	Net AED
Motor	6,732,717	4,311,360	2,421,357	22,037,360	8,436,821	13,600,539
Engineering	236,393	218,768	17,625	268,587	249,543	19,044
Marine & aviation	3,982,095	3,923,960	58,135	4,947,199	4,847,942	99,257
Fire	486,834	444,561	42,273	787,922	727,766	60,156
General insurance & liabilities	959,108	-640,518	1,599,626	9,642,401	7,215,406	2,426,995
Medical	7,478,001	4,576,283	2,901,718	16,292,357	10,870,573	5,421,784
Life	3,843,144	3,107,135	736,009	4,372,963	3,529,643	843,320
Total	23,718,292	15,941,549	7,776,743	58,348,789	35,877,694	22,471,095
	=====	=====	=====	=====	=====	=====

**Notes to the condensed interim consolidated financial information
for the Six month period ended 30 June 2021 (continued)**

20. 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 0.4 million (31 December 2020: AED 0.4 million).
- (b) The Group, in common with other insurance companies, 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.

21. 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).

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

21. 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 June 2021 AED'000 (Un-audited)	31 December 2020 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	30,260	27,588	Level 1	Quoted bid prices in an active market.	None	Not applicable.
Unquoted equity securities	34,150	30,656	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	4,273	4,073	Level 1	Quoted bid prices in an active market.	None	Not applicable.
Unquoted equity securities	21,057	30,801	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Unit linked investments	861,652	839,411	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 financial assets measured at FVTOCI:

	30 June 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
At beginning of the period / year	30,656	34,728
Changes in fair value	3,494	(4,072)
At end of the period / year	34,150	30,656
	=====	=====

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

21. Fair value of financial instruments (continued)

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

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

	30 June 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
<i>Unit linked investments</i>		
At 1 January	839,411	750,500
Net change during the period/year (change in fair value and net investment/withdrawal)	22,241	88,911
At end of the period / year	861,652 =====	839,411 =====
<i>Unquoted equity securities</i>		
At 1 January	30,801	-
Purchases during the period/year	-	22,044
Change in fair value during the period /year	(9,744)	8,757
At end of the period / year	21,057 =====	30,801 =====

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.

22. COVID 19 impact on the Group

The existence of novel coronavirus ("COVID-19") was confirmed in early 2020 and has spread across mainland China and beyond, causing disruptions to businesses and economic activity. There has been macro-economic uncertainty across all sectors of the economy due to the price and demand for oil, reduced economic activity, disruption to global supply chains and the potential postponement of large-scale events. The scale and duration of these developments remain uncertain but could impact the earnings, cash flow and financial condition of the Group and those of our counterparties. The Group is monitoring these metrics on a regular basis and will respond to any threats identified.

COVID 19 impact on measurement of takaful contract liabilities

At the condensed interim consolidated statement of financial position date, the Group had 47 reported claims in relation to Covid-19 which have been fully reflected in the condensed interim consolidated financial information. As at the date of the condensed interim consolidated statement of financial position, the Group have not been notified of any business interruption claims. The Group is monitoring the loss experience and has appropriately calculated its technical reserves as at 31 March 2021. The impact on life insurance was minimal as this point.

COVID 19 impact on measurement of ECL

IFRS 9 framework requires the estimation of Expected Credit Losses ("ECL") based on current and forecast economic conditions. In order to assess ECL forecast under forecast economic conditions, the Group utilises a range of economic scenarios of varying severity, and with appropriate weightings, to ensure that ECL estimates are representative of a range of possible economic outcomes.

The Group had reviewed the potential impact of COVID 19 outbreak on the inputs and assumptions for IFRS 9 ECL measurement in light of available information. Overall, the COVID-19 situation remains fluid and is rapidly evolving at this point, which makes it challenging to reliably reflect impacts on the ECL estimates. Notwithstanding this, recognising that the outbreak is expected to have an impact on the macro-economic environment beyond reasonable doubt.

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

22. COVID 19 impact on the Group (continued)

Impact on investment property and unquoted financial assets

The Group performed a detailed valuation for its investment property as of 31 December 2020 by internationally qualified valuation firms who apply RICS Valuation Global Standards in compliance with the UAE Financial Regulations for Insurance Companies issued by the CBUAE (formerly, IA). The Group also assessed the unquoted equity portfolio against latest available inputs. Accordingly, the Group believes the fair values reported for both unquoted investments and investment property reflect the current market conditions as of 30 June 2021.

Liquidity management / Business continuity planning

The management had taken prudent measures and controls to ensure adequate liquidity of the Group to meet its obligations. The Group has established remote working plans to ensure continuous services to its customers. The Group ensures that the outbreak of epidemic has not caused any significant distractions in policy issuance and claims processing. The Group will monitor the effects closely and will take all the adequate measures as required.

23. 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 investments that were held by him for the beneficial interest of the Group. As of 30 June 2021, investments with a total carrying value of AED 9.2 million which are still in his name, have not yet been transferred to the legal ownership of the Group. The Group has initiated legal proceedings in regard to the transfer of these assets which involves a degree of uncertainty as to the full and timely transfer of legal title. However, the Board of Directors is confident in the eventual transfer of legal title and therefore no adjustments to the carrying value of the assets are required.

The Group also had other assets held by an entity controlled by the former CEO on behalf of the Group which have since been disposed off without the Group's approval. The total value of these assets on the date of purchase was approximately AED 11 million. The Group has initiated legal proceedings in regard to the recovery of the said amount. The assets have been fully provided in the condensed interim consolidated statement of financial position as of 30 June 2021 and recognition of the contingent asset will only be made once the success of the legal action is certain.

24. Prepayments and other receivables

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Prepayments	3,418,854	2,105,504
Receivables from employees	729,007	814,799
Advance to suppliers	1,606,440	1,913,923
Refundable deposits	258,169	258,169
Other receivables	1,950,626	1,979,019
	7,963,096	7,071,414

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

25. Trade and other payables

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Trade payables and accruals	25,514,117	62,626,290
Employees' end of service benefits	6,189,469	5,897,839
Zakat payable	168,985	462,641
	<u>31,872,571</u> =====	<u>68,986,770</u> =====

26. Restatement of comparative financial information

In prior years, the presentation of statement of financial position was amended to conform with the requirements of IAS 1 – Presentation of Financial Statements. In the implementation of the changes in the presentation, certain balances, “Investments revaluation reserve – FVTOCI - for takaful operations” (debit balance of AED 21,026,921 as of 31 December 2020), “Retakaful placement provision” (credit balance of AED 1,311,762 as of 31 December 2020) and “Takaful operations surplus” were aggregated which resulted in a net debit balance of AED 12,844,358 as of 31 December 2020. As the net amount was a debit balance, the Company recognised this amount as an asset referred to as “Policyholders’ reserve”. Per the takaful requirements, losses arising from the FVTOCI investments for takaful operations are not borne by the policyholders but by the Company. As such, such losses do not meet the recognition criteria under IFRS to be recognised as an asset. Therefore, the amount of AED 21,026,921 should have been recognised in equity as a separate reserve as of 31 December 2020.

Furthermore, the takaful operations surplus should not have been aggregated and should have been recognised as a liability of AED 6,870,801 as of 31 December 2020 and the Retakaful placement provision of AED 1,311,762 should also not have been aggregated as per the regulations and should have been disclosed separately in equity. The misstatements have been corrected by restating each of the affected financial statement line items for the prior periods as of 31 December 2020 and 1 January 2020 as follows:

As at 31 December 2020	As previously reported AED	Adjustment AED	As restated AED
Assets			
Policyholders’ reserve	12,844,358 =====	(12,844,358) =====	- =====
Liabilities			
Takaful operations’ surplus	-	6,870,801	6,870,801
Equity			
Investments revaluation reserve – FVTOCI - for takaful operations	-	(21,026,921)	(21,026,921)
Retakaful placement provision	- <u> </u>	1,311,762 <u> </u>	1,311,762 <u> </u>
	- =====	(12,844,358) =====	(12,844,358) =====

There was no impact of the above restatement on the condensed interim consolidated statement of comprehensive income and condensed interim consolidated statement of cash flows for the six-month period ended 30 June 2020.

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

26. Restatement of comparative financial information (continued)

As at 1 January 2020	As previously reported AED	Adjustment AED	As restated AED
Assets			
Policyholders' reserve	14,753,823	(14,753,823)	-
	=====	=====	=====
Liabilities			
Takaful operations' surplus	-	4,308,305	4,308,305
Equity			
Investments revaluation reserve – FVTOCI - fortakaful operations	-	(19,062,128)	(19,062,128)
	=====	=====	=====
	-	(14,753,823)	14,753,823
	=====	=====	=====

27. Condensed interim consolidated statement of financial position - Shareholders and takaful operations' assets and liabilities

	30 June 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
ASSETS		
Takaful operations' assets		
Cash and bank balances	61,163,535	43,615,858
Financial assets measured at fair value through profit and loss (FVTPL)	681,399	661,581
Financial assets measured at fair value through other comprehensive income (FVTOCI)	12,183,961	11,560,619
Takaful receivables	79,319,028	58,602,525
Reta kakaful contract assets		
Unearned contribution reserve	38,189,844	30,778,105
Claims reported unsettled	64,489,857	58,009,511
Mathematical reserve	6,520,882	700,293
Claims incurred but not reported	39,083,290	37,500,160
Investment property	10,240,775	10,240,775
Due from shareholders	37,659,746	45,286,960
	<u>349,532,317</u>	<u>296,956,387</u>
Shareholders' assets		
Cash and bank balances	47,532,012	70,917,049
Financial assets measured at fair value through profit and loss (FVTPL)	886,300,796	873,622,739
Financial assets measured at fair value through other comprehensive income (FVTOCI)	52,226,031	46,683,880
Due from related parties	-	2,979,095
Prepayments and other receivables	7,963,096	7,071,414
Deferred policy acquisition costs	9,738,123	7,642,874
Statutory deposit	10,000,000	10,000,000
Investment property	44,509,225	44,509,225
Property and equipment	220,717	281,753
Assets classified as held for sale	1,583,322	1,583,321
	<u>1,060,073,322</u>	<u>1,065,291,350</u>
Total shareholders' assets	<u>1,060,073,322</u>	<u>1,065,291,350</u>
Total assets	<u>1,409,605,639</u>	<u>1,362,247,737</u>
	=====	=====

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

27. Condensed interim consolidated statement of financial position - Shareholders and takaful operations' assets and liabilities

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT		
Takaful operations' liabilities		
Trade and other payables	17,227,866	20,747,516
Takaful payables	86,363,440	55,291,582
Takaful contract liabilities:		
Unearned contribution reserve	97,426,976	81,204,057
Claims reported unsettled	79,420,725	71,931,439
Mathematical reserve	9,341,400	2,847,862
Claims incurred but not reported	63,542,608	62,602,479
Unallocated loss adjustment expenses	2,359,431	2,343,996
Deferred discount	5,717,084	6,456,898
Amounts held under retakaful treaties	6,705,140	6,374,916
Total takaful operations' liabilities	368,104,670	309,800,745
Takaful operations' deficit		
(Deficit) / surplus in takaful operations' fund	(3,876,985)	6,870,801
Qard Hassan from shareholders	3,876,984	-
Takaful operations' investments revaluation reserve	(20,403,579)	(21,026,921)
Retakaful placement provision	1,831,227	1,311,762
Total deficit from takaful operations	(18,572,353)	(12,844,358)
Total takaful operations' liabilities and surplus	349,532,317	296,956,387
SHAREHOLDERS' LIABILITIES AND EQUITY		
Shareholders' liabilities		
Due to bank	19,980,906	19,981,327
Trade and other payables	14,644,705	48,239,254
Due to related parties	-	272,814
Unit linked liabilities	861,652,210	839,410,979
Murabaha payable	15,218,700	15,239,606
Due to takaful operations	37,659,746	45,286,960
Liabilities directly associated with assets classified as held for sale	13,022,356	13,022,356
Total shareholders' liabilities	962,178,623	981,453,296
Shareholders' equity		
Share capital	225,750,000	225,750,000
Legal reserve	5,080,128	5,080,128
General reserve	5,080,128	5,080,128
Investments revaluation reserve - FVTOCI	(60,403,180)	(62,452,179)
Accumulated losses	(76,285,587)	(88,293,501)
Equity attributable to shareholders of the Parent	99,221,489	85,164,576
Non-controlling interest	(1,326,790)	(1,326,522)
Total equity	97,894,699	83,838,054
Total shareholders' liabilities and equity	1,060,073,322	1,065,291,350
Total takaful operations' liabilities and deficit, shareholders' liabilities and equity	1,409,605,639	1,362,247,737

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

28. Condensed interim consolidated statement of financial position – Takaful operations' assets and liabilities (Life and Non-Life)

	As at 30 June 2021 (Un-audited)			As at 31 December 2020 (Audited)		
	<u>TOTAL</u>	<u>NON-LIFE</u>	<u>LIFE</u>	<u>TOTAL</u>	<u>NON-LIFE</u>	<u>LIFE</u>
ASSETS						
Takaful operations' assets						
Cash and bank balances	61,163,535	51,338,076	9,825,459	43,615,858	39,546,164	4,069,694
Financial assets measured at fair value through other comprehensive income (FVTOCI)	681,399	681,399	-	661,581	661,581	-
Financial assets measured at fair value through profit and loss (FVTPL)	12,183,961	12,183,961	-	11,560,619	11,560,619	-
Takaful receivables	79,319,028	69,237,143	10,081,885	58,602,525	55,707,463	2,895,062
Retakaful contract assets						
Unearned contribution reserve	38,189,844	29,986,576	8,203,268	30,778,105	27,158,132	3,619,973
Claims reported unsettled	64,489,857	61,880,356	2,609,501	58,009,511	54,521,910	3,487,601
Mathematical reserve	6,520,882	-	6,520,882	700,293	-	700,293
Claims incurred but not reported	39,083,290	35,390,430	3,692,860	37,500,160	33,599,272	3,900,888
Investment property	10,240,775	10,240,775	-	10,240,775	10,240,775	-
Due from shareholders	37,659,746	38,067,888	(408,142)	45,286,960	44,028,656	1,258,304
Total takaful operations' assets	<u>349,532,317</u>	<u>309,006,604</u>	<u>40,525,713</u>	<u>296,956,387</u>	<u>277,024,572</u>	<u>19,931,815</u>
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT						
Takaful operations' liabilities						
Trade and other payables	17,227,866	17,227,866	-	20,747,516	20,747,516	-
Takaful payables	86,363,440	61,055,620	25,307,820	55,291,582	42,216,302	13,075,280
Takaful contract liabilities:						
Unearned contribution reserve	97,426,976	86,722,969	10,704,007	81,204,057	76,201,045	5,003,012
Claims reported unsettled	79,420,725	76,288,875	3,131,850	71,931,439	67,529,960	4,401,479
Mathematical reserve	9,341,400	-	9,341,400	2,847,862	-	2,847,862
Claims incurred but not reported	63,542,608	59,051,388	4,491,220	62,602,479	57,781,313	4,821,166
Unallocated loss adjustment expenses	2,359,431	2,294,213	65,218	2,343,996	2,253,016	90,980
Deferred discount	5,717,084	5,166,969	550,115	6,456,898	6,149,719	307,179
Amounts held under retakaful treaties	6,705,140	6,705,140	-	6,374,916	6,374,916	-
Total takaful operations' liabilities	<u>368,104,670</u>	<u>314,513,040</u>	<u>53,591,630</u>	<u>309,800,745</u>	<u>279,253,787</u>	<u>30,546,958</u>
Takaful operations' deficit						
(Deficit) / surplus in takaful operations' fund	(3,876,985)	12,072,880	(15,949,865)	6,870,801	17,754,814	(10,884,013)
Qard Hassan from shareholders	3,876,984	1,528,353	2,348,631	-	-	-
Takaful operations' investments revaluation reserve	(20,403,579)	(20,403,579)	-	(21,026,921)	(21,026,921)	-
Retakaful placement provision	1,831,227	1,295,910	535,317	1,311,762	1,042,892	268,870
Total deficit from takaful operations	<u>(18,572,353)</u>	<u>(5,294,290)</u>	<u>(13,278,062)</u>	<u>(12,844,358)</u>	<u>(2,229,215)</u>	<u>(10,615,143)</u>
Total takaful operations' liabilities and deficit	<u>349,532,317</u>	<u>309,218,750</u>	<u>40,313,568</u>	<u>296,956,387</u>	<u>277,024,572</u>	<u>19,931,815</u>

Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)

29. Condensed interim consolidated statement of income – Takaful operations’ - Life and Non-Life

	Three month period ended 30 June 2021 (Un-audited)			Three- month period ended 30 June 2020 (Un-audited)		
	TOTAL	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE
Continuing operations						
Attributable to takaful operations						
Takaful income						
Gross takaful contributions	77,236,146	58,505,720	18,730,426	58,393,746	44,492,735	13,901,011
Retakaful share of gross takaful contributions	(47,617,435)	(32,015,902)	(15,601,533)	(36,280,595)	(24,947,245)	(11,333,350)
Net takaful contributions	29,618,711	26,489,818	3,128,893	22,113,151	19,545,490	2,567,661
Net transfer to unearned contributions reserve	(4,884,067)	(4,257,353)	(626,714)	2,626,870	3,657,035	(1,030,165)
Net change in mathematical reserve	(512,396)	-	(512,396)	30,119	-	30,119
Net takaful contributions earned	24,222,248	22,232,465	1,989,783	24,770,140	23,202,525	1,567,615
Discount received on ceded retakaful	4,798,838	4,446,622	352,216	5,518,764	5,216,354	302,410
Policy fees	2,235,049	196,742	2,038,307	2,121,746	35,478	2,086,268
	31,256,135	26,875,829	4,380,306	32,410,650	28,454,357	3,956,293
Takaful expenses						
Gross claims settled	(19,730,655)	(17,326,179)	(2,404,476)	(23,718,292)	(19,875,149)	(3,843,143)
Retakaful share of gross claims settled	4,754,962	2,779,135	1,975,827	15,941,549	12,834,413	3,107,136
Net takaful claims	(14,975,693)	(14,547,044)	(428,649)	(7,776,743)	(7,040,736)	(736,007)
Change in provision for outstanding claims	431,865	(202,271)	634,136	9,147,937	11,431,746	(2,283,809)
Retakaful share of outstanding claims	(1,238,127)	(701,906)	(536,221)	(7,503,448)	(9,240,008)	1,736,560
Net change in incurred but not reported claims	(1,022,068)	(1,255,858)	233,790	(1,735,463)	(1,718,172)	(17,291)
Net change in unallocated loss adjustment expenses reserve	(116,347)	(132,986)	16,639	67,739	96,055	(28,316)
Net claims incurred	(16,920,370)	(16,840,065)	(80,305)	(7,799,978)	(6,471,115)	(1,328,863)
Net takaful income	14,335,765	10,035,764	4,300,001	24,610,672	21,983,242	2,627,430
Wakala fees	(22,059,138)	(15,410,505)	(6,648,633)	(18,377,568)	(12,706,878)	(5,670,690)
Investment income	189,396	189,396	-	260,003	260,003	-
Mudarib’s share	(47,349)	(47,349)	-	(65,001)	(65,001)	-
Net surplus / (deficit) from takaful operation for the period	(7,581,326)	(5,232,694)	(2,348,632)	6,428,106	9,471,366	(3,043,260)

**Notes to the condensed interim consolidated financial information
for the six month period ended 30 June 2021 (continued)**

29. Condensed interim consolidated statement of income – Takaful operations’ - Life and Non-Life (continued)

	Six month period ended 30 June 2021 (Un-audited)			Six - month period ended 30 June 2020 (Un-audited)		
	TOTAL	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE
Continuing operations						
Attributable to takaful operations						
Takaful income						
Gross takaful contributions	137,573,924	103,005,582	34,568,342	117,997,089	91,333,300	26,663,789
Retakaful share of gross takaful contributions	(79,706,413)	(50,603,734)	(29,102,679)	(66,072,446)	(44,359,879)	(21,712,567)
Net takaful contributions	57,867,511	52,401,848	5,465,663	51,924,643	46,973,421	4,951,222
Net transfer to unearned contributions reserve	(8,811,180)	(7,693,480)	(1,117,700)	(4,331,936)	(3,269,576)	(1,062,360)
Net change in mathematical reserve	(672,949)	-	(672,949)	56,000	-	56,000
Net takaful contributions earned	48,383,382	44,708,368	3,675,014	47,648,707	43,703,845	3,944,862
Discount received on ceded retakaful	8,278,712	7,576,203	702,509	9,851,650	8,988,832	862,818
Policy fees	5,002,714	371,132	4,631,582	5,499,622	115,286	5,384,336
	61,664,808	52,655,703	9,009,105	62,999,979	52,807,963	10,192,016
Takaful expenses						
Gross claims settled	(52,157,398)	(44,175,780)	(7,981,618)	(58,348,789)	(53,975,826)	(4,372,963)
Retakaful share of gross claims settled	20,869,719	14,341,264	6,528,455	35,877,694	32,348,050	3,529,644
Net takaful claims	(31,287,679)	(29,834,516)	(1,453,163)	(22,471,095)	(21,627,776)	(843,319)
Change in provision for outstanding claims	(7,489,286)	(8,758,915)	1,269,629	5,030,927	8,737,407	(3,706,480)
Retakaful share of outstanding claims	6,480,346	7,358,446	(878,100)	(3,654,255)	(6,640,640)	2,986,385
Net change in incurred but not reported claims	643,001	521,083	121,918	(3,867,174)	(3,941,711)	74,537
Net change in unallocated loss adjustment expenses reserve	(15,435)	(41,197)	25,762	54,971	87,490	(32,519)
Net claims incurred	(31,669,053)	(30,755,099)	(913,954)	(24,906,626)	(23,385,230)	(1,521,396)
Net takaful income	29,995,755	21,900,604	8,095,151	38,093,353	29,422,733	8,670,620
Wakala fees	(40,583,560)	(27,422,556)	(13,161,004)	(37,921,420)	(25,654,080)	(12,267,340)
Investment income	406,909	406,909	-	375,957	375,957	-
Mudarib's share	(101,727)	(101,727)	-	(93,990)	(93,990)	-
Net surplus / (deficit) from takaful operation for the period	(10,282,623)	(5,216,770)	(5,065,853)	453,900	4,050,620	(3,596,720)