TAKAFUL EMARAT – INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

REVIEW REPORT AND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2009

TAKAFUL EMARAT – INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

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Review Report on Condensed Interim Financial Information

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The Shareholders
Takaful Emarat – Insurance (PSC)
Public Joint Stock Company
Dubai - United Arab Emirates

Introduction
We have reviewed the accompanying condensed interim statement of financial position of **TAKAFUL EMARAT – INSURANCE (PSC) "the company"** as at 31 March 2009 and the condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review on Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at 31 March 2009 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

We draw attention that the comparative figures are not available in condensed interim statement of comprehensive income, statement of changes in equity and statement of cash flows, since the date of inception of the company is 18 May 2008.

TALAL ABU-GHAZALEH & CO. INTERNATIONAL

Ali Hasan Shafadi
Licensed Auditor No. 34

19 April 2009.

TAKAFUL EMARAT – INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2009

EXHIBIT A

	Note	31 March 2009 (Unaudited) AED	31 December 2008 (Audited) AED
ASSETS			
Non-Current Assets			
Property and equipment	3	**238,041**	235,422
Payments for purchase of land	4	**30,387,241**	30,387,241
Total Non-Current Assets		**30,625,282**	30,622,663
Current Assets			
Prepayments and other receivables	5	**9,381,348**	3,102,699
Cash and bank balances	6	**117,249,543**	119,390,266
Total Current Assets		**126,630,891**	122,492,965
TOTAL ASSETS		**157,256,173**	153,115,628
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	7	**150,000,000**	150,000,000
Statutory reserve		**184,136**	184,136
Additional reserve		**184,136**	184,136
Retained earnings		**1,578,156**	1,473,092
Total Shareholders' Equity - Exhibit C		**151,946,428**	151,841,364
Non-Current Liabilities			
End of service benefits obligation		**71,593**	43,595
Post dated cheques issued - Non-current portion		**1,322,062**	--
Total Non-Current Liabilities		**1,393,655**	43,595
Current Liabilities			
Accounts payable and others	8	**796,965**	730,669
Post dated cheques issued		**3,119,125**	500,000
Total Current Liabilities		**3,916,090**	1,230,669
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**157,256,173**	153,115,628

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements have been authorized for issue by the Board of Directors on 19 April 2009 and signed on its behalf by :

Dr.Khalid Saqer Khalfan Al Marri
Chairman

TAKAFUL EMARAT – INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2009(UNAUDITED)

EXHIBIT B

	Note	Three months period ended 31 March 2009 AED
Income from investment deposits		**1,906,479**
Administrative expenses		**(1,801,415)**
Profit for the Period - Exhibit D		**105,064**
Other comprehensive income		**--**
Total comprehensive income for the period - Exhibit C		**105,064**
Earning per share	9	**0.001**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

TAKAFUL EMARAT – INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2009(UNAUDITED)

EXHIBIT C

	Share capital AED	Statutory reserve AED	Additional reserve AED	Retained earnings AED	Total AED
Balance at 1 January 2009	150,000,000	184,136	184,136	1,473,092	151,841,364
Total Comprehensive Income for the three months period ended 31 March 2009 – Exhibit B	--	--	--	105,064	105,064
Balance at 31 March 2009 - Exhibit A	**150,000,000**	**184,136**	**184,136**	**1,578,156**	**151,946,428**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

TAKAFUL EMARAT – INSURANCE (PSC)
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DUBAI
UNITED ARAB EMIRATES

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2009(UNAUDITED)

EXHIBIT D

	Three months period ended 31 March 2009 AED
OPERATING ACTIVITIES	
Profit for the period - Exhibit B	**105,064**
Adjustments for:	
Depreciation	**14,922**
End of service benefits obligation	**27,998**
Operating Profit Before Working Capital Changes	**147,984**
Working capital changes:	
Increase in prepayments and other receivables	**(6,278,649)**
Increase in accounts payable and others	**66,296**
Increase in post dated cheques issued	**3,941,187**
Net Cash Used in Operating Activities	**(2,123,182)**
INVESTING ACTIVITIES	
Purchases of property and equipment	**(17,541)**
Payments for purchase of land	**--**
Investment deposits	**12,688,163**
Net Cash Provided by Investing Activities	**12,670,622**
Net increase in cash & cash equivalents	**10,547,440**
Cash & cash equivalents at beginning of period	**2,571,607**
Cash & Cash Equivalents at end of Period - Note 6	**13,119,047**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

TAKAFUL EMARAT – INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

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1. STATUS AND ACTIVITIES

Takaful Emarat – Insurance (PSC) – Dubai – United Arab Emirates (hereinafter referred to as the **"Company"**) incorporated as a public joint stock company in accordance with the U.A.E. Federal Law No. 8 of 1984 (as amended) and with U.A.E. Federal Law No. 6 of 2007 with the matter of establishing Insurance Authority and organizing its working in United Arab Emirates.

The company carry out Takaful Insurance Activities in Health Insurance and Life Insurance and Credit & Saving Insurance in accordance with the Islamic Sharia'a and within the provisions of the Articles of Association of the company.

The company is domiciled in Dubai City – Emirate of Dubai - and its registered address is P.O. Box 1619, Dubai, United Arab Emirates.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting". Condensed interim financial statements does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

b) Basis of preparation

The condensed interim financial statements are prepared under the historical cost convention.

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the company's audited annual financial statements for the period ended 31 December 2008.

3. **PROPERTY AND EQUIPMENT**

The details of this item are as follows :

	Office equipment AED	Furniture & fixtures AED	Computer software AED	Total AED
Cost :				
At 1 January 2009	127,859	80,484	47,400	255,743
Additions during the period	5,200	2,646	9,695	17,541
Balance at 31 March 2009	**133,059**	**83,130**	**57,095**	**273,284**
Accumulated Depreciation				
At 1 January 2009	10,125	5,780	4,416	20,321
Charged for the period	6,566	4,179	4,177	14,922
Balance at 31 March 2009	**16,691**	**9,959**	**8,593**	**35,243**
Net Book Value :				
At 31 March 2009				
– Exhibit A (Unaudited)	**116,368**	**73,171**	**48,502**	**238,041**
At 31 December 2008				
– Exhibit A (Audited)	117,734	74,704	42,984	235,422

4. **PAYMENTS FOR PURCHASE OF LAND**

This item of AED. 30,387,241 (Exhibit A) represents the amounts paid for purchase of a plot of land in the Emirate of Dubai.

5. **PREPAYMENTS AND OTHER RECEIVABLES**

This item consists of the following :

	31 March 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Accrued Income for investment deposits	**2,461,249**	1,802,893
Prepaid expenses	**5,553,309**	1,233,751
Advances to suppliers	**1,112,500**	--
Margin held against letter of guarantees	**39,000**	39,000
Refundable deposits	**142,205**	10,000
Staff receivable	**73,085**	17,055
Total – Exhibit A	**9,381,348**	3,102,699

6. **CASH AND BANK BALANCES**

a) This item consists of the following :

	31 March 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Cash in hand	**1,000**	--
Bank balances - current accounts	**1,118,047**	2,571,607
Investment deposits placed for a period of Three months or less from the original date of placement	**12,000,000**	--
Cash and cash equivalents – Exhibit D	**13,119,047**	2,571,607
Investment deposits placed for a period exceeding three months from the original date of placement	**104,130,496**	116,818,659
Total – Exhibit A	**117,249,543**	119,390,266

b) Investment deposits of 116,130,496 (31.12.2008 : AED.116,818,659) mentioned above are kept with Islamic Banks and Islamic Facilities House and all are domiciled in United Arab Emirates and include an investment deposit of AED. 4,000,000 kept in the order of the Chairman of the Insurance Authority.

7. **SHARE CAPITAL**

This item consists of the following :

	31 March 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Authorised, issued and fully paid up share capital comprises : 150,000,000 ordinary shares of AED. 1 each – Exhibit A	**150,000,000**	150,000,000

8. **ACCOUNTS PAYABLE AND OTHERS**

This item consists of the following :

	31 March 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Al Buhaira National Insurance Co. - Sharjah (a related party)	**559,090**	505,393
Provision for staff leave	**181,081**	109,263
Accrued expenses	**56,794**	116,013
Total – Exhibit A	**796,965**	730,669

9. **EARNING PER SHARE**

Earning per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

	Three months period ended 31 March 2009 (Unaudited)
Profit for the period attributable to equity holders of the company (AED)	**105,064**
Weighted average number of shares(share)	**150,000,000**
Basic earning per share (AED) – Exhibit B	**0.001**

10. **TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise major shareholders, directors and key management personnel of the company and entities related to them, companies under common ownership and/or common management and control. Transactions with related parties are consummated at prices and terms decided by management other than those obtainable from/quoted to third parties.

- At the condensed interim financial position date, balance due to a related party is disclosed in Note 8.
- The following are the details of significant related party transactions :

	31 March 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Amount due to Al Buhaira National Insurance Company	**559,090**	503,063

- The remuneration of directors and other members of key management are as follows :

	31 March 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Compensation paid to Key Management Personnel	**--**	1,050,000

11. **CONTINGENT LIABILITIES/COMMITMENTS**

Contingent liabilities/commitments of the company as at the condensed interim financial position date as declared by the company's management are as follows :

Contingent liabilities

	31 March 2009 (Unaudited)	31 December 2008 (Audited)
	AED	AED
Letters of guarantee	**39,000**	39,000

Commitments

	31 March 2009 (Unaudited)	31 December 2008 (Audited)
	AED	AED
Commitments towards purchase of land	**1,298,130**	**1,298,130**
Commitments towards purchase of property and equipments	**1,423,000**	--

12. **GENERAL**

The figures in the condensed interim financial statements are rounded to the nearest Arab Emirates Dirham (AED).