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

REVIEW REPORT AND
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2009

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

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Review Report on
Condensed Interim Financial Information

1013801310

The Board of Directors
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 30 September 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 nine months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at 30 September 2009 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

TALAL ABU-GHAZALEH & CO. INTERNATIONAL

Ali Hasan Shalabi
Licensed Auditor No. 34

12 October 2009.

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2009

EXHIBIT A

	Note	30 September 2009 (Unaudited) AED	31 December 2008 (Audited) AED
ASSETS			
Non-Current Assets			
Property and equipment	3	**32,228,517**	235,422
Payments for purchase of land	4	**--**	30,387,241
Held to maturity investments	5	**7,718,655**	--
Total Non-Current Assets		**39,947,172**	30,622,663
Current Assets			
Retakaful Contract assets		**66,476**	--
Takaful and other receivables	6	**9,540,064**	3,102,699
Cash and bank balances	7	**103,543,125**	119,390,266
Total Current Assets		**113,149,665**	122,492,965
TOTAL ASSETS		**153,096,837**	153,115,628
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	8	**150,000,000**	150,000,000
Statutory reserve		**184,136**	184,136
Additional reserve		**184,136**	184,136
Accumulated (losses)/profits		**(1,028,642)**	1,473,092
Net Shareholders' Equity - Exhibit C		**149,339,630**	151,841,364
Policy holders' fund			
Deficit of policy holders fund		**(55,021)**	--
Non-Current Liabilities			
End of service benefits obligation		**144,183**	43,595
Post dated cheques issued - Non-current portion		**1,322,062**	--
Total Non-Current Liabilities		**1,466,245**	43,595
Current Liabilities			
Takaful Contract Liabilities		**140,991**	--
Retakaful and other payables	9	**821,021**	225,276
Due to a related party	10	**61,908**	505,393
Post dated cheques issued		**1,322,063**	500,000
Total Current Liabilities		**2,345,983**	1,230,669
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**153,096,837**	153,115,628

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

These condensed interim financial information have been authorized for issue on 12 October 2009 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

EXHIBIT B

	Note	Nine months period ended 30 Sept. 2009 AED	Period from 18 May 2008 (date of inception) to 30 Sept. 2008 AED	Three months period ended 30 Sept. 2009 AED
Attributable to Policyholder				
Takaful Contributions earned		**9,702**	--	**9,702**
Retakaful Contributions ceded		**(4,282)**	--	**(4,282)**
Net earned contributions		**5,420**	--	**5,420**
Gross claims incurred		**--**	--	**--**
Retakaful share of claims incurred		**--**	--	**--**
Net claims incurred		**--**	--	**--**
Takaful income		**5,420**	--	**5,420**
Takaful expenses		**--**	--	**--**
Commission on retakaful and other income		**99**		**99**
Takaful Operating Profit		**5,519**	--	**5,519**
Policyholders investment income		**--**	--	**--**
Wakalah fees		**(60,540)**	--	**(60,540)**
Deficit of takaful result for the period		**(55,021)**	--	**(55,021)**
Attributable to shareholders :				
Shareholders' investment income, net	11	**4,671,043**	2,442,059	**1,748,235**
Net initial public offering subscription fees received		--	278,944	**--**
Wakalah fees from policy holders		**60,540**	--	**60,540**
General and administrative expenses	12	**(7,233,317)**	(1,000,749)	**(2,940,541)**
(Loss)/profit for the period - **Exhibit D**		**(2,501,734)**	1,720,254	**(1,131,766)**
Other comprehensive income		**--**	--	**--**
Total comprehensive (loss) profit for the period - **Exhibit C**		**(2,501,734)**	1,720,254	**(1,131,766)**
Basic (loss)/profit per share	13	**(0.016)**	0.01	**(0.007)**

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

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2009

EXHIBIT C

	Share capital AED	Statutory reserve AED	Additional reserve AED	Accumulated (losses) /Profits AED	Total AED
Paid up share capital	150,000,000	--	--	--	150,000,000
Total comprehensive profit for the period from 18 May 2008 (date of inception) to 30 September 2008 - Exhibit B	--	--	--	1,720,254	1,720,254
Balance at 30 September 2008 (Unaudited)	150,000,000	--	--	1,720,254	151,720,254
Balance at 1 January 2009 (Audited) - Exhibit A	**150,000,000**	**184,136**	**184,136**	**1,473,092**	**151,841,364**
Total comprehensive loss for the nine months period ended 30 September 2009 - Exhibit B	**--**	**--**	**--**	**(2,501,734)**	**(2,501,734)**
Balance at 30 September 2009 - Exhibit A (Unaudited)	**150,000,000**	**184,136**	**184,136**	**(1,028,642)**	**149,339,630**

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

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

EXHIBIT D

	Nine months period ended 30 September 2009	For the period from 18 May 2008 (date of inception) to 30 September 2008
OPERATING ACTIVITIES	**AED**	AED
(Loss)/profit for the period - Exhibit B	**(2,501,734)**	1,720,254
Adjustments for:		
Retakaful contract assets and takaful contract liabilities	**74,515**	--
Depreciation	**53,197**	5,275
Held to maturity investment income	**(471,884)**	--
End of service benefits obligation	**100,588**	15,657
Operating (Loss)/Profit Before Working Capital Changes	**(2,745,318)**	1,741,186
Working capital changes:		
Takaful and other receivables	**(6,437,365)**	(1,864,872)
Retakaful and other payables	**595,745**	99,518
Due to a related party	**(443,485)**	272,685
Post dated cheques issued	**2,144,125**	75,000
Net Cash (Used in)/provided by Operating Activities	**(6,886,298)**	323,517
INVESTING ACTIVITIES		
Purchases of property and equipment	**(1,659,051)**	(165,979)
Payments for purchase of land	**--**	(28,046,607)
Investment deposits	**17,124,195**	(116,130,494)
Purchase of held to maturity investments	**(7,309,585)**	--
Proceeds of held to maturity investments income	**62,814**	--
Net Cash Provided by/(used in) Investing Activities	**8,218,373**	(144,343,080)
FINANCING ACTIVITIES		
Paid up share capital	**--**	150,000,000
Deficit of policy holders fund	**(55,021)**	--
Net Cash (Used in)/Provided by Financing Activities	**(55,021)**	150,000,000
Net increase in cash & cash equivalents	**1,277,054**	5,980,437
Cash & cash equivalents at beginning of period	**2,571,607**	--
Cash & Cash Equivalents at end of Period - Note 14	**3,848,661**	5,980,437

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

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 also operates it activities in the Emirate of Sharjah through its branch.

The company is domiciled in Dubai City - Emirate of Dubai - and its registered address is P.O. Box 1619.

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 as per the provisions of the Articles of Association of the company.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The condensed interim financial information has been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting". Condensed interim financial information 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 information are prepared under the historical cost convention.

The accounting policies used in the preparation of these condensed interim financial information are consistent with those used in the company's audited annual financial statements for the period ended 31 December 2008, except for the following policies which were adopted during the period :

Takaful Contributions earned :
Takaful contributions earned are taken into income over the terms of the takaful contract to which they relate on a pro-rata basis. Unearned premiums represent the portion of premiums written relating to the unexpired periods of coverage.

Retakaful Expenses :
Retakaful expenses are recognized when the policies are issued.

3. **PROPERTY AND EQUIPMENT**

The details of this item are as follows :

	Office equipment AED	Furniture & fixtures AED	Computer software AED	Capital work-in-progress AED	Total AED
Cost :					
At 1 January 2009	127,859	80,484	47,400	--	255,743
Transfer from payments for purchase of land	--	--	--	30,387,241	30,387,241
Additions during the period	34,678	299,398	11,845	1,313,130	1,659,051
Balance at 30 September 2009	**162,537**	**379,882**	**59,245**	**31,700,371**	**32,302,035**
Accumulated Depreciation					
At 1 January 2009	10,125	5,780	4,416	--	20,321
Charged for the period	21,657	17,438	14,102	--	53,197
Balance at 30 September 2009	**31,782**	**23,218**	**18,518**	--	**73,518**
Net Book Value :					
At 30 September 2009 - Exhibit A (Unaudited)	**130,755**	**356,664**	**40,727**	**31,700,371**	**32,228,517**
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. 'Nil' (31.12.2008 : AED. 30,387,241) (Exhibit A) represents the total amounts paid for purchase of a plot of land in the Emirate of Dubai, which is transferred to property and equipment during the period.

5. **HELD TO MATURITY INVESTMENTS**

a) This item consists of the following :

	30 September 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Cost at 1 January	**--**	--
Additions during the period	**7,309,585**	--
Investments income	**471,884**	--
Investment income received	**(62,814)**	--
Total - Exhibit A	**7,718,655**	--

b) Held to maturity investments mentioned above represent investment in Sukuk issued by local companies.

6. **TAKAFUL AND OTHER RECEIVABLES**

This item consists of the following :

	30 September 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Takaful receivables	**105,062**	--
Accrued income of investment deposits	**1,589,878**	1,802,893
Prepaid expenses	**3,912,063**	1,233,751
Advances to suppliers	**3,675,310**	--
Margin held against letter of guarantees	**39,000**	39,000
Refundable deposits	**164,205**	10,000
Staff receivable	**54,546**	17,055
Total - Exhibit A	**9,540,064**	3,102,699

7. **CASH AND BANK BALANCES**

a) This item consists of the following :

	30 September 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Cash in hand	**1,401**	--
Bank balances - current accounts	**1,647,260**	2,571,607
Investment deposits placed for a period of three months or less from the original date of placement	**2,200,000**	--
Investment deposits placed for a period exceeding three months from the original date of placement	**99,694,464**	116,818,659
Total - Exhibit A	**103,543,125**	119,390,266

b) Investment deposits totaling of AED.101,894,464 (31.12.2008 : AED.116,818,659) mentioned above are deposited with local Islamic Banks and include an investment deposit of AED. 4,000,000 kept in the order of the Chairman of the Insurance Authority.

8. **SHARE CAPITAL**

This item consists of the following :

	30 September 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Authorized, issued and fully paid up : 150,000,000 ordinary shares of AED. 1 each - Exhibit A	**150,000,000**	150,000,000

9. **RETAKAFUL AND OTHER PAYABLES**

This item consists of the following :

	30 September 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Retakaful and other payables	**96,059**	--
Provision for staff leave salaries	**211,143**	109,263
Accrued expenses	**513,819**	116,013
Total - Exhibit A	**821,021**	225,276

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.

- **Due to a related party**

	30 September 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Al Buhaira National Insurance Co. - Sharjah	**61,908**	505,393

- The following are the details of a significant related party transactions :

	30 September 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Expenses charged	**61,908**	503,063

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

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

11. **SHAREHOLDERS' INVESTMENT AND OTHER INCOME**

This item consists of the following :

	Nine months ended 30 Sept. 2009 (Unaudited) AED	Period from 18 May 2008 (date of inception) to 30 Sept. 2008 (Unaudited) AED	**Three months ended 30 Sept. 2009 (Unaudited) AED**
Income from investment in fixed deposit	**4,199,159**	2,442,059	**1,276,351**
Income from investment in held to Maturity investments(sukuk)	**471,884**	--	**471,884**
Total - Exhibit B	**4,671,043**	2,442,059	**1,748,235**

12. **GENERAL AND ADMINISTRATIVE EXPENSES**

This item consists of the following :

	Nine months ended 30 Sept. 2009 (Unaudited) AED	Period from 18 May 2008 (date of inception) to 30 Sept. 2008 (Unaudited) AED	**Three months ended 30 Sept. 2009 (Unaudited) AED**
Salaries and other benefits	**3,168,188**	448,138	**1,146,107**
Rent	**2,402,578**	77,200	**886,032**
Other expenses	**1,662,551**	475,411	**908,402**
Total - Exhibit B	**7,233,317**	1,000,749	**2,940,541**

13. **(LOSS)/PROFIT PER SHARE**

(Loss)/profit per share is calculated by dividing the (loss)/profit for the period by the weighted average number of ordinary shares outstanding during the period.

	Nine months ended 30 Sept. 2009 (Unaudited) AED	Period from 18 May 2008 (date of inception) to 30 Sept. 2008 (Unaudited) AED	**Three months ended 30 Sept. 2009 (Unaudited) AED**
(Loss)/profit for the period attributable to equity holders of the company (AED)	**(2,501,734)**	1,720,254	**(1,131,766)**
Weighted average number of shares (share)	**150,000,000**	150,000,000	**150,000,000**
Basic (loss) profit per share (AED) - Exhibit B	**(0.016)**	0.01	**(0.007)**

14. **CASH AND CASH EQUIVALENTS**

At 30 September 2009 and 2008 "cash and cash equivalents" included in the condensed interim statement of cash flows (Exhibit D) comprise the following items :

	Nine months ended 30 Sept. 2009 (Unaudited) AED	From 18 May 2008 (date of inception) to 30 Sept. 2008 (Unaudited) AED
Cash in hand	**1,401**	--
Bank balances - current accounts	**1,647,260**	5,980,437
Investment deposits placed for a period of three months or less from the original date of placement	**2,200,000**	--
Total - Exhibit D	**3,848,661**	5,980,437

15. **CONTINGENT LIABILITIES/COMMITMENTS**

Contingent liabilities/commitments of the company as at the condensed interim financial position date are as follows :

Contingent liabilities

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

Commitments

	30 September 2009 (Unaudited) AED	31 December 2008 (Audited) AED
Commitments towards purchase of land	**--**	1,298,130
Commitments towards purchase of property and equipments	**606,000**	--

16. **GENERAL**

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