DUBAI ISLAMIC INSURANCE & REINSURANCE CO. (AMAN) (PSC)
DUBAI - UNITED ARAB EMIRATES

CONDENSED FINANCIAL INFORMATION AND REVIEW REPORT FOR THE PERIOD FROM JANUARY 1, 2010 TO JUNE 30, 2010

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Condensed Financial Information and Review Report
For the Period from January 1, 2010 to June 30, 2010

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Report on Review of Interim Financial Information

The Board of Directors
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai- United Arab Emirates

We have reviewed the accompanying condensed statement of financial position of **Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)** as of June 30, 2010 and the related condensed statements of income, comprehensive income, changes in equity and cash flows for the period from January 1, 2010 to June 30, 2010. Management is responsible for the preparation and presentation of this condensed financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting ("IAS 34")'. Our responsibility is to express a conclusion on this interim condensed 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 interim condensed financial information is not prepared, in all material respects in accordance IAS 34.

Deloitte & Touche (M.E.)

Anis F. Sadek
Partner
(Registration No. 521)

Dubai
July 22, 2010

Condensed Statement of Financial Position
At June 30, 2010
(In Arab Emirates Dirhams)

	Note	December 31, 2010 (Un-audited)	June 30, 2009 (Audited)
ASSETS			
Cash and cash equivalents		**5,206,092**	21,083,736
Investment deposits		**37,042,020**	35,999,980
Reinsurance contract assets		**167,599,837**	156,195,229
Takaful receivables		**131,427,912**	87,428,624
Other financial assets measured at FVTOCI	4	**66,083,480**	72,807,344
Other financial assets measured at FVTPL	4	**51,523,916**	54,371,191
Prepayments and other receivables		**26,946,953**	21,284,469
Investment property	5	**62,308,055**	62,308,055
Furniture and equipment		**1,912,931**	1,558,257
Total Assets		**550,051,196**	513,036,885
LIABILITIES, POLICY HOLDERS' FUND AND EQUITY			
Liabilities			
Due to a bank		**9,293,906**	-
Trade and other payables		**35,832,748**	42,977,614
Takaful payables		**69,854,512**	61,158,376
Reinsurance contract liabilities		**281,862,204**	247,768,291
Ijara payables		**11,910,304**	15,313,248
Amounts held under reinsurance treaties		**4,653,772**	5,844,803
Total liabilities		**413,407,446**	373,062,332
Policyholders' fund			
Deficit in policyholders' fund		**(36,284,277)**	(33,277,634)
Qard Hasan from shareholders		**36,284,277**	33,277,634
Proposed profit distribution to policyholders		**1,765,864**	1,767,561
Investments revaluation reserve	6	**(31,530,380)**	(29,319,957)
Total deficit in policyholders' fund		**(29,764,516)**	(27,552,396)
Total Liabilities and Policyholders' Fund		**383,642,930**	345,509,936
Equity			
Share capital	7	**210,000,000**	200,000,000
Statutory reserve	11	**14,335,464**	14,335,464
General reserve	12	**14,335,464**	14,335,464
Retained earnings		**8,972,525**	13,737,766
Investments revaluation reserve - FVTOCI		**(81,235,187)**	(74,881,745)
Total Equity		**166,408,266**	167,526,949
Total Liabilities, Policyholders' Fund and Equity		**550,051,196**	513,036,885

The accompanying notes form an integral part of these condensed financial statements.

The condensed financial statements on pages 2 to 15 were approved by the Board of Directors and authorized for issue on ...., 2010.

Hussein Mohammed Al Meeza
Managing Director / CEO

Basel Mohammad Al Kufairy
Finance Manager

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Condensed Statement of Income
For the Period from January 1, 2010 to June 30, 2010
(In Arab Emirates Dirhams)

	Note	Six months ended June 30, 2010 (Unaudited)	Six months ended June 30, 2009 (Unaudited)	Three months ended June 30, 2010 (Unaudited)	Three months ended June 30, 2009 (Unaudited)
Attributable to policyholders					
Takaful income					
Takaful contributions		**276,244,448**	188,608,396	**146,799,503**	97,627,313
Takaful contributions ceded to reinsurers		**(203,468,250)**	(107,649,115)	**(109,224,169)**	(58,236,038)
Net takaful contributions		**72,776,198**	80,959,281	**37,575,334**	39,391,275
Commission received on ceded reinsurance		**5,626,590**	7,448,139	**2,596,994**	3,594,184
Policy and survey fees		**1,733,125**	1,285,355	**695,181**	602,850
		80,135,913	89,692,775	**40,867,509**	43,588,309
Takaful expenses					
Gross claims incurred		**68,037,978**	67,929,114	**32,249,960**	33,118,713
Reinsurers' share of claims		**(29,829,960)**	(19,844,179)	**(12,319,130)**	(8,728,836)
Claims incurred		**38,208,018**	48,084,935	**19,930,830**	24,389,877
Commissions paid		**9,712,104**	12,100,353	**4,947,408**	7,149,742
Excess of loss Takaful contributions		**1,699,063**	2,315,988	**959,532**	1,225,578
		49,619,185	62,501,276	**25,837,770**	32,765,197
Net Takaful income		**30,516,728**	27,191,499	**15,029,739**	10,823,112
Wakala fees		**(32,003,477)**	(31,665,315)	**(18,023,263)**	(17,278,950)
Net loss from Takaful operations		**(1,486,749)**	(4,473,816)	**(2,993,524)**	(6,455,838)
Investment (loss)/income	8	**(1,519,894)**	3,417,658	**(2,325,116)**	2,183,347
Mudarib's fees		**-**	(854,415)	**201,304**	(545,837)
Loss for the period		**(3,006,643)**	(1,910,573)	**(5,117,336)**	(4,818,328)
Attributable to shareholders					
Income					
Investment (loss)/income	8	**(3,915,870)**	7,871,592	**(6,194,267)**	5,942,183
Wakala fees from policyholders		**32,003,477**	31,665,315	**18,023,263**	17,278,950
Mudarib's fees from policyholders		**-**	854,415	**(201,304)**	545,837
		28,087,607	40,391,322	**11,627,692**	23,766,970
Expenses					
General and administrative expenses		**(18,946,205)**	(18,588,796)	**(9,680,665)**	(9,259,439)
Write off of Qard Hasan to policyholders' fund		**(3,006,643)**	(1,910,573)	**(5,117,336)**	(4,818,328)
Profit/(loss) for the period		**6,134,759**	19,891,953	**(3,170,309)**	9,689,203
Earnings per share	10	**0.03**	0.09	**(0.02)**	0.05

The accompanying notes form an integral part of these condensed financial statements.

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Condensed Statement of Comprehensive Income
For the Period from January 1, 2010 to June 30, 2010
(In Arab Emirates Dirhams)

	Six months ended June 30,		Three months ended June 30,	
	2010	2009	**2010**	2009
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit/(loss) for the period	**6,134,759**	19,891,953	**(3,170,309)**	9,689,203
Other comprehensive income:				
Unrealized (loss)/income on revaluation of financial assets measured at FVTOCI	**(6,353,442)**	8,481,907	**(4,465,867)**	(6,143,309)
Total comprehensive (loss)/income for the period	**(218,683)**	28,373,860	**(7,636,176)**	3,545,894

The accompanying notes form an integral part of these condensed financial statements.

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Condensed Statement of Changes in Equity
For the period from January 1, 2010 to June 30, 2010
(In Arab Emirates Dirhams)

	Share capital	Statutory reserve	General reserve	Investments revaluation reserve AFS	Investments revaluation reserve FVTOCI	(Accumulated losses)/ retained earnings	Total
Balance at December 31, 2008 - audited	**200,000,000**	**12,278,225**	**12,278,225**	**(80,649,079)**	**-**	**(1,491,974)**	**142,415,397**
Effect of the change in accounting policy for classification and measurement of financial assets - IFRS 9 (Note 2)	-	-	-	80,649,079	(80,649,079)	-	-
Balance at January 1, 2009 (restated) - audited	**200,000,000**	**12,278,225**	**12,278,225**	**-**	**(80,649,079)**	**(1,491,974)**	**142,415,397**
Profit for the period	-	-	-	-		19,891,953	19,891,953
Other comprehensive income for the period	-	-	-	-	8,481,907	-	8,481,907
Total other comprehensive income for the period	**-**	**-**	**-**	**-**	**8,481,907**	**19,891,953**	**28,373,860**
Balance at June 30, 2009 - unaudited	**200,000,000**	**12,278,225**	**12,278,225**	**-**	**(72,167,172)**	**18,399,979**	**170,789,257**
Balance at January 1, 2010 - audited	**200,000,000**	**14,335,464**	**14,335,464**	**-**	**(74,881,745)**	**13,737,766**	**167,526,949**
Profit for the period	-	-	-	-		6,134,759	6,134,759
Other comprehensive loss	-	-	-	-	(6,353,442)	-	(6,353,442)
Total other comprehensive income for the period	**-**	**-**	**-**	**-**	**(6,353,442)**	**6,134,759**	**(218,683)**
Bonus shares issued during the period	10,000,000	-	-	-	-	(10,000,000)	-
Directors' fees paid during the period	-	-	-	-	-	(900,000)	(900,000)
Balance at June 30, 2010 - unaudited	**210,000,000**	**14,335,464**	**14,335,464**	**-**	**(81,235,187)**	**8,972,525**	**166,408,266**

The accompanying notes form an integral part of these condensed financial statements.

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Condensed Statement of Cash Flows
For the period from January 1, 2010 to June 30, 2010
(In Arab Emirates Dirhams)

	Six months period ended June 30,	
	2010 (un-audited)	2009 (un-audited)
Operating activities		
Profit for the period	**6,134,759**	19,891,953
Adjustments for:		
Depreciation of property and equipment	**418,218**	342,840
Loss/(gain) on revaluation of other financial assets measured at FVTPL	**11,174,778**	(2,168,690)
Provision for employees' end of service benefits	**424,387**	301,863
	18,152,142	18,367,966
Changes in operating assets and liabilities:		
Increase in reinsurance assets	**(11,404,608)**	(4,863,711)
Increase in Takaful contract receivables	**(43,999,288)**	(23,364,465)
Increase in financial assets measured at FVTPL	**(8,327,503)**	(1,859,726)
Increase in prepayments and other receivables	**(5,662,484)**	(1,115,740)
Increase/(decrease) in reinsurance contract liabilities	**34,093,913**	(441,648)
(Decrease)/increase in amounts held under reinsurance treaties	**(1,191,031)**	332,313
Increase in Takaful payables	**8,696,136**	2,161,414
(Decrease)/increase in trade and other payables	**(7,184,321)**	786,669
Cash used in operations	**(16,827,044)**	(9,996,928)
Employees' end of service benefits paid	**(66,277)**	(92,031)
Net cash used in operating activities	**(16,893,321)**	(10,088,959)
Investing activities		
Purchase of property and equipment	**(772,892)**	(437,794)
Net movement on financial assets measured at FVTOCI	**(1,840,001)**	1,065,156
Investment deposits	**(1,042,040)**	(17,000,000)
Net cash used in investing activities	**(3,654,933)**	(16,372,638)
Financing activities		
Ijara repaid	**(3,402,944)**	(3,402,945)
Increase in due to a bank	**9,293,906**	-
Decrease in policyholders' funds before Zakat	**(1,697)**	(7,844)
Zakat paid	**(318,655)**	(404,669)
Payment of Directors' fees	**(900,000)**	-
Net cash from/(used in) financing activities	**4,670,610**	(3,815,458)
Decrease in cash and cash equivalents	**(15,877,644)**	(30,277,055)
Cash and cash equivalents at the beginning of the period	**21,083,736**	40,106,802
Cash and cash equivalents at the end of the period	**5,206,092**	9,829,747

The accompanying notes form an integral part of these condensed financial statements.

1. General information

Dubai Islamic Insurance & Reinsurance Company (Aman) (PSC) (the "Company") is a public shareholding company and is registered under the Commercial Companies Law of 1984 (as amended). The Company carries out general Takaful (insurance) business in accordance with the teachings of Islamic Sharia'a. The Company is also licensed to engage in reinsurance and life Takaful business. The registered address of the Company is P.O. Box 157, Dubai, United Arab Emirates.

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

The Company mainly issues short term Takaful contracts in connection with motor, marine, fire and engineering, general accident risks and group life and medical risks (collectively known as general Takaful). 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 consisting of three members appointed by the shareholders. The Sharia'a 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.

2. Standards and Interpretations in issue not yet effective

At the date of authorisation of this condensed financial information, the following new and revised Standards and Interpretations were in issue but not yet effective:

	Effective for annual periods beginning on or after
• IAS 32 (revised) *Financial Instruments: Presentation* – Amendments relating to classification of Rights Issue	February 1, 2010
• IAS 24 *Related Party Disclosures* – Amendment on disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a Government	January 1, 2011
• IFRIC 19: *Extinguishing Financial Liabilities with Equity Instruments*	July 1, 2010
• Amendment to IFRIC 14: *IAS 19: The limit on a defined Benefit Asset, Minimum Funding Requirement and their interaction*	January 1, 2011

2. Standards and Interpretations in issue not yet effective (continued)

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the condensed financial statements of the Company in the period of initial application.

3. Accounting policies

The condensed financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets

The condensed financial statements of the Company is prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting,* issued by the International Accounting Standard Board and also comply with the applicable requirements of the laws in the U.A.E. The accounting policies used in the preparation of the condensed financial statements are consistent with those used in the preparation of the audited annual financial statements for the year ended December 31, 2009.

The condensed financial statements does not include all the information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's financial statements as of December 31, 2009. In addition, results for the six months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2010.

The Company adopted IFRS 9 *Financial Instruments* (IFRS 9) in 2009 in advance of its effective date. The Standard was applied retrospectively and the Company had chosen the limited exemption not to restate comparative information in the year of initial application. As a result, the difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application were recognised in the opening retained earnings (or other component of equity, as appropriate).

(a) Estimates

The preparation of condensed financial statements requires management to make judgments, estimates and assumptions that affect 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 these condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended December 31, 2009.

3. Accounting policies (continued)

(b) Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2009.

4. Other financial assets

	June 30, 2010 (un-audited) AED	December 31, 2009 (audited) AED
-Within U.A.E.	**64,432,203**	74,498,514
-Outside U.A.E.	**53,175,193**	52,680,021
	117,607,396	127,178,535

5. Investment property

Investment property comprises a plot of land purchased in 2007. The property is mortgaged as security against an Ijara payable.

6. Investments revaluation reserve

The Company transfers to the policyholders their share of investment revaluation reserve FVTOCI from the shareholders' equity in the same ratio as the policyholders share of investment gains. When the Company disposes of these investments, any gains or losses realized will be distributed between the shareholders and policyholders and, should such disposal result in a realized loss, the portion allocated to policyholders would require an additional Qard Hasan of an equivalent amount from the shareholders.

7. Share capital

	June 30, 2010 (un-audited) AED	December 31, 2009 (audited) AED
Issued and fully paid:		
210,000,000 (2009: 200,000,000)		
ordinary shares of AED 1each	**210,000,000**	200,000,000

At the General Assembly Meeting held on March 16, 2010, the shareholders of the Company resolved to distribute 5% of the share capital value as bonus shares.

8. Investment income

	Six months period ended June 30,	
	2010 AED (un-audited)	2009 AED (un-audited)
Fair value gains and losses		
Fair value (loss)/gain on investments carried at FVTPL	**(11,174,778)**	2,168,690
Realized gains and losses		
Gain from sale of investments carried at FVTPL	**3,274,928**	6,534,034
Other investment income		
Income from Islamic investment deposits	**582,969**	505,211
Income from investment in real estate funds	**121,000**	300,250
Dividend received	**1,938,888**	2,691,059
Investments related costs	**(178,771)**	(909,994)
	(5,435,764)	11,289,250
Allocated to:		
Policyholders	**(1,519,894)**	3,417,658
Shareholders	**(3,915,870)**	7,871,592
	(5,435,764)	11,289,250

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

9. Segmental information

The Company has adopted IFRS 8 Operating Segments with effect from January 1, 2009. The segments identified in accordance with IFRS 8 do not differ materially from those previously disclosed under IAS 14.

Operating Segments are identified on the basis of internal reports about the components of the company that are regularly reviewed by the Company's Managing Director (MD) in order to allocate resources to the segment and to assess its performance. Information reported to the Company's CEO for the purpose of resource allocation and assessment of performance is based on following strategic business activities:

- **Takaful activities** include the general, life and medical insurance business undertaken by the Company.
- **Investment activities** represent investment and cash management for the Company's own account.

9. Segmental information (continued)

The following table presents segment information for the six months period ended June 30, 2010 and June 30, 2009.

	Period from January 1, 2010 to June 30, 2010		Period from January 1, 2009 to June 30, 2009		Total	
	Attributable to		Attributable to			
	Policyholders	Shareholders	Policyholders	Shareholders	2010	2009
	AED	AED	AED	AED	AED	AED
Takaful						
Takaful income	80,135,913		89,692,775	-	80,135,913	89,692,775
Takaful expenses	(49,619,185)		(62,501,276)	-	(49,619,185)	(62,501,276)
Net Takaful income	30,516,728		27,191,499	-	30,516,728	27,191,499
Wakala fees	(32,003,477)	32,003,477	(31,665,315)	31,665,315	-	-
Mudarib fees	-	-	(854,415)	854,415	-	-
	(1,486,749)	32,003,477	(5,328,231)	32,519,730	30,516,728	27,191,499
Investment						
Investment income	(1,519,894)	(3,915,870)	3,417,658	7,871,592	(5,435,764)	11,289,250
	(1,519,894)	(3,915,870)	3,417,658	7,871,592	(5,435,764)	11,289,250
Unallocated other income and expenses	-	(18,946,205)	-	(18,588,796)	(18,946,205)	(18,588,796)
Loss attributable to policyholders	(3,006,643)		(1,910,573)			
Write off of Qard Hasan to policyholders' fund		(3,006,643)		(1,910,573)		
Profit for the period		6,134,759		19,891,953	6,134,759	19,891,953

Notes to the Condensed Financial Statements - continued
For the Period from January 1, 2010 to June 30, 2010

9. Segmental information (continued)

Other information

	Takaful		Investment		Total	
	June 30, 2010	December 31, 2009	**June 30, 2010**	December 31, 2009	**June 30, 2010**	December 31, 2009
	AED	AED	**AED**	AED	**AED**	AED
Segment assets	**333,093,725**	287,550,315	**216,957,471**	225,486,570	**550,051,196**	513,036,885
Segment liabilities	**371,732,626**	330,196,688	**11,910,304**	15,313,248	**383,642,930**	345,509,936

10. Basic and diluted earnings per share

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

	Six months period ended June 30,	
	2010	2009
	(un-audited)	(un-audited)
Profit for the period (AED)	**6,134,759**	19,891,953
Weighted average number of shares outstanding during the period - share	**210,000,000**	210,000,000
Earnings per share (AED)	**0.03**	0.09

The number of shares outstanding as of June 30, 2009 has been adjusted to reflect the bonus shares issued during 2010 (Note 7).

11. Statutory reserve

In accordance with the Commercial Companies Law and the Company's Articles of Association, 10% of the net profit for the year is required to be transferred to statutory reserve. No transfers have been made during the three-month period ended March 31, 2010, as this will be based on the results for the year. The reserve is not available for distribution except in the circumstances stipulated by the law.

12. General reserve

The Company is required to transfer 10% of the profit for the year to a general reserve in accordance with its Articles of Association. No transfer has been made to the general reserve during the six months period ended June 30, 2010, as this will be based on the results for the year.

13. Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

The Managing Director of the Company is also a key management executive of Al Salam Bank - Algeria and Al Salam Bank - Sudan. The Company has an equity investment in Al Salam Bank - Algeria of AED 20.2 million (December 31, 2009: AED 20.2 million). The pricing policies and terms of these transactions were approved by the Board of Directors.

14. Seasonality of results

No income of seasonal nature was recorded in the statement of income for the six months period ended June 30, 2010 and 2009.

15. Contingencies and commitments

Contingent liabilities

At June 30, 2010, the Company had contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 38,063 (December 31, 2009: AED 779,951).

Legal claims

The Company, in common with the majority of insurers, is subject to litigation in the normal course of its business. Based on independent legal advice, the management does not believe that the outcome of these court cases will have a material impact on the Company's income or financial position.

Commitments

The Company has a commitment for AED 12.5 million (2009: AED 14.7 million) on account of investments made in securities. The Company has to pay for investment securities as and when calls are made by the investee company.