

**ISLAMIC ARAB INSURANCE CO. (SALAMA) PJSC
AND ITS SUBSIDIARIES**

**Review report and condensed consolidated
interim financial information
for the six month period ended 30 June 2019**

ISLAMIC ARAB INSURANCE CO. (SALAMA) PJSC AND ITS SUBSIDIARIES

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INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors of
Islamic Arab Insurance Co. (Salama) PJSC and its Subsidiaries
Dubai, United Arab Emirates**

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of **Islamic Arab Insurance Co. (Salama) PJSC**. (the "Company") **and its Subsidiaries** (together the "Group") – **Dubai, United Arab Emirates** as at 30 June 2019 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six month period then ended. Management is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard 34: "*Interim Financial Reporting*" as issued by International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed consolidated interim 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 condensed consolidated 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 consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34: "*Interim Financial Reporting*".

Other Matter

The condensed consolidated interim financial information of the Group for the six month ended 30 June 2018 and the annual consolidated financial statements for the year ended 31 December 2018 were reviewed and audited by other auditors, whose review report dated 14 August 2018 and audit report dated 27 March 2019 expressed an unmodified conclusion and opinion respectively.

Deloitte & Touche (M.E.)





Akbar Ahmad
Registration No. 1141
7 August 2019
Sharjah
United Arab Emirates

Akbar Ahmad (1141), Anis Sadek (521), Cynthia Corby (995), Georges Najem (809), Mohammad Jallad (1164), Mohammad Khamees Al Tah (717), Musa Ramahi (872), Mutasem M. Dajani (726), Obada Alkowitz (1056), Rama Padmanabha Acharya (701) and Samir Madbak (386) are registered practicing auditors with the UAE Ministry of Economy.

**Condensed consolidated statement of financial position
at 30 June 2019**

	Notes	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Assets			
Property and equipment		58,067	59,188
Goodwill and intangibles		126,516	126,870
Investment properties	6	143,298	140,807
Investments in associates	7	112,830	119,276
Deposits		179,665	179,970
Investments	8	390,488	324,291
Participants' investments in unit-linked contracts		1,760,605	1,461,414
Deposits with takaful and retakaful companies		4,875	4,578
Contributions and takaful balance receivables		257,631	246,999
Retakafuls' share of outstanding claims		153,433	138,173
Retakafuls' share of unearned contributions		155,216	130,372
Amounts due from related parties	9	-	13,875
Other assets and receivables		440,609	386,058
Bank balances and cash		249,547	274,626
Assets held-for-sale	10	-	400,537
Total assets		4,032,780	4,007,034
Liabilities, policyholders' fund and equity			
Liabilities			
Liabilities outstanding claims and family takaful reserve		507,141	469,112
Payable to participants for unit-linked contracts		1,750,975	1,451,395
Unearned contributions reserve		336,879	258,733
Takaful balances payable		150,330	130,376
Other payables and accruals		472,176	529,874
Amounts due to related parties	9	81	1
Liabilities against assets held-for-sale	10	-	380,352
Total liabilities		3,217,582	3,219,843
Policyholder's fund		-	-
Total liabilities and policyholders' fund		3,217,582	3,219,843
Equity			
Share capital	14	1,210,000	1,210,000
Treasury shares	15	(35,972)	(35,972)
Statutory reserve	16	76,816	76,816
Accumulated losses		(393,961)	(426,358)
Other reserves	17	(108,011)	(100,031)
Equity attributable to Owners of the Company		748,872	724,455
Non-controlling interests		66,326	62,736
Total equity		815,198	787,191
Total liabilities, policyholders' fund and equity		4,032,780	4,007,034


Jassim Mohammed Alseddiqi
Chairman


Mustafa Kheriba
Managing Director

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated statement of profit or loss (unaudited)
for the six month period ended 30 June 2019**

	Notes	Six month period ended		Three month period ended	
		2019	2018	2019	2018
		AED'000	AED'000	AED'000	AED'000
Underwriting income					
Gross written contributions	20	650,083	547,444	291,828	260,726
Less: reinsurance and retakaful contributions ceded		(174,355)	(146,561)	(90,612)	(70,731)
Net contributions		475,728	400,883	201,216	189,995
Net movement in unearned contributions		(50,112)	(61,960)	9,895	(18,929)
Contributions earned	20	425,616	338,923	211,111	171,066
Commission income on ceded reinsurance and retakaful	20	16,156	21,720	8,644	13,010
	20	441,772	360,643	219,755	184,076
Underwriting expenses					
Gross claims paid		200,162	156,943	94,573	87,708
Less: reinsurance and retakaful share of claims paid		(76,796)	(61,186)	(33,611)	(33,254)
Net claims paid		123,366	95,757	60,962	54,454
Net movement in outstanding claims and family takaful reserve		22,535	8,407	14,828	(12,233)
Claims incurred	20	145,901	104,164	75,790	42,221
Commission expense and other costs		219,156	159,359	110,451	83,137
		365,057	263,523	186,241	125,358
Net underwriting income	20	76,715	97,120	33,514	58,718
Income/(loss) from investments		4,937	13,787	(3,957)	4,009
Other income		22,295	7,436	19,193	4,247
		103,947	118,343	48,750	66,974
Expenses					
General, administrative and other expenses		(61,709)	(65,086)	(30,692)	(35,156)
Financial expenses		(967)	(587)	(517)	(331)
Exchange loss - net		(1,344)	(916)	(1,004)	(378)
Net profit before tax for the period		39,927	51,754	16,537	31,109
Taxation – current		(6,562)	(7,890)	(1,246)	(3,764)
Net profit after tax for the period before distribution to policyholders		33,365	43,864	15,291	27,345
Distribution to policyholders of Company		-	(12,027)	-	(12,027)
Net profit after tax and distribution to policyholders for the period		33,365	31,837	15,291	15,318

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated statement of profit or loss (unaudited)
for the six month period ended 30 June 2019 (continued)**

	Six month period ended		Three month period ended	
	2019	30 June 2018	2019	30 June 2018
	AED'000	AED'000	AED'000	AED'000
Net profit after tax and distribution to policyholders for the period	33,365	31,837	15,291	15,318
Attributable to:				
Shareholders	32,397	32,654	17,437	17,095
Non-controlling interest	968	(817)	(2,146)	(1,777)
	33,365	31,837	15,291	15,318
Basic and diluted earnings per share (AED) (Note 18)	0.027	0.027	0.015	0.014

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated statement of comprehensive income (unaudited)
for the six month period ended 30 June 2019**

	Six month period ended		Three month period ended	
	2019	30 June	2019	30 June
	AED'000	AED'000	AED'000	AED'000
Net profit after tax and distribution to policyholders for the period	33,365	31,837	15,291	15,318
Other comprehensive (loss)/income net of income tax				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net movement or change in foreign exchange translation reserve	6,208	(3,938)	4,551	(5,460)
Net changes in fair value of available for sale investments	(10,187)	-	-	-
Share of other comprehensive (loss)/income of associates	(1,008)	-	15	-
Total other comprehensive (loss)/income for the period	(4,987)	(3,938)	4,566	(5,460)
Total comprehensive income for the period	28,378	27,899	19,857	9,858
Attributable to:				
Shareholders	24,417	29,161	20,340	12,508
Non-controlling interest	3,961	(1,262)	(483)	(2,650)
	28,378	27,899	19,857	9,858

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated statement of changes in equity
for the six month period ended 30 June 2019**

	Share capital AED'000	Statutory reserve AED'000	Revaluation reserve AED'000	Foreign exchange translation reserve AED'000	Investment fair value reserve AED'000	Treasury shares AED'000	Accumulated losses AED'000	Total AED'000	Non- controlling interest AED'000t	Total Equity AED'000
Balance at 1 January 2018	1,210,000	76,612	31,930	(110,999)	(2,864)	(35,972)	(428,193)	740,514	66,527	807,041
Profit for the period	-	-	-	-	-	-	32,654	32,654	(817)	31,837
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Movement in foreign exchange translation reserve	-	-	-	(3,493)	-	-	-	(3,493)	(445)	(3,938)
Total other comprehensive income	-	-	-	(3,493)	-	-	-	(3,493)	(445)	(3,938)
Total comprehensive income for the period	-	-	-	(3,493)	-	-	32,654	29,161	(1,262)	27,899
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(272)	(272)
Change in non-controlling interest due to capital increase	-	-	-	-	-	-	-	-	453	453
Balance at 30 June 2018 (unaudited)	1,210,000	76,612	31,930	(114,492)	(2,864)	(35,972)	(395,539)	769,675	65,446	835,121

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated statement of changes in equity
for the six month period ended 30 June 2019 (continued)**

	Share capital AED'000	Statutory reserve AED'000	Revaluation reserve AED'000	Foreign exchange translation reserve AED'000	Investment fair value reserve AED'000	Treasury shares AED'000	Accumulated losses AED'000	Total AED'000	Non- controlling interest AED'000	Total equity AED'000
Balance at 1 January 2019	1,210,000	76,816	31,930	(115,546)	(16,415)	(35,972)	(426,358)	724,455	62,736	787,191
Profit for the period	-	-	-	-	-	-	32,397	32,397	968	33,365
Other comprehensive income/(loss)	-	-	-	3,215	-	-	-	3,215	2,993	6,208
Movement in foreign exchange translation reserve	-	-	-	3,215	-	-	-	3,215	-	(11,195)
Movement in net change in fair value of available for sale investment reserve	-	-	-	-	(11,195)	-	-	(11,195)	-	(11,195)
Total other comprehensive income/(loss)	-	-	-	3,215	(11,195)	-	-	(7,980)	2,993	(4,987)
Total comprehensive income/(loss) for the period	-	-	-	3,215	(11,195)	-	32,397	24,417	3,961	28,378
Dividend paid	-	-	-	-	-	-	-	-	(371)	(371)
Balance at 30 June 2019 (unaudited)	1,210,000	76,816	31,930	(112,331)	(27,610)	(35,972)	(393,961)	748,872	66,326	815,198

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated statement of cash flows (unaudited)
for the six month period ended 30 June 2019**

	Six month period ended 30 June	
	2019 AED'000	2018 AED'000
Cash flows from operating activities		
Profit for the period	33,365	31,837
Adjustments for:		
Depreciation of property and equipment	2,062	2,009
Net movement in unearned contributions reserve	53,302	60,967
Unrealized loss on investment	3,970	-
Amortisation of intangible assets	563	419
Provision for liabilities no longer required written back	(20,000)	-
Reversal of impairment of receivables	(84)	-
Share of profit/(loss) from associates	5,438	(4,993)
Dividend income	(1,667)	(2,271)
	<hr/>	<hr/>
Operating cash flows before changes in operating assets and liabilities	76,949	87,968
Increase in deposits with takaful and retakaful companies	(297)	(85)
Increase in contributions and takaful balance receivable	(10,548)	(62,719)
Decrease/(increase) in due from/to related parties	13,955	(5,730)
Increase in other assets and receivables	(54,551)	(15,435)
Increase in outstanding claims (net of retakaful)	22,769	6,644
(Decrease)/increase in takaful payables and other payables	(17,744)	75,516
Decrease in assets held-for-sale	400,537	-
Decrease in liabilities against assets held-for-sale	(380,352)	-
	<hr/>	<hr/>
Net cash generated from operating activities	50,718	86,159
	<hr/>	<hr/>
Cash flows from investing activities		
(Purchase)/disposal of property and equipment	(941)	773
(Purchase)/disposal of intangible assets	(209)	42
Investments properties	(2,491)	56
Net movement in statutory deposits	305	(7,944)
Dividend received	1,667	2,271
Increase in investments - net	(74,146)	(4,015)
Dividend income from associates	-	1,241
Net movement in participants' investments in unit-linked contracts	389	(3,177)
	<hr/>	<hr/>
Net cash used in investing activities	(75,426)	(10,753)
	<hr/>	<hr/>
Cash flows from financing activities		
Dividend paid	(371)	-
Net movement in non-controlling interest	-	181
	<hr/>	<hr/>
Cash (used in)/generated from financing activities	(371)	181
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(25,079)	75,587
Cash and cash equivalents at the beginning of the period	274,626	179,062
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	249,547	254,649
	<hr/>	<hr/>
Non-cash transaction:		
Provision for liabilities no longer required written back	20,000	-

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019**

1. General information

Islamic Arab Insurance Co. (Salama) PJSC (“the Company”) is a public shareholding company, registered in the Emirate of Dubai, United Arab Emirates (UAE) and operates through various branches in the UAE. The registered office of the Company is P.O. Box 10214, Dubai, United Arab Emirates. The principal activity of the Company is the writing of all classes of general takaful and family takaful business, in accordance with Islamic Shari’ah principles and in accordance with the relevant Articles of the Company, UAE Federal Law No. (2) of 2015 for commercial companies and U.A.E. Federal Law No. (6) of 2007, concerning regulations of insurance operations.

The Company and its subsidiaries are referred to as “the Group”. Tariic Holding B.S.C (Tariic), a subsidiary of the Company, is an intermediate holding company in Bahrain and no commercial activities are carried out in the Kingdom of Bahrain. The Group has the following principal subsidiaries which are engaged in insurance and reinsurance under Islamic Shari’ah principles:

Subsidiaries	Group’s Ownership		Country of incorporation
	30 June 2019	31 December 2018	
<i>Directly owned</i>			Kingdom of
Tariic Holding Company B.S.C	99.40%	99.40%	Bahrain
Misr Emirates Takaful Life Insurance Co.	85.00%	85.00%	Egypt
Salama Immobilier	84.25%	84.25%	Senegal
Best Re Holding Limited – Note 10	-	-	Malaysia
<i>Through Tariic</i>			
Salama Assurances Senegal	58.45%	58.45%	Senegal
Salama Assurances Algeria	96.98%	96.98%	Algeria
Egyptian Saudi Insurance Home	51.15%	51.15%	Egypt

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

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial information effective for annual periods beginning on or after 1 January 2019

- Amendments to IAS 28 *Investment in Associates and Joint Ventures*: Relating to long-term interests in associates and joint ventures.
- Annual Improvements to IFRSs 2015-2017 *Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs*
- Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement
- IFRIC 23 *Uncertainty over Income Tax Treatments*

The Group has adopted IFRS 16 ‘Leases’ the standard which replaces the existing guidance on leases, including IAS 17 ‘Leases’, IFRIC 4 ‘Determining whether an Arrangement contains a Lease’, SIC 15 “Operating Leases – Incentives” and SIC 27 “Evaluating the Substance of Transactions in the Legal Form of a Lease” in the current reporting period.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)****2. Application of new and revised International Financial Reporting Standards (IFRS) (continued)****2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial information effective for annual periods beginning on or after 1 January 2019 (continued)**

IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognized in the Group's consolidated financial position, unless the term of the lease is less than or equal to 12 month or the lease is for a low value asset. Thus, the classification required under IAS 17 "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and the balance is amortized over the lease term.

The Group has opted for the modified retrospective application permitted by IFRS 16 on its first time adoption and therefore the comparative information has not been restated. The Group assessed that the impact of IFRS 16 is not material on retained earnings as at the reporting date and has presented right of use assets within property and equipment and lease liabilities with in other liabilities in the condensed interim financial information.

2.2 New and revised IFRS standards and interpretations but not yet effective for annual periods beginning after 1 January 2020 and beyond

- IFRS 17: *Insurance Contracts* relating to providing a more uniform measurement and presentation approach for all insurance contracts.
- Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

2.3 Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts*

In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 Financial instruments and the forthcoming new insurance contracts standard. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional.

IFRS 4 (including the amendments) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standards becomes effective.

The Group has performed an assessment of the amendment and concluded that its activities are predominantly connected with insurance. Management has applied the temporary exemption in its reporting period starting on 1 January 2018. The Group has decided to opt for the options to defer application of IFRS 9 given in said amendments to IFRS 4 "Insurance contracts" and concluded to apply IFRS 9 w.e.f. from 1 January 2022.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)****3. Summary of significant accounting policies****3.1 Basis of preparation**

These condensed consolidated interim financial information have been prepared in accordance with International Accounting Standard (IAS) No. 34, “*Interim Financial Reporting*” and also comply with the applicable requirements of the laws in the U.A.E.

The condensed consolidated interim financial information are presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Group’s transactions are denominated and all value are rounded to the nearest thousand (AED 1000) except when otherwise indicated.

These condensed consolidated interim financial information have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The accounting policies, presentation and methods in this condensed consolidated interim financial information are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2018, except for adoption of IFRS 16 as stated in Note 2.1.

This condensed consolidated interim financial information does not include all the information required for full audited annual consolidated financial statements and should be read in conjunction with the Group’s audited annual consolidated financial statements as at and for the year ended 31 December 2018. In addition, results for the six month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

4. Changes in judgements and estimation uncertainty

The preparation of condensed consolidated interim 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 these condensed 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 audited consolidated financial statements as at and for the year ended 31 December 2018 except for adoption of IFRS 16 as stated in Note 2.1.

5. Takaful and financial risk management

The Group's activities expose it to a variety of takaful and financial risks: underwriting risk, market risk (which includes foreign currency risk, profit rate risk and price risk), credit risk and liquidity risk.

The condensed interim consolidated financial information does not include all takaful and financial risk management information and disclosures required in the annual consolidated financial statements; therefore, they should be read in conjunction with the Group's audited annual consolidated financial statements for the year ended 31 December 2018.

There have been no changes in the risk management department or in any risk management policies since the year end.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

6. Investment properties

The geographic dispersion of investment properties is as follows.

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Within UAE	12,000	12,000
Outside UAE	131,298	128,807
	143,298	140,807

The variations in the value of investment properties are due to purchase and foreign exchange translation of investment properties held in foreign operations.

The Group investment properties portfolio is being managed and maintained by a third party; administrative costs and the rental income received from these properties are being set off with the administrative fees.

7. Investment in associates

The principal significant associates of the Group, all of which have 31 December as their year end are as follows.

Associates	Ownership		Country of incorporation	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
	2019	2018			
Salama Cooperative Insurance Company	30.00%	30.00%	KSA	80,155	87,020
Islamic Insurance Jordan	20.00%	20.00%	Jordan	32,675	32,256
				112,830	119,276

Movements during the period/year

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Balance at the beginning of period/year	119,276	114,777
Share of (loss)/profit from associates	(5,438)	5,740
Share of other comprehensive loss of associates	(1,008)	-
Dividend received	-	(1,241)
Balance at the end of period/year	112,830	119,276

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

8. Investments

30 June 2019 (unaudited)

	Domestic investments AED'000	International investments AED'000	Total AED'000
Financial assets at fair value through profit or loss			
Mutual fund and externally managed portfolios	-	39,604	39,604
Shares and securities	3,654	27,723	31,377
	<u>3,654</u>	<u>67,327</u>	<u>70,981</u>
Available-for-sale investments			
Mutual fund and externally managed portfolios	-	61,919	61,919
Shares and securities	-	2,163	2,163
	<u>-</u>	<u>64,082</u>	<u>64,082</u>
Islamic placements*	<u>-</u>	<u>154,483</u>	<u>154,483</u>
Held to maturity			
Sukuk and Government bonds	-	8,382	8,382
Other investments	-	92,560	92,560
	<u>-</u>	<u>100,942</u>	<u>100,942</u>
Total investments	<u>3,654</u>	<u>386,834</u>	<u>390,488</u>

31 December 2018 (audited)

	Domestic investments AED'000	International investments AED'000	Total AED'000
Financial assets at fair value through profit or loss			
Mutual fund and externally managed portfolios	-	23,355	23,355
Shares and securities	3,574	28,987	32,561
	<u>3,574</u>	<u>52,342</u>	<u>55,916</u>
Available-for-sale investments			
Mutual fund and externally managed portfolios	-	72,107	72,107
Shares and securities	-	2,067	2,067
	<u>-</u>	<u>74,174</u>	<u>74,174</u>
Islamic placements*	<u>-</u>	<u>151,912</u>	<u>151,912</u>
Held to maturity			
Sukuk and Government bonds	-	15,467	15,467
Other investments	-	26,822	26,822
	<u>-</u>	<u>42,289</u>	<u>42,289</u>
Total investments	<u>3,574</u>	<u>320,717</u>	<u>324,291</u>

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

8. Investments (continued)

*Represent Shari'ah compliant placements with different financial institutions having profit rates of 0.22% to 5% (2018: 1.37% to 1.77%) and maturing in more than three month when acquired.

As at 30 June 2019, the Group has no exposure to Abraaj Holdings, or any of its subsidiaries, or any of its funds.

Determining fair values

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

30 June 2019 (Unaudited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets				
Fair value through profit or loss				
Mutual fund	39,604	-	-	39,604
Participants' investments in unit-linked contracts	-	1,760,605	-	1,760,605
Shares and securities	31,377	-	-	31,377
	<u>70,981</u>	<u>1,760,605</u>	<u>-</u>	<u>1,831,586</u>
Available-for-sale				
Mutual fund	-	61,919	-	61,919
Shares and securities	615	1,548	-	2,163
	<u>615</u>	<u>63,467</u>	<u>-</u>	<u>64,082</u>
Non-financial assets				
Investment properties	-	-	143,298	143,298
Financial liabilities				
Payable to participants for unit-linked contracts	-	1,750,975	-	1,750,975

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

8. Investments (continued)

Determining fair values (continued)

31 December 2018 (audited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets				
Fair value through profit or loss				
Mutual fund	23,355	-	-	23,355
Participants' investments in unit-linked contracts	-	1,461,414	-	1,461,414
Shares and securities	32,561	-	-	32,561
	<u>55,916</u>	<u>1,461,414</u>	<u>-</u>	<u>1,517,330</u>
Available-for-sale				
Mutual fund	-	72,107	-	72,107
Shares and securities	616	1,451	-	2,067
	<u>616</u>	<u>73,558</u>	<u>-</u>	<u>74,174</u>
Non-financial assets				
Investment properties	-	-	140,807	140,807
Financial liabilities				
Payable to participants for unit-linked contracts	-	1,451,395	-	1,451,395

9. Related party transactions

The Group, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party as defined by International Accounting Standard 24 (Revised). The Group's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties. Following are the details of significant transactions with related parties.

	Six month period ended 30 June		Three month period ended 30 June	
	2019 (unaudited) AED'000	2018 (unaudited) AED'000	2019 (unaudited) AED'000	2018 (unaudited) AED'000
General and administrative expenses	-	1,066	(545)	609
Compensation of key management personnel				
Short term benefits	3,578	3,268	1,849	1,679
Employees end of service benefits	583	301	447	134
	<u>4,161</u>	<u>3,569</u>	<u>2,296</u>	<u>1,813</u>

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

9. Related party transactions (continued)

Amounts due from related parties

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Bin Zayed Group (funds advanced for investment)	-	13,863
Other entities under common management with the Group	-	12
	<u>-</u>	<u>13,875</u>
	<u>-</u>	<u>13,875</u>

Amounts due to related parties

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Other entities under common management with the Group	81	1
	<u>81</u>	<u>1</u>

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
--	---	---

Investments

Available-for-sale investments

Mutual fund and externally managed portfolio	-	68,432
Rusd Capital Ltd.	-	3,675
	<u>-</u>	<u>72,107</u>
	<u>-</u>	<u>72,107</u>

Islamic Placement

Rusd Investment Bank	-	45,467
Rusd Capital Ltd.	-	1,200
	<u>-</u>	<u>46,667</u>
	<u>-</u>	<u>46,667</u>

Cash and bank balances

Rusd Investment Bank	-	65,765
Rusd Capital Ltd.	-	5,000
	<u>-</u>	<u>70,765</u>
	<u>-</u>	<u>70,765</u>

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

10. Discontinued operations

During 2015, the Board of Directors of the Group approved to sell its investment in its subsidiary Best Re Holding Limited. The subsidiary was not previously classified as held-for-sale or discontinued operations. During 2017, this was re-classified as held-for-use because the investment no longer met the criteria to be classified as held-for sale. The regulatory authority of Best Re (L) Limited imposed restrictions on all financial and banking transactions without taking prior approval from the authority. In addition, it also requested all overseas assets be transferred back to country of incorporation upon maturity or disposals. This in the Board's view was considered to be a loss of control over the operations of the subsidiary. In light of these developments the net investment in Best Re (L) Limited was reclassified as available-for-sale. The Board of Directors also decided to provide full impairment amounting to AED 43,893 thousand against Best Re (L) Limited, as the Group is not expecting any positive cash flow from this unit due to negative operational results.

In 2018, the Board of Directors has resolved to dispose of the Group's investment in Best Re Holding Limited ("Best Re"). Pursuant to Board resolution, management has entered into a sale and purchase agreement ("SPA") with Bernheim Corporation Limited to sell the Group's entire shareholding in Best Re. As per the terms of SPA, USD 0.1 million (equivalent AED 0.37 million) will be paid in cash by the buyer and remaining USD 5.4 million (equivalent to AED 19.85 million) is contingent upon the future recoveries from portfolio of Best Re to be paid in two years' time from the date of signing of SPA, i.e. 11 November 2018. The sale has been concluded in 2019.

Consequently, in 2018, the Group's investment in Best Re Holding Limited was classified as investment held-for-sale in the annual consolidated financial statements. An impairment loss of AED 22.26 million was charged to profit or loss being a difference between expected realisation of cash from disposal of investment classified as held-for-sale and its carrying value.

As at reporting date, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities.

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Assets held for sale	-	400,537
Liabilities against assets held-for-sale	-	(380,352)
Net assets	-	20,185

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

11. Allocation between participants and shareholders (unaudited)

	For the six month period ended 30 June 2019				For the three month period ended 30 June 2019			
	Shareholders AED'000	Policyholders AED'000	Non- controlling interest AED'000	Total AED'000	Shareholders AED'000	Policyholders AED'000	Non- controlling interest AED'000	Total AED'000
Net underwriting income	-	76,715	-	76,715	-	33,514	-	33,514
Income								
Wakalah share (Note 12)	91,811	(91,811)	-	-	36,730	(36,730)	-	-
Mudarb share (Note 12)	31	(31)	-	-	15	(15)	-	-
Net technical charges from policyholders to shareholders	35,765	(35,765)	-	-	19,848	(19,848)	-	-
Net underwriting income from subsidiaries	24,170	(24,170)	-	-	5,822	(5,822)	-	-
Income from investments	4,630	307	-	4,937	(4,100)	143	-	(3,957)
Other income	22,295	-	-	22,295	19,193	-	-	19,193
	<u>178,702</u>	<u>(74,755)</u>	<u>-</u>	<u>103,947</u>	<u>77,508</u>	<u>(28,758)</u>	<u>-</u>	<u>48,750</u>
Expenses								
General, administrative and other expenses	(61,709)	-	-	(61,709)	(30,692)	-	-	(30,692)
Financial expenses	(967)	-	-	(967)	(517)	-	-	(517)
Exchange loss - net	(1,344)	-	-	(1,344)	(1,004)	-	-	(1,004)
Commission paid and other costs	(22,344)	22,344	-	-	(10,797)	10,797	-	-
	<u>92,338</u>	<u>(52,411)</u>	<u>-</u>	<u>39,927</u>	<u>34,498</u>	<u>(17,961)</u>	<u>-</u>	<u>16,537</u>
Net profit/(loss) before tax for the period	<u>(6,562)</u>	<u>-</u>	<u>-</u>	<u>(6,562)</u>	<u>(1,246)</u>	<u>-</u>	<u>-</u>	<u>(1,246)</u>
Tax - current								
Net profit/(loss) after tax for the period	<u>85,776</u>	<u>(52,411)</u>	<u>-</u>	<u>33,365</u>	<u>33,252</u>	<u>(17,961)</u>	<u>-</u>	<u>15,291</u>
Share of non-controlling interest	(968)	-	968	-	(2,146)	-	2,146	-
Policyholders' loss financed by shareholders / recovery of loss from policyholders' fund	(52,411)	52,411	-	-	(17,961)	17,961	-	-
	<u>32,397</u>	<u>-</u>	<u>968</u>	<u>33,365</u>	<u>13,145</u>	<u>-</u>	<u>2,146</u>	<u>15,291</u>

ISLAMIC ARAB INSURANCE CO. (SALAMA) PJSC AND ITS SUBSIDIARIES

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

11. Allocation between participants and shareholders (unaudited) (continued)

	For the six month period ended 30 June 2018			For the three month period ended 30 June 2018			Total AED'000
	Shareholders AED'000	Policyholders AED'000	Non-controlling interest AED'000	Shareholders AED'000	Policyholders AED'000	Non-controlling interest AED'000	
Net underwriting income	-	97,120	-	-	58,718	-	58,718
Income	-	-	-	-	-	-	-
Wakalah share (Note 12)	84,545	(84,545)	-	39,494	(39,494)	-	-
Mudarib share (Note 12)	18	(18)	-	9	(9)	-	-
Net technical charges from policyholders to shareholders	29,337	(29,337)	-	16,673	(16,673)	-	-
Net underwriting income from subsidiaries	34,762	(34,762)	-	17,972	(17,972)	-	-
Income from investments	13,584	203	-	3,900	109	-	4,009
Other income	7,436	-	-	4,247	-	-	4,247
	169,682	(51,339)	-	82,295	(15,321)	-	66,974
Expenses	-	-	-	-	-	-	-
General, administrative and other expenses	(65,086)	-	-	(35,156)	-	-	(35,156)
Financial expenses	(587)	-	-	(331)	-	-	(331)
Exchange loss - net	(916)	-	-	(378)	-	-	(378)
Commission paid and other costs	(15,243)	15,243	-	(8,305)	8,305	-	-
	87,850	(36,096)	-	38,125	(7,016)	-	31,109
Net profit/(loss) before tax for the period	(7,890)	-	-	(3,764)	-	-	(3,764)
Tax - current	-	-	-	-	-	-	-
	79,960	(36,096)	-	34,361	(7,016)	-	27,345
Share of non-controlling interest	817	-	(817)	1,777	-	(1,777)	-
Distribution to policyholders of the Company	-	(12,027)	-	-	(12,027)	-	(12,027)
Policyholders' loss financed by shareholders / recovery of loss from policyholders' fund	(48,123)	48,123	-	(19,043)	19,043	-	-
	32,654	-	(817)	17,095	-	(1,777)	15,318
Net profit/(loss) for the period							

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

11. Allocation between participants and shareholders (continued)

Condensed consolidated interim statement of financial position

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
ASSETS		
<i>Participants' assets</i>		
Participants' investments in unit-linked contracts	1,760,605	1,461,414
Contributions and takaful balance receivables	175,577	168,174
Retakafuls' share of outstanding claims	112,168	111,866
Retakafuls' share of unearned contributions	97,094	76,622
Other assets and receivables	120	91
Cash and bank balances	60,011	67,777
	<hr/>	<hr/>
Total participants' assets	2,205,575	1,885,944
Total shareholders' assets *	1,827,205	2,121,090
	<hr/>	<hr/>
Total assets	4,032,780	4,007,034
	<hr/>	<hr/>
Liabilities		
<i>Participants' liabilities</i>		
Outstanding claims and family takaful reserve	213,753	208,719
Payable to participants for unit-linked contracts	1,750,975	1,451,395
Unearned contributions reserve	210,512	152,352
Takaful balances payable	101,244	78,964
Other payables and accruals	35,521	31,028
	<hr/>	<hr/>
Total participants' liabilities	2,312,005	1,922,458
Total shareholders' liabilities *	905,577	1,297,385
	<hr/>	<hr/>
Total liabilities	3,217,582	3,219,843
	<hr/>	<hr/>
Net assets employed	815,198	787,191
	<hr/>	<hr/>
Financed by:		
Shareholders' equity	748,872	724,455
Non-controlling interest	66,326	62,736
	<hr/>	<hr/>
	815,198	787,191
	<hr/>	<hr/>

* Shareholders' assets and liabilities represents affairs of the subsidiaries as shareholder funds are used for the investments thereon.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

12. Wakalah share

The shareholders manage the takaful operations of the Group for the policyholders and charge 35% (2018: 35%) of gross written contributions and participant investment revenues of non family takaful business (excluding subsidiaries) as wakalah share. For family takaful business, sharing ratio is 15% (2018: 15%) of mortality costs.

13. Policyholders' fund

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000	30 June 2018 (unaudited) AED'000
Balance at 1 January	(545,099)	(475,132)	(475,132)
Net deficit attributable to policyholders for the period/year	(52,411)	(57,933)	(36,096)
Surplus distribution to policyholders of family takaful	-	(12,034)	(12,027)
Financed by shareholders'	<u>(597,510)</u>	<u>(545,099)</u>	<u>(523,255)</u>

The shareholders of the Group financed the policyholders' deficit in accordance with the takaful contracts between the Group and its Policyholders.

14. Share capital

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Issued and fully paid (1,210 million ordinary shares of AED 1 each)	<u>1,210,000</u>	<u>1,210,000</u>

15. Treasury shares

In 2008, the Company bought back 21,667,377 shares amounting to AED 35.97 million. The treasury shares are debited as a separate category of shareholders' equity at cost. The buyback of shares was duly approved by the Board of Directors. The Board of Directors on 27 March 2019 approved a capital reduction of the Group by utilising the treasury shares which were bought back in 2008 amounting to AED 35.97 million. The process for capital reduction has been initiated by the Company.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

16. Statutory reserve

In accordance with U.A.E. Federal Law Number (2) of 2015, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law.

17. Other reserves

Other reserves includes following:

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Revaluation reserve	31,930	31,930
Foreign exchange translation reserve	(112,331)	(115,546)
Investment fair value reserve	(27,610)	(16,415)
	<u>(108,011)</u>	<u>(100,031)</u>

18. Basic and diluted earnings per share

	Six month period ended		Three month period ended	
	2019	30 June 2018	2019	30 June 2018
Profit for the period attributable to shareholders (AED'000)	32,397	32,654	17,437	17,095
Number of shares (in thousands)	1,188,333	1,188,333	1,188,333	1,188,333
Basic and diluted earnings per share (AED)	0.027	0.027	0.015	0.014

Basic earnings per share are calculated by dividing the profit for the year by the number of weighted average shares outstanding at the end of the reporting period after taking into account the treasury shares held. Diluted earnings per share is equivalent to basic earnings per share as the Group did not issue any new instrument that would impact earnings per share when executed.

19. Contingent liabilities

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Letters of guarantee	15,945	16,440

Statutory deposits of AED 16.21 million (2018: AED 16.71 million) are held as lien by the bank against the above guarantee.

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Group's financial performance or financial position.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

20. Operating segment

By business

30 June 2019 (Unaudited)

	General takaful AED'000	Family takaful AED'000	Total AED'000
Gross written contributions	395,688	254,395	650,083
Net contributions earned	204,566	221,050	425,616
Commissions income on ceded reinsurance and retakaful	15,480	676	16,156
	220,046	221,726	441,772
Net claims incurred	(131,894)	(14,007)	(145,901)
Commissions expense and other costs	(51,390)	(167,766)	(219,156)
Net underwriting income	36,762	39,953	76,715
Investment and other income			27,232
Unallocated expenses and tax			(70,582)
Net profit after tax			33,365

30 June 2018 (Unaudited)

	General takaful AED'000	Family takaful AED'000	Total AED'000
Gross written contributions	355,695	191,749	547,444
Net contributions earned	175,237	163,686	338,923
Commissions income on ceded reinsurance and Retakaful	11,681	10,039	21,720
	186,918	173,725	360,643
Net claims incurred	(95,428)	(8,736)	(104,164)
Commissions expense and other costs	(46,656)	(112,703)	(159,359)
Net underwriting income	44,834	52,286	97,120
Investment and other income			21,223
Unallocated expenses and tax			(74,479)
Distribution to policyholders of Company			(12,027)
Net profit after tax			31,837

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

20. Operating segment (continued)

By geography

30 June 2019 (Unaudited)

	Africa AED'000	Asia AED'000	Total AED'000
Gross written contributions	156,377	493,706	650,083
Net contributions earned	104,580	321,036	425,616
Commissions income on ceded reinsurance and retakaful	7,561	8,595	16,156
	112,141	329,631	441,772
Net claims incurred	(57,233)	(88,668)	(145,901)
Commissions expense and other costs	(30,738)	(188,418)	(219,156)
Net underwriting income	24,170	52,545	76,715
Investment and other income			27,232
Unallocated expenses and tax			(70,582)
Net profit after tax			33,365

30 June 2018 (Unaudited)

	Africa AED'000	Asia AED'000	Total AED'000
Gross written contributions	134,325	413,119	547,444
Net contributions earned	96,016	242,907	338,923
Commissions income on ceded reinsurance and retakaful	5,411	16,309	21,720
	101,427	259,216	360,643
Net claims incurred	(40,762)	(63,402)	(104,164)
Commissions expense and other costs	(25,904)	(133,455)	(159,359)
Net underwriting income	34,761	62,359	97,120
Investment and other income			21,223
Unallocated expenses and tax			(74,479)
Distribution to policyholders of Company			(12,027)
Net profit after tax			31,837

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

20. Operating segment (continued)

By business

30 June 2019 (Unaudited)

	General takaful AED'000	Family takaful AED'000	Total AED'000
ASSETS			
Property and equipment	54,878	3,189	58,067
Goodwill and intangibles	126,046	470	126,516
Investment properties	143,298	-	143,298
Investments in associates	112,830	-	112,830
Statutory deposits	161,483	18,182	179,665
Investments	376,807	13,681	390,488
Participants' investments in unit-linked contracts	-	1,760,605	1,760,605
Deposits with takaful and retakaful companies	4,875	-	4,875
Contributions and takaful balance receivables	243,345	14,286	257,631
Retakafuls' share of outstanding claims	107,143	46,290	153,433
Retakafuls' share of unearned contributions	152,152	3,064	155,216
Other assets and receivables	60,250	380,359	440,609
Cash and bank balances	80,577	168,970	249,547
	<hr/>	<hr/>	<hr/>
Total assets	1,623,684	2,409,096	4,032,780
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Outstanding claims and family takaful reserve	312,739	194,402	507,141
Payable to Participants for unit-linked contracts	-	1,750,975	1,750,975
Unearned contributions reserve	315,745	21,134	336,879
Takaful balances payable	128,263	22,067	150,330
Other payables and accruals	125,255	346,921	472,176
Amounts due to related parties	81	-	81
	<hr/>	<hr/>	<hr/>
Total liabilities	882,083	2,335,499	3,217,582
	<hr/>	<hr/>	<hr/>
Net assets employed	741,601	73,597	815,198
	<hr/>	<hr/>	<hr/>
Financed by:			
Shareholders' equity			748,872
Non-controlling interest			66,326
			<hr/>
			815,198
			<hr/>

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

20. Operating segment (continued)

By business

31 December 2018 (Audited)

	General takaful AED'000	Family takaful AED'000	Total AED'000
ASSETS			
Property and equipment	56,473	2,715	59,188
Goodwill and intangibles	126,465	405	126,870
Investment properties	140,807	-	140,807
Investments in associates	119,276	-	119,276
Deposits	167,055	12,915	179,970
Investments	309,727	14,564	324,291
Participants' investments in unit-linked contracts	-	1,461,414	1,461,414
Deposits with takaful and retakaful companies	4,292	286	4,578
Contributions and takaful balance receivables	187,366	59,633	246,999
Retakafuls' share of outstanding claims	86,996	51,177	138,173
Retakafuls' share of unearned contributions	128,674	1,698	130,372
Amounts due from related parties	13,875	-	13,875
Other assets and receivables	23,494	362,564	386,058
Cash and bank balances	142,225	132,401	274,626
Assets held-for-sale	380,033	20,504	400,537
	<hr/>	<hr/>	<hr/>
Total assets	1,886,758	2,120,276	4,007,034
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Outstanding claims and family takaful reserve	281,494	187,618	469,112
Payable to Participants for unit-linked contracts	-	1,451,395	1,451,395
Unearned contributions reserve	244,174	14,559	258,733
Takaful balances payable	120,503	9,873	130,376
Other payables and accruals	136,762	393,112	529,874
Amounts due to related parties	1	-	1
Liabilities against assets held-for-sale	380,033	319	380,352
	<hr/>	<hr/>	<hr/>
Total liabilities	1,162,967	2,056,876	3,219,843
	<hr/>	<hr/>	<hr/>
Net assets employed	723,791	63,400	787,191
	<hr/>	<hr/>	<hr/>
Financed by:			
Shareholders' equity			724,455
Non-controlling interest			62,736
			<hr/>
			787,191
			<hr/>

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

21. Classes and categories of financial assets and financial liabilities

The table below sets out the classification of each class of financial assets and liabilities and their fair values.

For instruments carried at amortised cost, management believes that their carrying values approximates to their fair values.

30 June 2019 (Unaudited)

	FVTPL AED'000	Available for sale investments AED'000	Amortised cost AED'000	Total AED'000
Financial assets				
Investments	70,981	64,082	255,425	390,488
Investment in associates	-	-	112,830	112,830
Deposits	-	-	179,665	179,665
Participants' investments in unit-linked contracts	1,760,605	-	-	1,760,605
Deposits with takaful and retakaful companies	-	-	4,875	4,875
Contributions and takaful balance receivables	-	-	257,631	257,631
Other assets and receivables	-	-	18,539	18,539
Cash and bank balances	-	-	249,547	249,547
	<u>1,831,586</u>	<u>64,082</u>	<u>1,078,512</u>	<u>2,974,180</u>
Financial liabilities				
Payable to Participants for unit-linked contracts	1,750,975	-	-	1,750,975
Takaful balances payable	-	-	150,330	150,330
Other payables and accruals	-	-	451,684	451,684
Amounts due to related parties	-	-	81	81
	<u>1,750,975</u>	<u>-</u>	<u>602,095</u>	<u>2,353,070</u>

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2019 (continued)**

21. Classes and categories of financial assets and financial liabilities (continued)

31 December 2018 (audited)

	FVTPL AED'000	Available for sale investments AED'000	Amortised cost AED'000	Total AED'000
Financial assets				
Investments	55,916	74,174	194,201	324,291
Investment in associates	-	-	119,276	119,276
Deposits	-	-	179,970	179,970
Participants' investments in unit-linked contracts	1,461,414	-	-	1,461,414
Deposits with takaful and retakaful companies	-	-	4,578	4,578
Contributions and takaful balance receivables	-	-	246,999	246,999
Amounts due from related parties	-	-	13,875	13,875
Other assets and receivables	-	-	18,196	18,196
Cash and bank balances	-	-	274,626	274,626
	<u>1,517,330</u>	<u>74,174</u>	<u>1,051,721</u>	<u>2,643,225</u>
Financial liabilities				
Payable to Participants for unit-linked contracts	1,451,395	-	-	1,451,395
Takaful balances payable	-	-	130,376	130,376
Other payables	-	-	496,242	496,242
Amounts due to related parties	-	-	1	1
	<u>1,451,395</u>	<u>-</u>	<u>626,619</u>	<u>2,078,014</u>

22. Seasonality of results

Other income for the three month period ended 30 June 2019 includes provision for liabilities no longer required written back of AED 20 million.

23. Approval of the condensed consolidated financial information

The condensed consolidated financial information were approved by the Board of Directors and authorised for issue on 7 August 2019.