

**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 2020**

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 2020 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 this condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this 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.

Basis for Qualified Conclusion

1. Based on information provided to us by management, the Group has not stated goodwill with a carrying amount of AED 115 million at its recoverable amount, which we believe should be done in order to conform with International Financial Reporting Standards. This information indicates that if goodwill was stated at its recoverable amount, goodwill and intangibles would be decreased by AED 40 million, profit after tax for the six and three month periods ended 30 June 2020 would be decreased by AED 40 million and basic and diluted earnings per share for the six and three month period ended 30 June 2020 would be decreased by AED 0.034 and AED 0.033 respectively.

(Contd..)

INDEPENDENT AUDITOR'S REVIEW REPORT To The Shareholders of Islamic Arab Insurance Co. (Salama) and its Subsidiaries (continued)

Basis for Qualified Conclusion (continued)

2. The Group's investment property, is carried at AED 142 million in the condensed consolidated statement of financial position. We were unable to complete our review of investment property amounting to AED 85 million because we could not determine if the Group owned the aforementioned investment property and we could not determine if the judgements applied and estimates made in the determination of the fair value of the investment property were appropriate. Had we been able to complete our review of the aforementioned investment property, matters might have come to our attention indicating that adjustments might be necessary to the condensed consolidated interim financial information. Our audit opinion on the consolidated financial statements for the year ended 31 December 2019 was also modified in respect of this matter.
3. The Group's investments, which are carried at AED 530 million in the condensed consolidated statement of financial position, include Islamic placement investments of AED 46 million, available-for-sale investments of AED 58 million and held to maturity investments of AED 66 million. We were unable to complete our review of the aforementioned Islamic placement investments, available-for-sale investments and held to maturity investments because we could not determine if the Group owned these investments and we could not determine if the judgements applied and estimates made in the determination of the fair value of the investments were appropriate. Had we been able to complete our review of these investments, matters might have come to our attention indicating that adjustments might be necessary to the condensed consolidated interim financial information. Our audit opinion on the consolidated financial statements for the year ended 31 December 2019 was also modified in respect of this matter.
4. The Group's other assets, which are carried at AED 380 million in the condensed consolidated statement of financial position, include other receivables with a carrying amount of AED 34 million. We were unable to complete our review of the other receivables as we could not inspect any supporting documentation relating to the other receivables. Had we been able to complete our review of the other receivables, matters might have come to our attention indicating that adjustments might be necessary to the condensed consolidated interim financial information. Our audit opinion on the consolidated financial statements for the year ended 31 December 2019 was also modified in respect of this matter.

Qualified Conclusion

Except for the adjustments to the condensed consolidated interim financial information that we might have become aware of had it not been for the matters described above, based on our review, nothing has come to our attention that causes us to believe the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting.

Deloitte & Touche (M.E.)



Signed by:
Akbar Ahmad
Registration No. 1141
10 August 2020
Sharjah, United Arab Emirates

**Condensed consolidated statement of financial position
at 30 June 2020**


	Notes	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
Assets			
Property and equipment		42,737	47,166
Goodwill and intangibles		115,856	116,217
Investment properties	6	142,478	144,451
Right of use assets		7,816	9,769
Investment in associates	7	91,814	96,215
Deposits		213,684	213,515
Investments	8	529,780	450,240
Participants' investments in unit-linked contracts	8.1	1,974,099	1,993,522
Deposits with takaful and retakaful companies		2,398	2,111
Contributions and takaful balance receivables		313,979	172,846
Retakafuls' share of outstanding claims		173,389	161,559
Retakafuls' share of unearned contribution		230,755	136,234
Other assets and receivables		380,451	428,958
Bank balances and cash		137,969	162,114
Assets held-for-sale	9	63,551	57,616
		<hr/>	<hr/>
Total assets		4,420,756	4,192,533
		<hr/> <hr/>	<hr/> <hr/>
Liabilities and policyholders' fund			
Outstanding claims and family takaful reserve		500,878	485,017
Payable to participants for unit-linked contracts		1,968,407	1,983,043
Unearned contribution reserve		429,078	264,440
Takaful balances payable		241,734	123,577
Other payables and accruals		383,776	439,067
Lease liabilities		8,000	9,906
Amount due to related parties	10	336	-
Liabilities against assets held-for-sale	9	49,013	42,228
		<hr/>	<hr/>
Total liabilities		3,581,222	3,347,278
Policyholders' fund		-	-
		<hr/>	<hr/>
Total liabilities and policyholders' fund		3,581,222	3,347,278
		<hr/>	<hr/>

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

**Condensed consolidated statement of financial position
at 30 June 2020 (continued)**

	Notes	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
Equity			
Share capital	11	1,210,000	1,210,000
Treasury shares	12	(35,972)	(35,972)
Statutory reserve	13	82,320	82,320
Accumulated losses		(373,205)	(376,824)
Other reserves	14	(120,879)	(107,740)
Equity attributable to Owners of the Company		762,264	771,784
Non-controlling interest		77,270	73,471
Total equity		839,534	845,255
Total liabilities, policyholders' fund and equity		4,420,756	4,192,533

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements present fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group.


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 2020**

	Six month period ended		Three month period ended	
	2020	30 June	2020	30 June
	AED'000	AED'000	AED'000	AED'000
		Re-presented		Re-presented
Continuing operations				
Underwriting income				
Gross written contributions	695,112	638,910	254,135	288,029
Less: reinsurance and retakaful contributions ceded	(271,183)	(169,691)	(91,197)	(89,940)
Net contributions	423,929	469,219	162,938	198,089
Net movement in unearned contributions	(72,623)	(48,572)	10,867	8,835
Contributions earned	351,306	420,647	173,805	206,924
Commission income on ceded reinsurance and retakaful	20,559	15,382	11,550	8,488
	371,865	436,029	185,355	215,412
Underwriting expenses				
Gross claims paid	224,788	197,120	112,767	93,158
Less: reinsurance and retakaful share of claims paid	(124,869)	(75,627)	(68,977)	(33,345)
Net claims paid	99,919	121,493	43,790	59,813
Net movement in outstanding claims and family takaful reserve	9,452	20,152	723	14,558
Claims incurred	109,371	141,645	44,513	74,371
Commission expense and other costs	178,597	217,918	91,446	109,965
	287,968	359,563	135,959	184,336
Net underwriting income	83,897	76,466	49,396	31,076
Income/(loss) from investments	17,013	4,766	9,355	(4,050)
Other income	8,960	22,106	3,503	19,126
	109,870	103,338	62,254	46,152
Expenses				
General, administrative and other expenses	(52,578)	(59,734)	(23,794)	(29,895)
Financial expenses	(1,337)	(967)	(739)	(517)
Profit before tax for the period	55,955	42,637	37,721	15,740
Taxation – current	(5,089)	(6,027)	(3,594)	(977)
Profit after tax for the period before distribution to policyholders	50,866	36,610	34,127	14,763
Distribution to policyholders of Company	(2,966)	-	(2,966)	-
Profit after tax and distribution to policyholders for the period	47,900	36,610	31,161	14,763

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 2020 (continued)**

	Six month period ended		Three month period ended	
	2020	2019	2020	2019
	AED'000	AED'000	AED'000	AED'000
		Re-presented		Re-presented
Discontinued operations				
(Loss)/income from discontinued operations	(853)	(3,245)	2,751	528
Profit after tax and distribution to Policyholders	47,047	33,365	33,912	15,291
Attributable to:				
Shareholders	39,919	32,397	26,270	17,437
Non-controlling interest	7,128	968	7,642	(2,146)
	47,047	33,365	33,912	15,291
Basic and diluted earnings per share (AED) (Note 17)	0.034	0.027	0.022	0.015
Basic and diluted earnings per share (AED) – continuing operations	0.034	0.029	0.021	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 2020**

	Six month period ended		Three month period ended	
	2020	30 June 2019	2020	30 June 2019
	AED'000	AED'000	AED'000	AED'000
Profit after tax and distribution to policyholders for the period	47,047	33,365	33,912	15,291
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	(13,585)	6,208	(9,695)	4,551
Net changes in fair value of available for sale investments	379	(10,187)	1	-
Share of other comprehensive (loss)/income of associates	(691)	(1,008)	(691)	15
Total other comprehensive (loss)/income for the period	(13,897)	(4,987)	(10,385)	4,566
Total comprehensive income for the period	33,150	28,378	23,527	19,857
Attributable to:				
Shareholders	26,780	24,417	17,260	20,340
Non-controlling interest	6,370	3,961	6,267	(483)
	33,150	28,378	23,527	19,857

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 2020**

	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)										
Movement in foreign exchange translation reserve	-	-	-	3,215	-	-	-	3,215	2,993	6,208
Net changes in fair value of available for sale investments	-	-	-	-	(10,187)	-	-	(10,187)	-	(10,187)
Share of other comprehensive loss of associates	-	-	-	-	(1,008)	-	-	(1,008)	-	(1,008)
Total other comprehensive income/(loss)	-	-	-	3,215	(11,195)	-	-	(7,980)	2,993	(4,987)
Total comprehensive income 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 changes in equity
for the six month period ended 30 June 2020 (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 2020	1,210,000	82,320	31,930	(112,043)	(27,627)	(35,972)	(376,824)	771,784	73,471	845,255
Profit for the period	-	-	-	-	-	-	39,919	39,919	7,128	47,047
Other comprehensive loss										
Movement in foreign exchange translation reserve	-	-	-	(12,827)	-	-	-	(12,827)	(758)	(13,585)
Net changes in fair value of available for sale investments	-	-	-	-	379	-	-	379	-	379
Share of other comprehensive loss of associates	-	-	-	-	(691)	-	-	(691)	-	(691)
Total other comprehensive loss	-	-	-	(12,827)	(312)	-	-	(13,139)	(758)	(13,897)
Total comprehensive income for the period	-	-	-	(12,827)	(312)	-	39,919	26,780	6,370	33,150
Dividend paid	-	-	-	-	-	-	(36,300)	(36,300)	(2,571)	(38,871)
Balance at 30 June 2020 (unaudited)	1,210,000	82,320	31,930	(124,870)	(27,939)	(35,972)	(373,205)	762,264	77,270	839,534

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 2020**

	Six month period ended 30 June	
	2020	2019
	AED'000	AED'000
Cash flows from operating activities		
Profit for the period	47,047	33,365
Adjustments for:		
Depreciation of property and equipment	1,854	2,062
Depreciation on right to use assets	1,953	-
Net movement in unearned contributions reserve	70,117	53,302
Unrealized loss on investment	2,375	3,970
Amortisation of intangible assets	167	563
Provision for liabilities no longer required written back	-	(20,000)
Reversal of impairment of receivables	5,827	(84)
Share of loss from associates	3,710	5,438
Dividend income	(1,283)	(1,667)
Operating cash flows before changes in operating assets and liabilities	131,767	76,949
Increase in deposits with takaful and retakaful companies	(287)	(297)
Increase in contributions and takaful balance receivable	(146,960)	(10,548)
Decrease/(increase) in other assets and receivables	48,507	(54,551)
Increase in outstanding claims (net of retakaful)	4,031	22,769
Increase/(decrease) in takaful payables and other payables	62,866	(17,744)
Increase in due to related parties	336	13,955
(Increase)/decrease in assets held-for-sale	(5,935)	400,537
Increase/(decrease) in liabilities against assets held-for-sale	6,785	(380,352)
Net cash generated from operating activities	101,110	50,718
Cash flows from investing activities		
Disposal/(purchase) of property and equipment	2,575	(941)
Disposal/(purchase) of intangible assets	194	(209)
Investments properties – net	1,973	(2,491)
Repayment of principal and interest on lease liability	(1,906)	-
Decrease in term deposits under lien or with maturity		
After three months	95,499	(119,281)
Net movement in deposits	(169)	305
Dividend received	1,283	1,667
Increase in investments – net	(95,121)	(74,146)
Net movement in participants' investments in unit-linked contracts	4,787	389
Net cash generated from/(used in) investing activities	9,115	(194,707)
Cash flows from financing activities		
Dividend paid	(38,871)	(371)
Cash used in financing activities	(38,871)	(371)
Net increase/(decrease) in cash and cash equivalents	71,354	(144,360)
Cash and cash equivalents at the beginning of the period	54,794	274,626
Cash and cash equivalents at the end of the period (Note 18)	126,148	130,266
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 2020**

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 2020	31 December 2019	
<i>Directly owned</i>			
Tariic Holding Company B.S.C	99.40%	99.40%	Kingdom of Bahrain
Misr Emirates Takaful Life Insurance Co.	85%	85%	Egypt
Salama Immobilier	84.25%	84.25%	Senegal
Egyptian Saudi Insurance Home	51.15%	51.15%	Egypt
<i>Through Tariic</i>			
Salama Assurances Senegal – Note 10	68.87%	68.87%	Senegal
Salama Assurances Algeria	96.98%	96.98%	Algeria

Coronavirus (COVID-19) outbreak and its impact on the Group

With the recent and rapid development of the coronavirus disease (COVID-19) outbreak, the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations including the United Arab Emirates (UAE).

The UAE Government has implemented restrictions on travelling as well as strict quarantine measures, impacting a wide range of industries, and the insurance industry is expected to be indirectly affected.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact on the Group’s profitability position as at reporting date. This is primarily because insurance activities in the UAE continue and are not subject to many of the restrictions mentioned above.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2020 (continued)****1. General information (continued)**

Coronavirus (COVID-19) outbreak and its impact on the Group (continued)

Management has considered the unique circumstances that could have a material impact on the business operations and the risk exposures of the Group and has concluded that the main impacts on the Group's profitability/liquidity position may arise from:

- Recoverability of contributions and takaful balance receivables,
- unavailability of personnel,
- reduction in gross contribution due to non-renewal of policies,
- decrease in the fair value of financial instruments held by the Group,
- decrease in the fair value of investment properties held by the Group,
- impairment of goodwill, and
- provision for outstanding claims and claims incurred but not reported.

The Group has performed stress testing as required by the Insurance Authority of UAE on a monthly basis approved by the Board of Directors, who are satisfied that the Group will continue to operate as a going concern and there have been no updates to the business plan in the current period. Accordingly, these condensed consolidated interim financial information have been prepared on a going concern basis. Management will continue to monitor the situation and, will take necessary and appropriate actions on a timely basis to respond to this unprecedented situation.

2. Application of new and revised International Financial Reporting Standards (IFRSs)**2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial information**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2020, have been adopted in these condensed consolidated interim financial information. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Definition of Material – Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- Definition of a Business – Amendments to IFRS 3 'Business Combinations'.
- Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.
- Amendments in IFRS 7, 9 and IAS 39 regarding pre-replacement issues in the context of the IBOR reform.
- Amendment to IFRS 16 'Leases' to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The effective date is 1 June 2020.

2.2 New and revised IFRS standards and interpretations but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 17: *Insurance Contracts*. Effective for annual period beginning on or after 1 January 2023
- 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 and investor to its associate or joint venture. Effective date deferred indefinitely. Adoption is permitted.
- IAS 1: *Presentation of Financial Statements – Amendments on Classifications*. Effective for annual period beginning on or after 1 January 2023.
- Amendments relating to IAS 16, IAS 37, IFRS 3 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (effective for annual periods beginning after 1 January 2022)
- IFRS 4: *Insurance Contracts*. Amendments regarding the expiry date of the deferral approach. The fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 is now 1 January 2023.

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

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

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 2023.

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 2019.

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 2019. In addition, results for the six month period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

4. Changes in judgements and estimation uncertainty

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2019, with the exception of the impact of the novel coronavirus (COVID-19) outbreak on the Group which is detailed below.

The existence of novel coronavirus was confirmed in early 2020 and has spread globally, causing disruptions to businesses and economic activity. In light of the rapid spread of COVID-19 across the globe, various economies and sectors have faced significant disruptions and uncertainty as a result of measures taken by governments to contain or delay the spread of the virus. As of to date, the actual scope of the impact is very difficult to measure, and until now, only subjective assessment of the impact can be used.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2020 (continued)****4. Changes in judgements and estimation uncertainty (continued)***Recoverability of contributions and takaful balance receivables*

The COVID-19 outbreak led to a significant increase in the credit risk of companies within the economy as a result of operational disruption.

Based on management's assessment, the Group has not identified a material impact on the recoverability of contribution and takaful balance receivables for the period ended 30 June 2020.

Fair value measurement of financial instruments

COVID-19 outbreak led to significant market turmoil and price volatility on the global financial markets. The Group is closely monitoring whether the fair values of the financial assets and liabilities represent the price that would be achieved for transactions between market participants in the current scenario.

Based on management's assessment, the Group has not identified a material impact on the fair values of any financial assets and liabilities for the period ended 30 June 2020.

Fair value measurement of investment properties

As the real estate market becomes slower moving, adjustments may be required to adjust the fair values of the properties in order to reflect the current economic circumstances.

Based on management's assessment, this is in early stages and there is limited information available on the 2020 outlook for the real estate market and how the situation will progress in light of COVID-19. The Group has not identified any significant impact to the fair values of investment properties for the period ended 30 June 2020. The Group will consistently monitor the market and ensure that the prices used by the Group are an accurate representation of fair values.

Impairment of goodwill

The Group has performed an assessment of the impact of COVID-19 on an estimation of the value-in-use of the cash generating units to which goodwill is allocated. Management used sensitivity analyses in estimating of the expected future cash flows and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The Group determined that there is no material impact on fair value of goodwill for the period ended 30 June 2020.

Provision for outstanding claims and claims incurred but not reported

The Group has performed an assessment of the impact of COVID-19 on its contractual arrangements, provisions for outstanding claims and claims incurred but not reported which included regular sensitivity analyses. The Group determined that there is no material impact on its risk position and provision balances for outstanding claims and claims incurred but not reported for the period ended 30 June 2020. It will continue monitoring its claims experience and the developments around the pandemic and revisit the assumptions and methodologies in future reporting periods.

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 2019.

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 2020 (continued)**

6. Investment properties

The geographic dispersion of investment properties is as follows.

	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
Within UAE	10,000	10,000
Outside UAE	132,478	134,451
	142,478	144,451

The variations in the value of investment properties are due to change in 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.

	Ownership		Country of incorporation	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
	2020	2019			
Associates					
Salama Cooperative Insurance Company	30%	30%	KSA	59,328	64,685
Islamic Insurance Jordan	20%	20%	Jordan	32,486	31,530
				91,814	96,215

Movements during the period/year

	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
Balance at the beginning of period/year	96,215	119,276
Share of loss from associates	(3,710)	(21,113)
Share of other comprehensive loss of associates	(691)	(1,017)
Dividend received	-	(931)
Balance at the end of period/year	91,814	96,215

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

8. Investments

	30 June 2020 (unaudited)			31 December 2019 (audited)		
	Domestic investment AED'000	Inter- national investment AED'000	Total AED'000	Domestic investment AED'000	Inter- national investment AED'000	Total AED'000
Financial assets at fair value through profit or loss						
Shares and securities	-	16,520	16,520	2,950	18,915	21,865
Available-for-sale investments						
Mutual fund and externally managed portfolios	-	62,297	62,297	-	61,919	61,919
Shares and securities	-	949	949	-	1,025	1,025
	-	63,246	63,246	-	62,944	62,944
Islamic placements*	-	168,265	168,265	-	148,415	148,415
Held to maturity						
Sukuk and						
Government bonds	-	135,095	135,095	-	124,458	124,458
Wakalah certificates	-	54,094	54,094	-	-	-
Other Mudariba investments	-	92,560	92,560	-	92,558	92,558
	-	529,780	529,780	2,950	447,290	450,240

*Represent Shari'ah compliant placements with different financial institutions having profit rates of 0.22% to 5% (2019: 0.22% to 5%) and maturing in more than three month when acquired.

8.1 Participants' investments in unit-linked contracts

	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
Financial asset at fair value through profit or loss	1,974,099	1,993,522

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

8. Investments (continued)

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 2020 (Unaudited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets				
Fair value through profit or loss				
Participants' investments in unit-linked contracts	-	1,974,099	-	1,974,099
Shares and securities	16,520	-	-	16,520
	<u>16,520</u>	<u>1,974,099</u>	<u>-</u>	<u>1,990,619</u>
Available-for-sale				
Mutual fund	-	62,297	-	62,297
Shares and securities	565	384	-	949
	<u>565</u>	<u>62,681</u>	<u>-</u>	<u>63,246</u>
Non-financial assets				
Investment properties	-	-	142,478	142,478
Financial liabilities				
Payable to participants for unit-linked contracts	-	1,968,407	-	1,968,407

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

8. Investments (continued)

Determining fair values (continued)

31 December 2019 (audited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets				
Fair value through profit or loss				
Participants' investments in unit-linked contracts	-	1,993,522	-	1,993,522
Shares and securities	21,865	-	-	21,865
	<u>21,865</u>	<u>1,993,522</u>	<u>-</u>	<u>2,015,387</u>
Available-for-sale				
Mutual fund	-	61,919	-	61,919
Shares and securities	610	415	-	1,025
	<u>610</u>	<u>62,334</u>	<u>-</u>	<u>62,944</u>
Non-financial assets				
Investment properties	-	-	144,451	144,451
Financial liabilities				
Payable to participants for unit-linked contracts	-	1,983,043	-	1,983,043

9. Discontinued operations

Salama Assurance Senegal

In 2019, the Board of Directors have approved to dispose of the one of subsidiary of Tariic, Salama Assurance Senegal. Pursuant to Board resolution, management has initiated the process of entering into a sale and purchase agreement (“SPA”) to sell the Group’s entire shareholding in Salama Assurance Senegal. This SPA is however subject to the approval of regulatory authorities of Senegal.

Consequently, the Group's investment in Salama Assurance Senegal was classified as investment held-for-sale.

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 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
Assets held for sale	63,551	57,616
Liabilities against assets held-for-sale	49,013	42,228
Net assets	<u>14,538</u>	<u>15,388</u>

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

9. Discontinued operations (continued)

Results from discontinued operations

	30 June 2020 (unaudited) AED'000	30 June 2019 (unaudited) Represented AED'000
Revenue	3,009	610
Expenses	(3,862)	(3,855)
Results from operating activities	(853)	(3,245)
Loss from discontinued operations, net of tax	(853)	(3,245)

Cash flows (used in)/from discontinued operations

Net cash from operating activities	3,120	(741)
Net cash used investing activities	(1,128)	(72)
Net cash flows for the period	1,992	(813)

10. 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		Three month period ended	
	2020	30 June	2020	30 June
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	AED'000	AED'000	AED'000	AED'000
Contribution	2,027	-	1,274	-
Claims paid	7,753	-	1,089	-
General and administrative expenses	63	-	-	-
Compensation of key management personnel				
Short term benefits	3,030	3,578	1,423	1,849
Employees end of service benefits	169	583	88	447
	3,199	4,161	1,511	2,296

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

10. Related party transactions (continued)

Balances with related parties

	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
Amounts due to related parties	336	-
Other assets and liabilities	10,000	-
Cash and bank balances	-	63,206
Investments held-to-maturity Wakalah certificates	54,094	-

11. Share capital

	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
Issued and fully paid (1,210 million ordinary shares of AED 1 each)	1,210,000	1,210,000

12. 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.

13. Statutory reserve

In accordance with Article 239 of the U.A.E. Federal Law No. (2) of 2015 and the Articles of Association of the Company, 10% of the net profit is required to be transferred to a non-distributable statutory reserve until this reserve equals 50% of the paid up share capital. This reserve is not available for distribution other than in circumstances stipulated by law.

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

14. Other reserves

Other reserves includes following:

	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
Revaluation reserve	31,930	31,930
Foreign exchange translation reserve	(124,870)	(112,043)
Investment fair value reserve	(27,939)	(27,627)
	(120,879)	(107,740)

15. Wakalah share

The shareholders manage the takaful operations of the Group for the policyholders and charge 35% (2019: 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% (2019: 15%) of mortality costs.

16. Policyholders' fund

	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000	30 June 2019 (unaudited) AED'000
Balance at 1 January	(612,051)	(545,099)	(545,099)
Net deficit attributable to policyholders for the period/year	(82,056)	(62,755)	(52,412)
Surplus distribution to policyholders of family takaful	(2,966)	(4,197)	-
Financed by shareholders'	(697,073)	(612,051)	(597,511)

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

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

17. Basic and diluted earnings per share

	Six month period ended		Three month period ended	
	30 June		30 June	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period attributable to shareholders (AED'000)	39,919	32,397	26,270	17,437
Number of shares (in thousands)	1,188,333	1,188,333	1,188,333	1,188,333
Basic and diluted earnings per share (AED)	0.034	0.027	0.022	0.015

Basic earnings per share are calculated by dividing the profit for the period 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.

18. Cash and cash equivalents

	30 June 2020	30 June 2019
	AED'000	AED'000
	(unaudited)	(unaudited)
Cash in hand	18	40
Cash at bank	120,663	89,065
Term deposits	17,288	160,442
	137,969	249,547
Less: term deposits with maturity after three months	(5,940)	(113,067)
Less: term deposits under lien	(5,881)	(6,214)
	126,148	130,266

19. Contingent liabilities

	30 June	31 December
	2020	2019
	(unaudited)	(audited)
	AED'000	AED'000
Letters of guarantee	15,667	17,677

Deposits including statutory deposits amounting to AED 15.94 million (2019: AED 17.95 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 2020 (continued)**

20. Allocation between participants and shareholders (unaudited)

	For the six month period ended 30 June 2020				For the three month period ended 30 June 2020			
	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	-	83,897	-	83,897	-	49,396	-	49,396
Income								
Wakalah share (Note 15)	133,339	(133,339)	-	-	38,216	(38,216)	-	-
Mudarib share (Note 15)	32	(32)	-	-	18	(18)	-	-
Net technical charges from policyholders to shareholders	30,466	(30,466)	-	-	14,155	(14,155)	-	-
Net underwriting income from subsidiaries	22,650	(22,650)	-	-	13,709	(13,709)	-	-
Income from investments	16,910	103	-	17,013	9,292	63	-	9,355
Other income	8,705	255	-	8,960	3,394	109	-	3,503
	212,102	(102,232)	-	109,870	78,784	(16,530)	-	62,254
Expenses								
General, administrative and other expenses	(52,578)	-	-	(52,578)	(23,794)	-	-	(23,794)
Financial expenses	(1,337)	-	-	(1,337)	(739)	-	-	(739)
Commission paid and other costs	(20,176)	20,176	-	-	(10,860)	10,860	-	-
Net profit/(loss) before tax for the period	138,011	(82,056)	-	55,955	43,391	(5,670)	-	37,721
Tax – current	(5,089)	-	-	(5,089)	(3,594)	-	-	(3,594)
Net profit/(loss) after tax for the period	132,922	(82,056)	-	50,866	39,797	(5,670)	-	34,127
(Loss)/income from discontinued operations	(853)	-	-	(853)	2,751	-	-	2,751
Share of non-controlling interest	(7,128)	-	7,128	-	(7,642)	-	7,642	-
Distribution to policyholders of the Company	-	(2,966)	-	(2,966)	-	(2,966)	-	(2,966)
Policyholders' loss financed by shareholders / recovery of loss from policyholders' fund	(85,022)	85,022	-	-	(8,636)	8,636	-	-
Net profit for the period	39,919	-	7,128	47,047	26,270	-	7,642	33,912

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

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

	For the six month period ended 30 June 2019				For the three month period ended 30 June 2019			
	Shareholders AED'000 Re-presented	Policyholders AED'000 Re-presented	Non- controlling interest AED'000	Total AED'000 Re-presented	Shareholders AED'000 Re-presented	Policyholders AED'000 Re-presented	Non-controlling interest AED'000	Total AED'000 Re-presented
Net underwriting income	-	76,466	-	76,466	-	31,076	-	31,076
Income								
Wakalah share (Note 15)	91,811	(91,811)	-	-	36,731	(36,731)	-	-
Mudarib share (Note 15)	31	(31)	-	-	15	(15)	-	-
Net technical charges from policyholders to shareholders	35,765	(35,765)	-	-	19,848	(19,848)	-	-
Net underwriting income from subsidiaries	23,921	(23,921)	-	-	3,382	(3,382)	-	-
Income from investments	4,460	306	-	4,766	(4,192)	142	-	(4,050)
Other income	22,106	-	-	22,106	19,126	-	-	19,126
	178,094	(74,756)	-	103,338	74,910	(28,758)	-	46,152
Expenses								
General, administrative and other expenses	(59,734)	-	-	(59,734)	(29,895)	-	-	(29,895)
Financial expenses	(967)	-	-	(967)	(517)	-	-	(517)
Commission paid and other costs	(22,344)	22,344	-	-	(10,796)	10,796	-	-
Net profit/(loss) before tax for the period	95,049	(52,412)	-	42,637	33,702	(17,962)	-	15,740
Tax – current	(6,027)	-	-	(6,027)	(977)	-	-	(977)
Net profit/(loss) after tax for the period	89,022	(52,412)	-	36,610	32,725	(17,962)	-	14,763
Loss from discontinued operations	(3,245)	-	-	(3,245)	528	-	-	528
Share of non-controlling interest	(968)	-	968	-	2,146	-	(2,146)	-
Policyholders' loss financed by shareholders / recovery of loss from policyholders' fund	(52,412)	52,412	-	-	(17,962)	17,962	-	-
Net profit/(loss) for the period	32,397	-	968	33,365	17,437	-	(2,146)	15,291

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

20. Allocation between participants and shareholders (continued)

Condensed consolidated interim statement of financial position

	30 June 2020 (unaudited) AED'000	31 December 2019 (audited) AED'000
ASSETS		
<i>Participants' assets</i>		
Participants' investments in unit-linked contracts	1,974,099	1,993,522
Contributions and takaful balance receivables	248,839	109,970
Retakafuls' share of outstanding claims	140,260	131,445
Retakafuls' share of unearned contributions	179,176	85,627
Other assets and receivables	21	9
Cash and bank balances	114,491	40,048
Total participants' assets	2,656,886	2,360,621
Total shareholders' assets *	1,763,870	1,831,912
Total assets	4,420,756	4,192,533
Liabilities		
<i>Participants' liabilities</i>		
Outstanding claims and family takaful reserve	238,788	230,841
Payable to participants for unit-linked contracts	1,968,407	1,983,043
Unearned contributions reserve	304,780	143,478
Takaful balances payable	193,288	83,621
Other payables and accruals	46,811	32,003
Total participants' liabilities	2,752,074	2,472,986
Total shareholders' liabilities*	829,148	874,292
Total liabilities	3,581,222	3,347,278
Net assets employed	839,534	845,255
Financed by:		
Shareholders' equity	762,264	771,784
Non-controlling interest	77,270	73,471
	839,534	845,255

* 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 2020 (continued)**

21. Operating segment

By business

	Six month period ended 30 June 2020			Three month period ended 30 June 2020		
	General takaful AED'000	Family takaful AED'000	Total AED'000	General takaful AED'000	Family takaful AED'000	Total AED'000
Gross written contributions	486,815	208,297	695,112	153,032	101,103	254,135
Net contributions earned	181,491	169,815	351,306	91,880	81,925	173,805
Commissions income on ceded reinsurance and Retakaful	16,214	4,345	20,559	7,205	4,345	11,550
	197,705	174,160	371,865	99,085	86,270	185,355
Net claims incurred	(102,873)	(6,498)	(109,371)	(44,772)	259	(44,513)
Commissions expense and other costs	(50,222)	(128,375)	(178,597)	(24,666)	(66,780)	(91,446)
Net underwriting income	44,610	39,287	83,897	29,647	19,749	49,396
Investment and other income			25,973			12,858
Unallocated expenses and tax			(59,004)			(28,127)
Surplus distribution for life policyholders			(2,966)			(2,966)
Loss from discontinued operations			(853)			2,751
Net profit after tax			47,047			33,912

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

21. Operating segment (continued)

By business (continued)

	Six month period ended 30 June 2019			Three month period ended 30 June 2019		
	General takaful AED'000 Re-presented	Family takaful AED'000	Total AED'000 Re-presented	General takaful AED'000 Re-presented	Family takaful AED'000	Total AED'000 Re-presented
Gross written contributions	384,515	254,395	638,910	160,905	127,124	288,029
Net contributions earned	199,597	221,050	420,647	96,427	110,497	206,924
Commissions income on ceded reinsurance and Retakaful	14,706	676	15,382	7,812	676	8,488
Net claims incurred	214,303	221,726	436,029	104,239	111,173	215,412
Commissions expense and other costs	(127,638)	(14,007)	(141,645)	(67,083)	(7,288)	(74,371)
Net underwriting income	(50,152)	(167,766)	(217,918)	(27,621)	(82,344)	(109,965)
Investment and other income	36,513	39,953	76,466	9,535	21,541	31,076
Unallocated expenses and tax			26,872			15,076
Loss from discontinued operations			(66,728)			(31,389)
Net profit after tax			(3,245)			528
			33,365			15,291

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

21. Operating segment (continued)

By geography

	Six month period ended 30 June 2020			Three month period ended 30 June 2020		
	Africa AED'000	Asia AED'000	Total AED'000	Africa AED'000	Asia AED'000	Total AED'000
Gross written contributions	137,551	557,561	695,112	59,990	194,145	254,135
Net contributions earned	99,019	252,287	351,306	46,256	127,549	173,805
Commissions income on ceded reinsurance and retakaful	7,229	13,330	20,559	2,806	8,744	11,550
Net claims incurred	106,248	265,617	371,865	49,062	136,293	185,355
Commissions expense and other costs	(53,031)	(56,340)	(109,371)	(21,149)	(23,364)	(44,513)
Net underwriting income	(30,567)	(148,030)	(178,597)	(14,204)	(77,242)	(91,446)
Investment and other income	22,650	61,247	83,897	13,709	35,687	49,396
Unallocated expenses and tax			25,973			12,858
Surplus distribution for life policyholders			(59,004)			(28,127)
Loss from discontinued operations			(2,966)			(2,966)
			(853)			2,751
Net profit after tax			47,047			33,912

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

21. Operating segment (continued)

By geography (continued)

	<u>Six month period ended 30 June 2019</u>			<u>Three month period ended 30 June 2019</u>		
	Africa AED'000	Asia AED'000	Total AED'000	Africa AED'000	Asia AED'000	Total AED'000
	Re-presented		Re-presented	Re-presented		Re-presented
Gross written contributions	145,204	493,706	638,910	67,133	220,896	288,029
Net contributions earned	99,611	321,036	420,647	46,257	160,667	206,924
Commissions income on ceded reinsurance and retakaful	6,787	8,595	15,382	3,361	5,127	8,488
Net claims incurred	106,398	329,631	436,029	49,618	165,794	215,412
Commissions expense and other costs	(52,977)	(88,668)	(141,645)	(30,068)	(44,303)	(74,371)
Net underwriting income	(29,500)	(188,418)	(217,918)	(16,168)	(93,797)	(109,965)
Investment and other income	23,921	52,545	76,466	3,382	27,694	31,076
Unallocated expenses and tax			26,872			15,076
Loss from discontinued operations			(66,728)			(31,389)
Net profit after tax			(3,245)			528
			33,365			15,291

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

21. Operating segment (continued)

By business

30 June 2020 (Unaudited)

	General takaful AED'000	Family Takaful AED'000	Total AED'000
ASSETS			
Property and equipment	39,567	3,170	42,737
Goodwill and intangibles	115,856	-	115,856
Investment properties	142,478	-	142,478
Right to use assets	5,502	2,314	7,816
Investment in associates	91,814	-	91,814
Deposits	186,325	27,359	213,684
Investments	380,307	149,473	529,780
Participants' investments in unit-linked contracts	-	1,974,099	1,974,099
Deposits with takaful and retakaful companies	2,398	-	2,398
Contributions and takaful balance receivables	305,067	8,912	313,979
Retakafuls' share of outstanding claims	117,643	55,746	173,389
Retakafuls' share of unearned contributions	227,297	3,458	230,755
Other assets and receivables	67,261	313,190	380,451
Bank balances and cash	104,184	33,785	137,969
Assets held-for-sale	63,551	-	63,551
	<hr/>	<hr/>	<hr/>
Total assets	1,849,250	2,571,506	4,420,756
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
Outstanding claims and family takaful reserve	278,314	222,564	500,878
Payable to Participants for unit-linked contracts	-	1,968,407	1,968,407
Unearned contributions reserve	395,733	33,345	429,078
Takaful balances payable	213,876	27,858	241,734
Other payables and accruals	132,487	251,289	383,776
Lease liabilities	5,624	2,376	8,000
Amounts due to related parties	336	-	336
Liabilities held-for-sale	49,013	-	49,013
	<hr/>	<hr/>	<hr/>
Total liabilities	1,075,383	2,505,839	3,581,222
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net assets employed	773,867	65,667	839,534
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Financed by:			
Shareholders' equity			762,264
Non-controlling interest			77,270
			<hr/>
			839,534
			<hr/> <hr/>

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

21. Operating segment (continued)

By business

31 December 2019 (Audited)

	General takaful AED'000	Family takaful AED'000	Total AED'000
ASSETS			
Property and equipment	43,582	3,584	47,166
Goodwill and intangibles	116,217	-	116,217
Investment properties	144,451	-	144,451
Right of use assets	7,133	2,636	9,769
Investments in associates	96,215	-	96,215
Deposits	190,755	22,760	213,515
Investments	368,576	81,664	450,240
Participants' investments in unit-linked contracts	-	1,993,522	1,993,522
Deposits with takaful and retakaful companies	2,111	-	2,111
Contributions and takaful balance receivables	161,556	11,290	172,846
Retakafuls' share of outstanding claims	102,331	59,228	161,559
Retakafuls' share of unearned contributions	133,425	2,809	136,234
Other assets and receivables	54,356	374,602	428,958
Cash and bank balances	67,655	94,459	162,114
Assets held-for-sale	57,616	-	57,616
	1,545,979	2,646,554	4,192,533
LIABILITIES EXCLUDING POLICYHOLDERS' FUND			
Outstanding claims and family takaful reserve	261,641	223,376	485,017
Payable to Participants for unit-linked contracts	-	1,983,043	1,983,043
Unearned contributions reserve	239,856	24,584	264,440
Takaful balances payable	113,214	10,363	123,577
Other payables and accruals	125,282	313,785	439,067
Lease liability – Right-of-use assets	7,223	2,683	9,906
Liabilities held-for-sale	42,228	-	42,228
Total liabilities	789,444	2,557,834	3,347,278
Policyholders' fund	-	-	-
Net assets employed	756,535	88,720	845,255
Financed by:			
Shareholders' equity			771,784
Non-controlling interest			73,471
			845,255

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

22. 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 2020 (Unaudited)

	FVTPL AED'000	Available for sale investments AED'000	Amortised cost AED'000	Total AED'000
Financial assets				
Investments	16,520	63,246	450,014	529,780
Deposits	-	-	213,684	213,684
Participants' investments in unit-linked contracts	1,974,099	-	-	1,974,099
Deposits with takaful and retakaful companies	-	-	2,398	2,398
Contributions and takaful balance receivables	-	-	313,979	313,979
Other assets and receivables	-	-	64,867	64,867
Bank balances and cash	-	-	137,969	137,969
	<u>1,990,619</u>	<u>63,246</u>	<u>1,182,911</u>	<u>3,236,776</u>
Financial liabilities				
Payable to participants for unit-linked Contracts	1,968,407	-	-	1,968,407
Takaful balances payable	-	-	241,734	241,734
Amount due to related parties	-	-	336	336
Other payables and accruals	-	-	347,728	347,728
Lease liabilities	-	-	8,000	8,000
	<u>1,968,407</u>	<u>-</u>	<u>597,798</u>	<u>2,566,205</u>

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

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

31 December 2019 (audited)

	FVTPL AED'000	Available for-sale investments AED'000	Amortised cost AED'000	Total carrying amount AED'000
Financial assets				
Investments	21,865	62,944	365,431	450,240
Deposits	-	-	213,515	213,515
Participants' investments in unit-linked contracts	1,993,522	-	-	1,993,522
Deposits with takaful and retakaful companies	-	-	2,111	2,111
Contributions and takaful balance				
Receivables	-	-	172,846	172,846
Other assets and receivables	-	-	48,881	48,881
Bank balances and cash	-	-	162,114	162,114
	<u>2,015,387</u>	<u>62,944</u>	<u>964,898</u>	<u>3,043,229</u>
Financial liabilities				
Payable to Participants for unit-linked contracts	1,983,043	-	-	1,983,043
Takaful balances payable	-	-	123,577	123,577
Other payables	-	-	402,898	402,898
Lease liabilities	-	-	9,906	9,906
	<u>1,983,043</u>	<u>-</u>	<u>536,381</u>	<u>2,519,424</u>

23. Seasonality of results

Other income for six months period ended 30 June 2019 includes provision for liabilities no longer required written back of AED 20 million. No income of seasonal nature was recorded for the six months period ended 30 June 2020.

24. Re-presentation

During the year 2019, Group had re-classified its investments in its subsidiary, as asset held-for-sale, based on the Board of Directors resolution to dispose of Salama Assurance Senegal, due to which condensed consolidated statement of profit or loss is re-presented of the prior period as if the subsidiary was held-for-sale prior year as well. The following table summaries the impact of re-presentation:

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

24. Re-presentation (continued)

	Impact of re-presentation Six month period ended 30 June 2019			Impact of re-presentation Three month period ended 30 June 2019		
	Previously reported (unaudited) AED'000	Re-presentation AED'000	As re-presented (unaudited) AED'000	Previously reported (unaudited) AED'000	Re-presentation AED'000	As re-presented (unaudited) AED'000
Continuing operations						
Underwriting results						
Underwriting income	441,772	(5,743)	436,029	219,755	(4,343)	215,412
Underwriting expenses	(365,057)	5,494	(359,563)	(186,241)	1,905	(184,336)
Net underwriting income	76,715	(249)	76,466	33,514	(2,438)	31,076
Income from other sources	27,232	(360)	26,872	15,236	(160)	15,076
Expenses	(64,020)	3,319	(60,701)	(32,213)	1,801	(30,412)
Net profit before tax	39,927	2,710	42,637	16,537	(797)	15,740
Taxation – current	(6,562)	535	(6,027)	(1,246)	269	(977)
Profit after tax from continuing operations	33,365	3,245	36,610	15,291	(528)	14,763
Discontinued operations						
Loss from discontinued operations	-	(3,245)	(3,245)	-	528	528
Profit after tax and distribution to policyholders	33,365	-	33,365	15,291	-	15,291
Attributable to:						
Shareholders	32,397	-	32,397	17,437	-	17,437
Non-controlling interest	968	-	968	(2,146)	-	(2,146)
	33,365	-	33,365	15,291	-	15,291

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2020 (continued)****25. Dividend**

At the annual general meeting held on 3 May 2020, the Shareholders approved a cash dividend of 3 fils per share. Dividend for ordinary shares is amounting to AED 35,649,979 for 2019 (2019: nil for 2018).

26. Approval of the condensed consolidated financial information

The condensed consolidated financial information were approved by the Board of Directors and authorised for issue on 10 August 2020.