



Board of Directors Report
For the period ended 30 September 2016

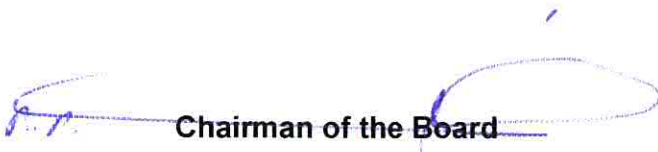
Peace be upon you,

It gives us great pleasure to present our report on the activities of the company for the period ended 30 September 2016, and interim condensed financial statements for the period.

The following are the highlights of the company activities for the 3rd quarter 2016.

- Total assets of the company amount of AED 855.6 million comparing to AED 697.1 million at the end of last year.
- Total cash and bank balances amount of AED 266.1 million comparing to AED 252.6 million at the end of last year, all of which are deposited with UAE banks.
- Company investments include AED 43.7 million invested in securities outside UAE.
- Shareholder's equity by the end of 3rd quarter 2016 reached AED 271.1 million comparing to AED 241.0 million at the end of last year.
- The total gross takaful contributions written during the reported period reached AED 278.5 million comparing to AED 248.2 million for the same period last year,
- Technical results for the period reached to AED 63.9 million comparing to AED 50 million for the same period last year, achieving 28% increase.
- Net investment and other income reached AED 10 million comparing to AED 5.4 million for the same period last year.
- Net profit for the reported period is AED 45 million comparing to AED 29.3 million for the same period last year, achieving 53% increase.
- Basic and diluted earnings per share for the reported period is AED 0.45 comparing to AED 0.29 for the same period last year.

With regards,


Chairman of the Board

**Abu Dhabi National Takaful
Company PSC**

REVIEW REPORT AND INTERIM CONDENSED
FINANCIAL STATEMENTS

PERIOD ENDED 30 SEPTEMBER 2016 (UNAUDITED)

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO
THE BOARD OF DIRECTORS OF ABU DHABI NATIONAL TAKAFUL COMPANY PSC**

Introduction

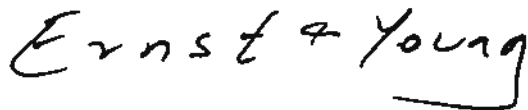
We have reviewed the accompanying interim condensed financial statements of Abu Dhabi National Takaful Company PSC (the "Company") as at 30 September 2016, comprising of the interim statement of financial position as at 30 September 2016 and the related interim income statement and interim statement of comprehensive income for the three-month and nine-month periods then ended and interim statements of changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.



Signed by:
Andre Kasparian
Partner
Ernst & Young
Registration No. 365


13 November 2016
Abu Dhabi

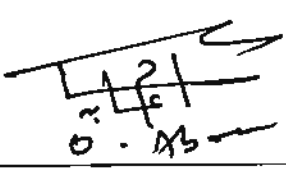
Abu Dhabi National Takaful Company PSC

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2016

	Notes	30 September 2016 (Unaudited) AED	31 December 2015 (Audited) AED
ASSETS			
Cash and bank balances	3	266,127,055	252,642,134
Statutory deposit	4	10,000,000	10,000,000
Investments	5	106,471,748	103,096,360
Retakaful contract assets		327,351,398	249,603,181
Takaful and other receivables		97,849,831	34,981,107
Other assets		5,267,691	2,743,486
Property and equipment		22,311,746	23,789,230
Investment properties	7	<u>20,260,028</u>	<u>20,260,028</u>
TOTAL ASSETS		<u>855,639,497</u>	<u>697,115,526</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		100,000,000	100,000,000
Legal reserve		24,209,407	24,209,407
General reserve		42,500,000	42,500,000
Investment revaluation reserve		9,402,422	7,842,492
Retained earnings		<u>95,011,310</u>	<u>66,395,373</u>
Total shareholders' equity		<u>271,123,139</u>	<u>240,947,272</u>
Policyholders' fund			
Deficit of policyholders' fund	9	(18,500,086)	(15,033,820)
Loan from shareholders	9	<u>18,500,086</u>	<u>15,033,820</u>
Total policyholders' fund		<u>-</u>	<u>-</u>
Liabilities			
Provision for end of service benefits		6,841,186	5,951,639
Takaful contract liabilities		450,639,393	344,444,574
Retakaful and other liabilities		98,682,287	77,781,065
Retakaful deposits retained		<u>28,353,492</u>	<u>27,990,976</u>
Total liabilities		<u>584,516,358</u>	<u>456,168,254</u>
TOTAL SHAREHOLDERS' EQUITY, POLICYHOLDERS' FUND AND LIABILITIES		<u>855,639,497</u>	<u>697,115,526</u>


Khamis Buharoon
Chairman of the Board of Directors


Osama Abdeen
Chief Executive Officer

The attached notes 1 to 14 form part of these interim condensed financial statements.

Abu Dhabi National Takaful Company PSC

INTERIM INCOME STATEMENT (UNAUDITED)

For the period ended 30 September 2016

		<i>Three months ended 30 September 2016 (Unaudited) AED</i>	<i>Three months ended 30 September 2015 (Unaudited) AED</i>	<i>Nine months ended 30 September 2016 (Unaudited) AED</i>	<i>Nine months ended 30 September 2015 (Unaudited) AED</i>
	<i>Notes</i>				
Attributable to policyholders					
Gross takaful contributions revenue	10	69,020,921	68,243,271	206,461,936	201,291,481
Retakaful contributions	10	<u>(35,255,014)</u>	<u>(36,561,300)</u>	<u>(99,556,801)</u>	<u>(110,263,411)</u>
Net earned contributions	10	<u>33,765,907</u>	<u>31,681,971</u>	<u>106,905,135</u>	<u>91,028,070</u>
Gross claims incurred		<u>(32,178,831)</u>	<u>(33,628,435)</u>	<u>(109,852,075)</u>	<u>(99,556,649)</u>
Retakaful share of claims incurred		<u>25,365,284</u>	<u>26,396,063</u>	<u>76,111,134</u>	<u>72,802,222</u>
Net claims incurred		<u>(6,813,547)</u>	<u>(7,232,372)</u>	<u>(33,740,941)</u>	<u>(26,754,427)</u>
Takaful income		26,952,360	24,449,599	73,164,194	64,273,643
Takaful expenses		<u>(8,088,016)</u>	<u>(7,632,841)</u>	<u>(22,771,250)</u>	<u>(22,656,113)</u>
Retakaful and other income		<u>2,787,575</u>	<u>1,867,651</u>	<u>13,587,679</u>	<u>8,463,964</u>
Takaful operating profit		21,651,919	18,684,409	63,980,623	50,081,494
Policyholders' investment income		814,712	348,514	2,731,417	1,137,350
Mudareb share	11	<u>(244,413)</u>	<u>(104,554)</u>	<u>(819,426)</u>	<u>(341,205)</u>
Wakalah fees	11	<u>(25,735,430)</u>	<u>(14,825,215)</u>	<u>(69,358,880)</u>	<u>(45,069,545)</u>
(Deficit) surplus of takaful result for the period		<u>(3,513,212)</u>	<u>4,103,154</u>	<u>(3,466,266)</u>	<u>5,808,094</u>
Attributable to shareholders					
Shareholders' investment and other income, net		1,808,191	1,456,385	7,355,495	4,317,157
Mudareb share from policyholders	11	244,413	104,554	819,426	341,205
Wakalah fees from policyholders	11	25,735,430	14,825,215	69,358,880	45,069,545
General and administrative expenses		<u>(9,548,824)</u>	<u>(8,930,401)</u>	<u>(29,024,679)</u>	<u>(26,179,233)</u>
(Increase) decrease in provision of loan to policyholders' fund	9	<u>(3,513,212)</u>	<u>4,103,154</u>	<u>(3,466,266)</u>	<u>5,808,094</u>
Net profit for the period		<u>14,725,998</u>	<u>11,558,907</u>	<u>45,042,856</u>	<u>29,356,768</u>
Basic and diluted earnings per share	12	<u>0.15</u>	<u>0.12</u>	<u>0.45</u>	<u>0.29</u>

The attached notes 1 to 14 form part of these interim condensed financial statements.

Abu Dhabi National Takaful Company PSC

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2016

	<i>Three months ended 30 September 2016 (Unaudited) AED</i>	<i>Three months ended 30 September 2015 (Unaudited) AED</i>	<i>Nine months ended 30 September 2016 (Unaudited) AED</i>	<i>Nine months ended 30 September 2015 (Unaudited) AED</i>
Net profit for the period	14,725,998	11,558,907	45,042,856	29,356,768
Other comprehensive income				
<i>Items that will not be reclassified subsequently to statement of income:</i>				
Increase in fair value of investments at fair value through other comprehensive income, net	<u>161,061</u>	<u>832,841</u>	<u>1,133,011</u>	<u>5,524,239</u>
<i>Items that may be reclassified subsequently to statement of income</i>	-	-	-	-
Other comprehensive income for the period	<u>161,061</u>	<u>832,841</u>	<u>1,133,011</u>	<u>5,524,239</u>
Total comprehensive income for the period	<u>14,887,059</u>	<u>12,391,748</u>	<u>46,175,867</u>	<u>34,881,007</u>

The attached notes 1 to 14 form part of these interim condensed financial statements.

Abu Dhabi National Takaful Company PSC

INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2016

	<i>Share capital AED</i>	<i>Legal reserve AED</i>	<i>General reserve AED</i>	<i>Investment revaluation reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance at 1 January 2015	100,000,000	20,050,427	42,500,000	4,220,432	45,692,232	212,463,091
Gain on disposal of investments at fair value through other comprehensive income	-	-	-	(1,264,512)	1,264,512	-
Net profit for the period	-	-	-	-	29,356,768	29,356,768
Other comprehensive income	-	-	-	<u>5,524,239</u>	-	<u>5,524,239</u>
Total comprehensive income for the period	-	-	-	5,524,239	29,356,768	34,881,007
Dividends paid (notes 8)	-	-	-	-	<u>(16,000,000)</u>	<u>(16,000,000)</u>
Balance at 30 September 2015	<u>100,000,000</u>	<u>20,050,427</u>	<u>42,500,000</u>	<u>8,480,159</u>	<u>60,313,512</u>	<u>231,344,098</u>
Balance at 1 January 2016	100,000,000	24,209,407	42,500,000	7,842,492	66,395,373	240,947,272
Loss on disposal of investments at fair value through other comprehensive income	-	-	-	426,919	(426,919)	-
Net profit for the period	-	-	-	-	45,042,856	45,042,856
Other comprehensive income	-	-	-	<u>1,133,011</u>	-	<u>1,133,011</u>
Total comprehensive income for the period	-	-	-	1,133,011	45,042,856	46,175,867
Dividends paid (notes 8)	-	-	-	-	<u>(16,000,000)</u>	<u>(16,000,000)</u>
Balance at 30 September 2016	<u>100,000,000</u>	<u>24,209,407</u>	<u>42,500,000</u>	<u>9,402,422</u>	<u>95,011,310</u>	<u>271,123,139</u>

The attached notes 1 to 14 form part of these interim condensed financial statements.

Abu Dhabi National Takaful Company PSC

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 September 2016

	<i>Nine months ended 30 September 2016 (Unaudited) AED</i>	<i>Nine months ended 30 September 2015 (Unaudited) AED</i>
	<i>Notes</i>	
OPERATING ACTIVITIES		
Net profit for the period	45,042,856	29,356,768
Adjustments for:		
Depreciation of property and equipment	2,058,436	1,696,709
Movement of unearned contributions	3,809,919	16,475,973
Fixed deposits and dividend income	(10,077,413)	(5,395,981)
Net movement in provision for end of service benefits	889,547	614,253
Movement in provision for loan to policyholders	3,466,266	(5,808,094)
Gain on disposal of property and equipment	<u>(9,499)</u>	<u>(58,526)</u>
Operating profit before movements in working capital:	45,180,112	36,881,102
Takaful and other receivables	(62,868,724)	(58,906,091)
Other assets	(2,524,205)	302,781
Movement of outstanding claims	24,636,683	(1,963,914)
Movement of policyholders' fund	(3,466,266)	5,808,094
Retakaful and other liabilities	24,101,222	13,575,005
Retakaful deposits retained	<u>362,516</u>	<u>4,289,141</u>
Cash from (used in) operations	25,421,338	(13,882)
Directors' remuneration paid	<u>(3,200,000)</u>	<u>(2,600,000)</u>
Net cash from (used in) operating activities	<u>22,221,338</u>	<u>(2,613,882)</u>
INVESTING ACTIVITIES		
Investments at fair value	(2,242,377)	(7,208,855)
Purchase of property and equipment	(580,953)	(6,386,532)
Proceeds from disposal of property and equipment	9,500	59,199
Fixed deposits and dividend income received	10,077,413	5,395,981
Movements in term deposits	<u>(12,062,016)</u>	<u>(8,635,700)</u>
Net cash used in investing activities	<u>(4,798,433)</u>	<u>(16,775,907)</u>
FINANCING ACTIVITY		
Dividends paid	8 (16,000,000)	(16,000,000)
Cash used in financing activity	<u>(16,000,000)</u>	<u>(16,000,000)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,422,905	(35,389,789)
Cash and cash equivalents at 1 January	<u>68,689,658</u>	<u>69,701,189</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3 <u>70,112,563</u>	<u>34,311,400</u>

The attached notes 1 to 14 form part of these interim condensed financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

1 CORPORATE INFORMATION

Abu Dhabi National Takaful Company PSC (the "Company") is a public shareholding company which was incorporated in Abu Dhabi, United Arab Emirates ("UAE") on 16 November 2003. The Company is registered in accordance with the UAE Federal Law No. (8) of 1984 (as amended). The Federal Law No. 2 of 2015, concerning Commercial Companies has come into effect from 1 July 2015, replacing the existing Federal Law No. 8 of 1984.

The Company carries out takaful and retakaful activities of all classes in accordance with the provisions of the UAE Federal Law No. (6) of 2007 regarding the Establishment of the Insurance Authority and Insurance Operations. The Company is domiciled and operates in the UAE and its registered address is P.O. Box 35335, Abu Dhabi, UAE.

The accompanying interim condensed financial statements of the Company for the period ended 30 September 2016 have been authorised for issue in accordance with a resolution of the Board of Directors on 13 November 2016.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements of the Company have been prepared in accordance with IAS 34, Interim Financial Reporting.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements as at 31 December 2015. In addition, results for the period ended 30 September 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

The interim condensed financial statements are presented in UAE Dirhams (AED) being the functional and presentation currency of the Company.

These interim condensed financial statements have been prepared on the historical cost convention as modified for re-measurement of investment securities and investment properties at fair value.

Significant accounting policies

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2015, except for the adoption of the following new interpretation and amendments to standards effective as of 1 January 2016:

Amendments to standards and new standards effective 1 January 2016:

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests;
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants;
- Amendments to IAS 27: Equity Method in Separate Financial Statements;
- Amendments to IAS 1 Disclosure Initiative;
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception; and
- Annual Improvements 2012-2014 Cycle.

The amendments to standards and new standards listed above had no significant impact on the Company's financial position or performance or disclosures.

Apart from IFRS 9 Financial Instruments, the Company has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

3 CASH AND CASH EQUIVALENTS

	<i>30 September 2016 (Unaudited) AED</i>	<i>31 December 2015 (Audited) AED</i>
Cash and bank accounts	23,565,849	22,839,487
Term deposits	<u>242,561,206</u>	<u>229,802,647</u>
Cash and bank balances	266,127,055	252,642,134
Less: term deposits with original maturity of more than three months	<u>(196,014,492)</u>	<u>(183,952,476)</u>
Cash and cash equivalents	<u>70,112,563</u>	<u>68,689,658</u>

Term deposits represent deposits held with financial institutions in the UAE, are denominated in UAE Dirhams and carry profit at the prevailing market rates ranging from .65% to 3% per annum (2015: 0.3% to 2.15%).

4 STATUTORY DEPOSIT

In accordance with the requirements of the Federal Law No. (6) of 2007, regarding the establishment of the Insurance Authority and Insurance Operations, the Company maintains a bank deposit of AED 10,000,000 which cannot be utilised without the consent of the UAE Insurance Authority. The statutory deposit is held with a commercial bank in the UAE, a related party (note 6).

5 INVESTMENTS

5(a) Investments at fair value through other comprehensive income

	<i>30 September 2016 (Unaudited) AED</i>	<i>31 December 2015 (Audited) AED</i>
Quoted securities	18,407,070	18,461,535
Unquoted securities	<u>13,167,813</u>	<u>13,630,266</u>
	<u>31,574,883</u>	<u>32,091,801</u>

The geographical concentration of investments is as follows:

Within UAE	26,580,917	23,974,001
Outside UAE	<u>4,993,966</u>	<u>8,117,800</u>
	<u>31,574,883</u>	<u>32,091,801</u>

Unquoted equity securities are valued primarily based on net assets of the investees where there are no recent transactions that could provide evidence of the current fair value.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 September 2016 (Unaudited)

5 INVESTMENTS continued

5(b) Investments at fair value through profit or loss

	<i>30 September 2016 (Unaudited) AED</i>	<i>31 December 2015 (Audited) AED</i>
Unquoted securities	<u>74,896,865</u>	<u>71,004,559</u>
The geographical concentration of investments is as follows:		
Within UAE	36,189,570	40,646,023
Outside UAE	<u>38,707,295</u>	<u>30,358,536</u>
	<u>74,896,865</u>	<u>71,004,559</u>
Total investments	<u>106,471,748</u>	<u>103,096,360</u>

6 RELATED PARTIES

Related parties comprise the shareholders, Directors and key management personnel of the Company and those entities in which they have a significant interest and the ability to control or exercise significant influence in financial and operational decisions. Details of significant transactions with related parties in the normal course of business are as follows:

	<i>Three months ended 30 September 2016 (Unaudited) AED</i>	<i>Three months ended 30 September 2015 (Unaudited) AED</i>	<i>Nine months ended 30 September 2016 (Unaudited) AED</i>	<i>Nine months ended 30 September 2015 (Unaudited) AED</i>
Gross contributions written	<u>57,649,243</u>	<u>39,849,623</u>	<u>64,214,730</u>	<u>45,097,080</u>
Takaful expenses	<u>4,011,216</u>	<u>4,604,914</u>	<u>13,528,380</u>	<u>13,562,496</u>
Profit on term deposits	<u>72,044</u>	<u>67,499</u>	<u>72,044</u>	<u>70,494</u>
			<i>30 September 2016 (Unaudited) AED</i>	<i>31 December 2015 (Audited) AED</i>
Statutory deposit at period/year end (note 4)			<u>10,000,000</u>	<u>10,000,000</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

6 RELATED PARTIES continued

The remuneration of key management personnel during the period was as follows:

	<i>Three months ended 30 September 2016 (Unaudited) AED</i>	<i>Three months ended 30 September 2015 (Unaudited) AED</i>	<i>Nine months ended 30 September 2016 (Unaudited) AED</i>	<i>Nine months ended 30 September 2015 (Unaudited) AED</i>
Short-term benefits	<u>1,676,629</u>	<u>1,137,368</u>	<u>4,200,055</u>	<u>3,405,009</u>
Long-term benefits	<u>86,432</u>	<u>43,136</u>	<u>282,640</u>	<u>128,001</u>

The remuneration of key management personnel is based on the remuneration agreed in their employment contracts as approved by the Board of Directors.

7 INVESTMENT PROPERTIES

	<i>30 September 2016 (Unaudited) AED</i>	<i>31 December 2015 (Audited) AED</i>
At 1 January	<u>20,260,028</u>	20,704,286
Decrease in fair value	<u>-</u>	<u>(444,258)</u>
At period/ year end	<u>20,260,028</u>	<u>20,260,028</u>

Investment properties are stated at fair value which represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. The investment properties were valued as at 31 December 2015 by an independent valuer which valued the properties at AED 20,260,028 using the sales comparison method utilizing the evidence of transactions and/or current asking prices of similar sites and applying some adjustments based on market research. Management believes that there have been no significant changes during the period ended 30 September 2016.

8 DIVIDENDS

For the year ended 31 December 2015, cash dividend of AED 16,000,000 at a rate of AED 0.16 per share was approved by shareholders on 19 April 2016 and it was paid in May 2016.

For the year ended 31 December 2014, cash dividend of AED 16,000,000 at a rate of AED 0.16 per share was approved by shareholders on 22 March 2015 and it was paid in April 2015.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 September 2016 (Unaudited)

9 POLICYHOLDERS' FUND

	<i>30 September 2016 (Unaudited) AED</i>	<i>31 December 2015 (Audited) AED</i>
At 1 January	(15,033,820)	(21,013,736)
Net surplus for the period/ year	<u>(3,466,266)</u>	<u>5,979,916</u>
At end of the period/ year	<u>(18,500,086)</u>	<u>(15,033,820)</u>

10 NET EARNED CONTRIBUTIONS

	<i>Three months ended 30 September 2016 (Unaudited) AED</i>	<i>Three months ended 30 September 2015 (Unaudited) AED</i>	<i>Nine months ended 30 September 2016 (Unaudited) AED</i>	<i>Nine months ended 30 September 2015 (Unaudited) AED</i>
Gross takaful contributions revenue	110,070,030	109,541,104	278,525,212	248,268,968
Gross contributions written	<u>(41,049,109)</u>	<u>(41,297,833)</u>	<u>(72,063,276)</u>	<u>(46,977,487)</u>
Change in unearned contributions provision	<u>69,020,921</u>	<u>68,243,271</u>	<u>206,461,936</u>	<u>201,291,481</u>
Retakaful contributions				
Retakaful contributions	59,313,497	59,581,049	150,258,267	140,764,925
Change in unearned contributions provision	<u>(24,058,483)</u>	<u>(23,019,749)</u>	<u>(50,701,466)</u>	<u>(30,501,514)</u>
	<u>35,255,014</u>	<u>36,561,300</u>	<u>99,556,801</u>	<u>110,263,411</u>
Net earned contributions	<u>33,765,907</u>	<u>31,681,971</u>	<u>106,905,135</u>	<u>91,028,070</u>

11 MUDAREB SHARE AND WAKALAH FEES

The shareholders manage the policyholders' investment fund and charge 30% (2015: 30%) of investment income earned by policyholders' investment fund as mudareb share.

The shareholders manage the takaful operations for the policyholders and charge the following percentage of gross takaful contributions as wakalah fees.

- Marine hull, aviation and energy 10% (2015: 10%)
- Family Takaful 30% (2015: 20%)
- All other takaful classes 20% (2015: 15%)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

12 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

	<i>Three months ended 30 September 2016 (Unaudited) AED</i>	<i>Three months ended 30 September 2015 (Unaudited) AED</i>	<i>Nine months ended 30 September 2016 (Unaudited) AED</i>	<i>Nine months ended 30 September 2015 (Unaudited) AED</i>
Net profit for the period (AED)	<u>14,725,998</u>	<u>11,558,907</u>	<u>45,042,856</u>	<u>29,356,768</u>
Ordinary shares in issue throughout the period	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Basic and diluted earnings per share (AED)	<u>0.15</u>	<u>0.12</u>	<u>0.45</u>	<u>0.29</u>

The Company has not issued any instruments which would have a dilutive impact on earnings per share when converted or exercised.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

13 SEGMENT INFORMATION

Primary segment information

For operating purposes, the Company is organised into two main business segments:

- Underwriting of takaful business incorporating all classes of takaful including fire, marine, motor, general accident, engineering, energy and family takaful. This business is conducted fully within the UAE.
- Investments incorporating investments in UAE marketable equity securities, short-term investments with banks and other securities.

Information regarding the Company's reportable segments is presented below:

Segment revenue and results

	Three months ended 30 September 2016 (Unaudited)			Three months ended 30 September 2015 (Unaudited)			Nine months ended 30 September 2016 (Unaudited)			Nine months ended 30 September 2015 (Unaudited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Direct revenue	71,808,496	2,622,903	74,431,399	70,110,922	1,804,899	71,915,821	220,049,615	10,086,912	230,136,527	209,755,445	5,454,507	215,209,952
Direct costs	(42,068,561)	-	(42,068,561)	(43,793,672)	-	(43,793,672)	(133,297,742)	-	(133,297,742)	(137,017,838)	-	(137,017,838)
Takaful expenses	(8,088,016)	-	(8,088,016)	(7,632,841)	-	(7,632,841)	(22,771,250)	-	(22,771,250)	(22,656,113)	-	(22,656,113)
Segment results	21,651,919	2,622,903	24,274,822	18,684,409	1,804,899	20,489,308	63,980,623	10,086,912	74,067,535	50,081,494	5,454,507	55,536,001
Unallocated costs			(9,548,824)			(8,930,401)			(29,024,679)			(26,179,233)
Net profit for the period			14,725,998			11,558,907			45,042,856			29,356,768

Revenue reported above represents revenue generated from external customers and third parties. There were no inter-segment revenues in the period (30 September 2015: AED nil).

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2016 (Unaudited)

13 SEGMENT INFORMATION continued

The accounting policies of the reportable segments are the same as the Company's accounting policies used in the annual audited financial statements for the year ended 31 December 2015.

Segment assets and liabilities

	30 September 2016 (Unaudited)			31 December 2015 (Audited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Segment assets	587,540,945	239,892,268	827,433,213	440,622,522	229,330,692	669,953,214
Unallocated assets			<u>28,206,284</u>			<u>27,162,312</u>
Total assets			<u>855,639,497</u>			<u>697,115,526</u>
Segment liabilities	571,778,267	-	571,778,267	437,944,967	-	437,944,967
Unallocated liabilities			<u>12,738,091</u>			<u>18,223,287</u>
Total liabilities			<u>584,516,358</u>			<u>456,168,254</u>
Capital expenditure		580,953	<u>580,953</u>		6,568,070	<u>6,568,070</u>

Gross takaful contributions revenue from underwriting departments

The following is an analysis of the Company's revenues classified by major underwriting departments.

	Three months ended 30 September 2016 (Unaudited)	Three months ended 30 September 2015 (Unaudited)	Nine months ended 30 September 2016 (Unaudited)	Nine months ended 30 September 2015 (Unaudited)
	Motor	6,377,143	7,052,769	18,730,286
Medical	23,673,024	22,890,224	70,048,325	62,746,824
Energy	2,839,757	2,828,727	8,945,946	10,917,460
Workmen's compensation and miscellaneous accidents	8,288,598	7,798,460	26,733,022	24,373,238
Fire	6,238,343	5,774,471	18,639,674	16,818,661
Engineering	2,006,680	1,958,365	6,264,466	5,545,166
Marine	1,079,689	372,174	2,082,841	1,092,743
Family takaful	<u>18,517,687</u>	<u>19,568,081</u>	<u>55,017,376</u>	<u>50,807,574</u>
	<u>69,020,921</u>	<u>68,243,271</u>	<u>206,461,936</u>	<u>201,291,481</u>

14 CONTINGENT LIABILITIES AND COMMITMENTS

	30 September 2016 (Unaudited) AED	31 December 2015 (Audited) AED
Bank guarantees	<u>83,320</u>	<u>3,810,479</u>

Bank guarantees were issued in the normal course of business.