



**Board of Directors Report**  
**For the period ended 31 March 2017**

Peace be upon you,

It gives us great pleasure to present our report on the activities of the company for the period ended 31 March 2017, and interim condensed financial statements for the period.

The following are the highlights of the company activities for the 1<sup>st</sup> quarter 2017.

- Total assets of the company amount of AED 819.1 million comparing to AED 811.7 million for the end of last year.
- Total cash and bank balances amount of AED 292.4 million comparing to AED 307.9 million for the end of last year, all of which are deposited with UAE banks.
- Company investments include AED 45.3 million invested in securities outside UAE.
- Shareholder's equity by the end of 1<sup>st</sup> quarter 2017 reached AED 290.8 million comparing to AED 270.9 million for the end of last year.
- The total gross takaful contributions written during the reported period reached AED 90.1 million comparing to AED 93.4 million for the same period last year.
- Technical results for the period reached to AED 26.9 million comparing to AED 24.6 million for the same period last year, achieving 10% increase.
- Net investment and other income reached AED 3.2 million comparing to AED 2.7 million for the same period last year.
- Net profit for the reported period is AED 20.1 million comparing to AED 18.1 million for the same period last year, achieving 12% increase.
- Basic and diluted earnings per share for the reported period is AED 0.20 comparing to AED 0.18 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 31 MARCH 2017 (UNAUDITED)



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## **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 31 March 2017, comprising of the interim statement of financial position as at 31 March 2017 and the related interim income statement and interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and 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


8 May 2017  
Abu Dhabi


# Abu Dhabi National Takaful Company PSC

## INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2017

		31 March 2017 (Unaudited) AED	31 December 2016 (Audited) AED
<b>ASSETS</b>			
Cash and bank balances	3	292,444,036	307,991,319
Statutory deposit	4	10,000,000	10,000,000
Investments	5	103,620,577	107,622,817
Retakaful contract assets		308,769,138	317,606,284
Takaful and other receivables		58,162,201	23,276,383
Other assets		3,329,015	2,003,080
Property and equipment		23,562,793	24,034,410
Investment properties	7	<u>19,222,725</u>	<u>19,222,725</u>
<b>TOTAL ASSETS</b>		<b><u>819,110,485</u></b>	<b><u>811,757,018</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital		100,000,000	100,000,000
Legal reserve		29,049,798	29,049,798
General reserve		42,500,000	42,500,000
Investment revaluation reserve		9,924,767	10,147,998
Retained earnings		<u>109,423,058</u>	<u>89,224,706</u>
<b>Total shareholders' equity</b>		<b><u>290,897,623</u></b>	<b><u>270,922,502</u></b>
<b>Policyholders' fund</b>			
Deficit of policyholders' fund	9	(7,093,749)	(11,575,257)
Loan from shareholders	9	<u>7,093,749</u>	<u>11,575,257</u>
<b>Total policyholders' fund</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Liabilities</b>			
Provision for end of service benefits		6,585,487	6,354,357
Takaful contract liabilities		428,301,904	436,861,232
Retakaful and other liabilities		63,785,393	68,326,166
Retakaful deposits retained		<u>29,540,078</u>	<u>29,292,761</u>
<b>Total liabilities</b>		<b><u>528,212,862</u></b>	<b><u>540,834,516</u></b>
<b>TOTAL SHAREHOLDERS' EQUITY, POLICYHOLDERS' FUND AND LIABILITIES</b>		<b><u>819,110,485</u></b>	<b><u>811,757,018</u></b>

  
 Khamis Buharoon  
 Chairman of the Board of Directors

  
 Osama Abdein  
 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 31 March 2017

	<i>Notes</i>	<i>Three months ended 31 March 2017 (Unaudited) AED</i>	<i>Three months ended 31 March 2016 (Unaudited) AED</i>
<b>Gross takaful contributions revenue</b>			
Gross contributions written		90,101,780	93,439,630
Change in unearned contributions provision		<u>(14,124,499)</u>	<u>(23,347,427)</u>
Gross takaful contributions revenue		<u>75,977,281</u>	<u>70,092,203</u>
<b>Retakaful contributions</b>			
Retakaful contributions		47,084,321	54,652,055
Change in unearned contributions provision		<u>(9,379,721)</u>	<u>(21,036,077)</u>
Retakaful contributions		<u>37,704,600</u>	<u>33,615,978</u>
<b>Net earned contributions</b>		<u>38,272,681</u>	<u>36,476,225</u>
Gross claims incurred		(18,528,344)	(30,645,210)
Retakaful share of claims incurred		<u>13,993,099</u>	<u>17,371,129</u>
<b>Net claims incurred</b>		<u>(4,535,245)</u>	<u>(13,274,081)</u>
<b>Takaful income</b>		33,737,436	23,202,144
Takaful expenses		(10,813,189)	(6,823,081)
Retakaful and other income		<u>4,047,094</u>	<u>8,230,911</u>
<b>Takaful operating profit</b>		26,971,341	24,609,974
Policyholders' investment income		1,133,929	982,541
Mudareb share	10	(340,179)	(294,764)
Wakalah fees	10	<u>(23,283,583)</u>	<u>(23,181,139)</u>
<b>Surplus of takaful result for the period</b>		<u>4,481,508</u>	<u>2,116,612</u>
<b>Attributable to shareholders</b>			
Shareholders' investment and other income, net		2,109,820	1,739,191
Mudareb share from policyholders	10	340,179	294,764
Wakalah fees from policyholders	10	23,283,583	23,181,139
General and administrative expenses		(10,016,738)	(9,229,135)
Decrease in provision of loan to policyholders' fund	9	<u>4,481,508</u>	<u>2,116,612</u>
<b>Net profit for the period</b>		<u>20,198,352</u>	<u>18,102,571</u>
<b>Basic and diluted earnings per share</b>	11	<u>0.20</u>	<u>0.18</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 31 March 2017

	<i>Three months ended 31 March 2017 (Unaudited) AED</i>	<i>Three months ended 31 March 2016 (Unaudited) AED</i>
Net profit for the period	20,198,352	18,102,571
Other comprehensive income		
Items that will not be reclassified subsequently to statement of income:		
(Decrease) increase in fair value of investments at fair value through other comprehensive income, net	<u>(223,231)</u>	<u>1,227,318</u>
Other comprehensive (loss) income for the period	<u>(223,231)</u>	<u>1,227,318</u>
Total comprehensive income for the period	<u>19,975,121</u>	<u>19,329,889</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 31 March 2017

	<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 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	-	-	-	521,653	(521,653)	-
Net profit for the period	-	-	-	-	18,102,571	18,102,571
Other comprehensive income	-	-	-	<u>1,227,318</u>	-	<u>1,227,318</u>
Total comprehensive income for the period	-	-	-	<u>1,227,318</u>	<u>18,102,571</u>	<u>19,329,889</u>
Balance at 31 March 2016	<u>100,000,000</u>	<u>24,209,407</u>	<u>42,500,000</u>	<u>9,591,463</u>	<u>83,976,291</u>	<u>260,277,161</u>
Balance at 1 January 2017	100,000,000	29,049,798	42,500,000	10,147,998	89,224,706	270,922,502
Loss on disposal of investments at fair value through other comprehensive income	-	-	-	-	-	-
Net profit for the period	-	-	-	-	20,198,352	20,198,352
Other comprehensive income	-	-	-	<u>(223,231)</u>	-	<u>(223,231)</u>
Total comprehensive income for the period	-	-	-	<u>(223,231)</u>	<u>20,198,352</u>	<u>19,975,121</u>
Balance at 31 March 2017	<u>100,000,000</u>	<u>29,049,798</u>	<u>42,500,000</u>	<u>9,924,767</u>	<u>109,423,058</u>	<u>290,897,623</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 31 March 2017

	<i>Three months ended 31 March (Unaudited) 2017 AED</i>	<i>Three months ended 31 March (Unaudited) 2016 AED</i>
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	20,198,352	18,102,571
Adjustments for:		
Depreciation of property and equipment	799,585	703,426
Movement of unearned contributions	(1,941,136)	2,311,350
Fixed deposits and dividend income	3,243,749	(1,843,377)
Net movement in provision for end of service benefits	231,130	290,358
Movement in provision for loan to policyholders	<u>(4,481,508)</u>	<u>(2,116,612)</u>
Operating profit before movements in working capital:	18,050,172	17,447,716
Takaful and other receivables	(34,885,818)	(11,820,474)
Other assets	(1,325,935)	(2,137,803)
Movement of outstanding claims	2,218,954	3,431,514
Movement of policyholders' fund	4,481,508	2,116,612
Retakaful and other liabilities	(4,540,773)	(7,080,192)
Retakaful deposits retained	<u>247,317</u>	<u>191,211</u>
Net cash (used in) from operating activities	<u>(15,754,575)</u>	<u>2,148,584</u>
<b>INVESTING ACTIVITIES</b>		
Investments at fair value	3,779,009	233,807
Purchase of property and equipment	(327,968)	(438,805)
Fixed deposits and dividend income received	(3,243,749)	1,843,377
Movement in term deposits	<u>(8,915,688)</u>	<u>-</u>
Net cash (used in) from investing activities	<u>(8,708,396)</u>	<u>1,638,379</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(24,462,971)</b>	<b>3,786,963</b>
Cash and cash equivalents at 1 January	<u>103,079,960</u>	<u>68,689,658</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3</b> <u><u>78,616,989</u></u>	<u><u>72,476,621</u></u>

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



# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### I 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 31 March 2017 have been authorised for issue in accordance with a resolution of the Board of Directors on 8 May 2017.

### 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 2016. In addition, results for the period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

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 2016, except for the adoption of the following new interpretation and amendments to standards effective as of 1 January 2017:

- Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses

#### *Annual Improvements Cycle - 2014-2016:*

- Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

The new standards and amendments to 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.

# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### 3 CASH AND CASH EQUIVALENTS

	<i>31 March 2017 (Unaudited) AED</i>	<i>31 December 2016 (Audited) AED</i>
Cash and bank accounts	28,987,168	42,024,418
Term deposits	<u>263,456,868</u>	<u>265,966,901</u>
Cash and bank balances	292,444,036	307,991,319
Less: term deposits with original maturity of more than three months	<u>(213,827,047)</u>	<u>(204,911,359)</u>
Cash and cash equivalents	<u>78,616,989</u>	<u>103,079,960</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 1.50% to 3.05% per annum (31 December 2016: 0.8% to 3%).

Further analysis of cash and bank balances for property and liability takaful, persons takaful and shareholders' is set out as follows:

	<i>31 March 2017 AED</i>	<i>31 December 2016 AED</i>
Property and liability takaful	116,168,463	137,425,439
Persons takaful	44,636,343	42,482,020
Shareholders'	<u>131,639,230</u>	<u>128,083,860</u>
	<u>292,444,036</u>	<u>307,991,319</u>

### 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>31 March 2017 (Unaudited) AED</i>	<i>31 December 2016 (Audited) AED</i>
Quoted securities	21,206,708	21,100,198
Unquoted securities	<u>10,975,529</u>	<u>10,710,118</u>
	<u>32,182,237</u>	<u>31,810,316</u>

# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### 5 INVESTMENTS continued

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

The geographical concentration of investments is as follows:

	<i>31 March 2017 (Unaudited) AED</i>	<i>31 December 2016 (Audited) AED</i>
Within UAE	26,289,565	26,300,356
Outside UAE	<u>5,892,672</u>	<u>5,509,960</u>
	<u><b>32,182,237</b></u>	<u><b>31,810,316</b></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.

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

	<i>31 March 2017 (Unaudited) AED</i>	<i>31 December 2016 (Audited) AED</i>
Unquoted securities	<u><b>71,438,340</b></u>	<u><b>75,812,501</b></u>
	<u><b>71,438,340</b></u>	<u><b>75,812,501</b></u>
	<u><b>103,620,577</b></u>	<u><b>107,622,817</b></u>

The geographical concentration of investments is as follows:

Within UAE	32,006,320	35,016,290
Outside UAE	<u>39,432,020</u>	<u>40,796,211</u>
	<u><b>71,438,340</b></u>	<u><b>75,812,501</b></u>
Total investments	<u><b>103,620,577</b></u>	<u><b>107,622,817</b></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 31 March 2017 (Unaudited)</i>	<i>Three months ended 31 March 2016 (Unaudited)</i>
Gross contributions written	<u><b>7,570,860</b></u>	<u><b>5,295,910</b></u>
Takaful expenses	<u><b>7,478,888</b></u>	<u><b>5,815,403</b></u>

# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### 6 RELATED PARTIES continued

	<i>31 March 2017 (Unaudited) AED</i>	<i>31 December 2016 (Audited) AED</i>
Statutory deposit at period/year end (note 4)	<u>10,000,000</u>	<u>10,000,000</u>

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

	<i>Three months ended 31 March 2017 (Unaudited)</i>	<i>Three months ended 31 March 2016 (Unaudited)</i>
Short-term benefits	<u>956,185</u>	<u>1,246,078</u>
Long-term benefits	<u>56,166</u>	<u>141,346</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>31 March 2017 (Unaudited) AED</i>	<i>31 December 2016 (Audited) AED</i>
At 1 January	19,222,725	20,260,028
Decrease in fair value	<u>-</u>	<u>(1,037,303)</u>
At 31 March	<u>19,222,725</u>	<u>19,222,725</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 2016 by an independent valuer which valued the properties at AED 19,222,725 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 31 March 2017.

# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### 8 DIVIDENDS

For the year ended 31 December 2016, cash dividend of AED 16,000,000 at a rate of AED 0.16 per share was approved by shareholders on 10 April 2017.

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.

### 9 POLICYHOLDERS' FUND

	<i>31 March 2017 (Unaudited) AED</i>	<i>31 December 2016 (Audited) AED</i>
At 1 January	(11,575,257)	(15,033,820)
Net surplus for the period / year	<u>4,481,508</u>	<u>3,458,563</u>
At end of the period / year	<u>(7,093,749)</u>	<u>(11,575,257)</u>

Further analysis of policyholder's fund for property and liability takaful and persons takaful is set out as follows:

	<i>31 March 2017 AED</i>	<i>31 December 2016 AED</i>
Property and liability takaful	(2,074,859)	(7,456,652)
Persons takaful	<u>(5,018,890)</u>	<u>(4,118,605)</u>
	<u>(7,093,749)</u>	<u>(11,575,257)</u>

### 10 MUDAREB SHARE AND WAKALAH FEES

The shareholders manage the policyholders' investment fund and charge 30% (2016: 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 15% (2016: 10%)
- Family Takaful 30% (2016: 30%)
- All other Takaful classes 20% to 25% (2016: 20%)

# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### 11 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 31 March 2017 (Unaudited)</i>	<i>Three months ended 31 March 2016 (Unaudited)</i>
Net profit for the period (AED)	<u>20,198,352</u>	<u>18,102,571</u>
Ordinary shares in issue throughout the period	<u>100,000,000</u>	<u>100,000,000</u>
Basic and diluted earnings per share (AED)	<u>0.20</u>	<u>0.18</u>

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

### 12 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

	<i>31 March 2017 (Unaudited)</i>			<i>31 March 2016 (Unaudited)</i>		
	<i>Underwriting AED</i>	<i>Investments AED</i>	<i>Total AED</i>	<i>Underwriting AED</i>	<i>Investments AED</i>	<i>Total AED</i>
Direct revenue	80,024,375	3,243,749	83,268,124	78,323,114	2,721,732	81,044,846
Direct costs	(42,239,845)	-	(42,239,845)	(46,890,059)	-	(46,890,059)
Takaful expenses	<u>(10,813,189)</u>	-	<u>(10,813,189)</u>	<u>(6,823,081)</u>	-	<u>(6,823,081)</u>
Segment results	26,971,341	3,243,749	30,215,090	24,609,974	2,721,732	27,331,706
Unallocated costs			<u>(10,016,738)</u>			<u>(9,229,135)</u>
Net profit for the period			<u>20,198,352</u>			<u>18,102,571</u>

Revenue reported above represents revenue generated from external customers and third parties. There were no inter-segment revenues in the period (31 March 2016: AED nil).

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 2016.

# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### 12 SEGMENT INFORMATION continued

#### Segment assets and liabilities

	31 March 2017 (Unaudited)			31 December 2016 (Audited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Segment assets	539,169,202	251,888,173	791,057,375	533,436,784	250,554,528	783,991,312
Unallocated assets			<u>28,053,110</u>			<u>27,765,706</u>
Total assets			<u>819,110,485</u>			<u>811,757,018</u>
Segment liabilities	508,726,592	-	508,726,592	516,179,892	-	516,179,892
Unallocated liabilities			<u>19,486,270</u>			<u>24,654,624</u>
Total liabilities			<u>528,212,862</u>			<u>540,834,516</u>
Capital expenditure		327,966	<u>327,966</u>		3,036,630	<u>3,036,630</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 31 March 2017 (Unaudited) AED	Three months ended 31 March 2016 (Unaudited) AED
Motor	8,425,055	6,271,224
Medical	11,451,260	23,154,658
Energy	3,785,251	3,523,945
Workmen's compensation and miscellaneous accidents	16,250,884	8,976,292
Fire	13,385,333	6,287,324
Engineering	2,704,474	2,130,264
Marine and aviation	810,243	595,533
Family takaful	<u>33,289,280</u>	<u>19,152,963</u>
	<u>90,101,780</u>	<u>70,092,203</u>

### 13 CONTINGENT LIABILITIES AND COMMITMENTS

	31 March 2017 (Unaudited) AED	31 December 2016 (Audited) AED
Bank guarantees	<u>132,960</u>	<u>2,083,320</u>

Bank guarantees were issued in the normal course of business.



# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### 14 ANALYSIS OF FINANCIAL STATEMENTS

Further analysis of the statement of financial position and statement of income are set out separately as follows:

#### Statement of Financial Position for Property and Liability Takaful

As at 31 March 2017

	<i>31 March</i>	<i>31 December</i>
	<i>2017</i>	<i>2016</i>
	<i>AED</i>	<i>AED</i>
<b>ASSETS</b>		
<b>Takaful Operations Assets</b>		
Financial assets designated at fair value through income	14,321,634	14,374,873
Statutory deposits	-	-
Deferred policy acquisition costs	3,076,710	2,480,216
Reinsurers' share of unearned premiums	47,234,379	46,477,425
Prepaid expenses and other assets	6,009,797	5,407,020
Reinsurers' share of outstanding claims	110,139,515	117,155,358
Premiums and Re-Takaful balances receivables	34,068,708	12,597,789
Deposits	108,021,137	110,825,868
Cash and cash equivalents	8,147,327	26,599,571
<b>Total Takaful Operations Assets</b>	<b>331,019,207</b>	<b>335,918,120</b>
<b>Shareholders' assets</b>		
Property and equipment	23,562,793	24,034,410
Statutory deposits	10,000,000	10,000,000
Financial assets designated at fair value through income	57,116,706	61,437,628
Financial assets carried at fair value through other comprehensive income	32,182,238	31,810,314
Investments in properties	19,222,725	19,222,725
Prepaid expenses and other assets	36,660,201	14,496,296
Deposits	124,828,547	124,533,849
Cash and cash equivalents	6,810,683	3,550,011
<b>Total shareholders' assets</b>	<b>310,383,893</b>	<b>289,085,233</b>
<b>TOTAL ASSETS</b>	<b>641,403,100</b>	<b>625,003,353</b>

# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### 14 OTHER FINANCIAL INFORMATION continued

Statement of Financial Position for Property and Liability Takaful continued  
As at 31 March 2017

	<i>31 March</i>	<i>31 December</i>
	<i>2017</i>	<i>2016</i>
	<i>AED</i>	<i>AED</i>
<b>LIABILITIES, PARTICIPANTS' FUND AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
<b>Takaful Operations Liabilities</b>		
Takaful payables	2,929,084	5,572,754
Outstanding claims	145,244,795	156,377,636
Retakaful payables balances	52,684,797	65,806,242
Accrued expenses and other liabilities	43,241,178	22,190,790
Unearned Re-Takaful commission income	5,725,986	4,126,563
Unearned premiums	81,193,366	81,844,134
<b>Total Takaful Operations Liabilities</b>	<b>331,019,206</b>	<b>335,918,119</b>
<b>Shareholders' liabilities</b>		
Accrued expenses and other liabilities	12,900,784	11,808,375
Provision for end of service benefits	6,585,487	6,354,357
<b>Total shareholders' liabilities</b>	<b>19,486,271</b>	<b>18,162,732</b>
<b>Total liabilities</b>	<b>350,505,477</b>	<b>354,080,851</b>
<b>Participants' fund</b>		
Deficit of participants Takaful fund	(2,074,859)	(7,456,652)
Loan from shareholders' fund	2,074,859	7,456,652
<b>Total participants' fund</b>	<b>-</b>	<b>-</b>
<b>Shareholders' equity</b>		
Share capital	100,000,000	100,000,000
Legal reserve	29,049,798	29,049,798
General reserve	42,500,000	42,500,000
Investment revaluation reserve	9,924,767	10,147,998
Retained earnings	109,423,058	89,224,706
<b>Total shareholders' equity</b>	<b>290,897,623</b>	<b>270,922,502</b>
<b>TOTAL LIABILITIES, PARTICIPANTS' FUND AND SHAREHOLDERS' EQUITY</b>	<b>641,403,100</b>	<b>625,003,353</b>

Abu Dhabi National Takaful Company PSC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

14 OTHER FINANCIAL INFORMATION continued

Statement of Financial Position for Persons Takaful

As At 31 March 2017

	<i>31 March</i>	<i>31 December</i>
	<i>2017</i>	<i>2016</i>
	<i>AED</i>	<i>AED</i>
<b>Takaful Insurance of Persons' Assets</b>		
Statutory deposits	-	-
Deferred policy acquisition costs	2,142,427	693,449
Reinsurers' share of unearned premiums	127,779,354	119,156,588
Prepaid expenses and other assets	15,485,777	1,479,693
Premiums and Re-Takaful balances receivables	9,381,417	-
Reinsurers' share of outstanding claims	23,615,891	34,816,911
Deposits	30,607,184	30,607,184
Cash and cash equivalents	<u>14,029,159</u>	<u>11,874,836</u>
<b>Total Takaful Operations Assets</b>	<u>223,041,209</u>	<u>198,628,661</u>
<b>TOTAL ASSETS</b>	<u>223,041,209</u>	<u>198,628,661</u>
<b>LIABILITIES AND PARTICIPANTS' FUND</b>		
<b>Liabilities</b>		
<b>Takaful Operation Liabilities</b>		
Outstanding claims	26,687,859	38,238,844
Takaful payables	24,175	-
Retakaful payables balances	12,081,222	-
Unearned Re-Takaful commission income	(12,734)	(10,800)
Accrued expenses & other Liabilities	9,084,803	-
Unearned premiums	<u>175,175,884</u>	<u>160,400,617</u>
<b>Total Takaful Operations Liabilities</b>	<u>223,041,209</u>	<u>198,628,661</u>
<b>Total liabilities</b>	<u>223,041,209</u>	<u>198,628,661</u>
<b>Participants' fund</b>		
Deficit of participants' Takaful fund	(5,018,890)	(4,118,605)
Loan from shareholders' fund	<u>5,018,890</u>	<u>4,118,605</u>
<b>Total participants' fund</b>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND PARTICIPANTS' FUND</b>	<u>223,041,209</u>	<u>198,628,661</u>

# Abu Dhabi National Takaful Company PSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

### 14 OTHER FINANCIAL INFORMATION continued

#### Statement of Income for Property and Liability Takaful

For the three months ended 31 March 2017

	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>
	<i>AED</i>	<i>AED</i>
<b>Takaful income</b>		
Gross takaful contributions	56,812,500	60,824,578
Re-Takaful share of accepted business	-	(9,828)
Retakaful share of ceded business	<u>(33,868,439)</u>	<u>(39,916,663)</u>
<b>Net takaful contributions</b>	<u>22,944,061</u>	<u>20,898,087</u>
Net transfer to unearned contribution reserve	1,407,723	684,716
<b>Net takaful contributions earned</b>	<u>24,351,784</u>	<u>21,582,803</u>
Commissions earned	3,758,100	3,789,268
Other Takaful income	<u>288,009</u>	<u>20,850</u>
<b>Total Takaful income</b>	<u>28,397,893</u>	<u>25,392,921</u>
<b>Takaful expenses</b>		
Gross claims incurred	23,912,385	30,096,788
Re-Takaful share of accepted business claims	439,130	336,362
Re-Takaful share of ceded business claims	<u>(16,378,148)</u>	<u>(21,074,686)</u>
<b>Net claims incurred</b>	<u>7,973,367</u>	<u>9,358,464</u>
Movement in outstanding claims reserve	(5,945,517)	(5,362,224)
Movement in Re-Takaful share of outstanding claims reserve	4,350,001	7,550,813
Increase (decrease) in incurred but not reported claims reserve	(2,583,002)	369,492
Increase in unallocated loss adjustment expense reserve	<u>61,524</u>	<u>1,093,784</u>
<b>Net Takaful claims incurred</b>	<u>3,856,373</u>	<u>13,010,329</u>
Takaful expenses incurred	5,306,485	4,367,350
Other Takaful expenses	<u>1,018,452</u>	<u>431,635</u>
<b>Total Takaful expenses</b>	<u>10,181,310</u>	<u>17,809,314</u>
<b>Net Takaful income</b>	<u>18,216,583</u>	<u>7,583,607</u>
Wakalah fees to shareholders' fund	(13,466,486)	(11,303,753)
Mudaraba share to shareholders' fund	(270,728)	(223,059)
Takaful fund investment income	<u>902,427</u>	<u>743,529</u>
<b>Net income (loss) from Takaful operations</b>	<u>5,381,796</u>	<u>(3,199,676)</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2017 (Unaudited)

14 OTHER FINANCIAL INFORMATION continued

**Statement of Income for Persons Takaful**

For the three months ended 31 March 2017

	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>
	<i>AED</i>	<i>AED</i>
<b>Takaful income</b>		
Gross takaful contributions	33,289,280	32,624,880
Retakaful share of ceded business	<u>(13,215,882)</u>	<u>(14,735,392)</u>
<b>Net Takaful contributions</b>	<u>20,073,398</u>	<u>17,889,488</u>
Net transfer to unearned contribution reserve	<u>(6,152,501)</u>	<u>(2,996,066)</u>
<b>Net takaful contributions earned</b>	<u>13,920,897</u>	<u>14,893,422</u>
Commissions earned	985	4,420,793
Other Takaful income	-	-
<b>Total Takaful income</b>	<u>13,921,882</u>	<u>19,314,215</u>
<b>Takaful expenses</b>		
Gross claims incurred	16,860,651	3,190,320
Re-Takaful share of ceded business claims		
Re-Takaful share of ceded business claims	<u>(15,831,815)</u>	<u>(2,706,215)</u>
<b>Net claims incurred</b>	<u>1,028,836</u>	<u>484,105</u>
Movement in outstanding claims reserve	<u>(10,119,509)</u>	<u>(1,661,625)</u>
Movement in Re-Takaful share of outstanding claims reserve	9,773,891	1,381,810
Increase in incurred but not reported claims reserve	<u>(9,338)</u>	37,305
Increase in unallocated loss adjustment expense reserve	<u>4,992</u>	<u>22,157</u>
<b>Net Takaful claims incurred</b>	<u>678,872</u>	<u>263,752</u>
Takaful expenses incurred	4,388,384	1,886,555
Other Takaful expenses	<u>99,868</u>	<u>137,541</u>
<b>Total Takaful expenses</b>	<u>5,167,124</u>	<u>2,287,848</u>
<b>Net Takaful income</b>	<u>8,754,758</u>	<u>17,026,367</u>
Wakalah fees to shareholders' fund	<u>(9,817,097)</u>	<u>(11,877,386)</u>
Mudaraba share to shareholders' fund	<u>(69,451)</u>	<u>(71,705)</u>
Takaful fund investment income	<u>231,502</u>	<u>239,012</u>
<b>Net Income from Takaful operations</b>	<u>(900,288)</u>	<u>5,316,288</u>