

**ABU DHABI NATIONAL
TAKAFUL COMPANY P.S.C.**

**Review report and interim
financial information for the
three months period ended
31 March 2019**

ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C.

**Review report and interim financial information
for the three months period ended 31 March 2019**

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of
Abu Dhabi National Takaful Company P.S.C.
Abu Dhabi
United Arab Emirates

Introduction

We have reviewed the accompanying interim financial information of Abu Dhabi National Takaful Company P.S.C. (the "Company") as at 31 March 2019, comprising the condensed statement of financial position as at 31 March 2019 and the related condensed statements of profit or loss, comprehensive income, changes in shareholders' equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these 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 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

Other matters

The Company's financial statements as at 31 December 2018 were audited by another auditor whose report dated 18 February 2019 expressed an unmodified opinion thereon. The prior period comparative amounts in the condensed statements of profit or loss, comprehensive income, changes in equity and cash flows and related explanatory information for the three month period ended 31 March 2018, were reviewed by another auditor who issued an unmodified conclusion dated 9 May 2018.

Deloitte & Touche (M.E.)



Signed by:
Mohammad Khamees Al Tah
Registration No. 717
9 May 2019
Abu Dhabi
United Arab Emirates

**Condensed statement of financial position
at 31 March 2019**

	Notes	31 March 2019 (Unaudited) AED	31 December 2018 (Audited) AED
ASSETS			
Takaful operations assets			
Financial assets designated at fair value through profit or loss	6	12,348,797	13,379,098
Financial assets designated at fair value through other comprehensive income	6	1,137,945	554,849
Retakaful share of unearned contributions		68,577,525	68,997,143
Prepaid expenses and other assets		18,943,083	16,824,490
Retakaful share of outstanding claims		122,644,216	121,536,904
Contributions and retakaful balances receivables		34,194,470	13,740,200
Term deposits	4	342,487,565	335,936,014
Cash and bank balances	4	20,813,743	50,159,035
		<hr/>	<hr/>
Total takaful operations assets		621,147,344	621,127,733
Shareholders' assets			
Property and equipment		19,552,510	20,334,463
Statutory deposit	5	10,000,000	10,000,000
Financial assets designated at fair value through profit or loss	6	38,954,835	47,025,856
Financial assets designated at fair value through other comprehensive income	6	98,335,879	79,843,283
Investments properties	8	19,720,000	19,720,000
Deferred policy acquisition costs		45,460,053	31,925,356
Prepaid expenses and other assets		10,542,440	6,617,065
Term deposits	4	172,189,464	160,189,464
Cash and bank balances	4	8,374,422	18,433,368
		<hr/>	<hr/>
Total shareholders' assets		423,129,603	394,088,855
		<hr/>	<hr/>
TOTAL ASSETS		1,044,276,947	1,015,216,588
LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY			
Takaful operations liabilities			
Takaful payables		15,598,288	11,798,816
Outstanding claims		162,137,375	161,370,383
Retakaful payables		76,220,500	78,996,407
Accrued expenses and other liabilities		7,882,065	7,190,480
Unearned retakaful commission income		6,671,139	3,625,435
Unearned contributions		381,680,325	364,920,889
		<hr/>	<hr/>
Total takaful operations liabilities		650,189,692	627,902,410
		<hr/>	<hr/>

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

**Condensed statement of financial position
at 31 March 2019 (continued)**

	Notes	31 March 2019 (Unaudited) AED	31 December 2018 (Audited) AED
Shareholders' liabilities			
Accrued expenses and other liabilities		5,035,862	18,364,142
Provision for end of service benefits		8,964,032	8,358,564
Total shareholders' liabilities		13,999,894	26,722,706
Total liabilities		664,189,586	654,625,116
Policyholders' fund			
Surplus of life policyholders takaful fund		27,520,297	17,577,087
Distribution payable to life takaful fund policyholders		2,838,434	3,250,205
Deficit of general policyholders takaful fund		(3,978,732)	(8,767,283)
Loan from shareholders	10	3,978,732	8,767,283
Investment revaluation reserve		35,514	3,026
Total Policyholders' fund		30,394,245	20,830,318
Shareholders' equity			
Share capital		100,000,000	100,000,000
Legal reserve		41,791,425	41,791,425
General reserve		42,500,000	42,500,000
Investment revaluation reserve		6,269,975	220,224
Retained earnings		159,131,716	155,249,505
Total shareholders' equity		349,693,116	339,761,154
TOTAL LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY		1,044,276,947	1,015,216,588



Khamis Buharoon
Chairman of the Board of Directors



Osama Abdeen
Chief Executive Officer

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

**Condensed statement of profit or loss
for the three months period ended 31 March 2019**

	Notes	<u>3 months ended 31 March</u>	
		2019 (Unaudited) AED	2018 (Unaudited) AED
Attributable to policyholders			
Gross contributions written		113,492,373	83,606,200
Retakaful contributions accepted		1,806,157	285,999
Retakaful contributions ceded		(44,995,795)	(35,457,283)
		<hr/>	<hr/>
Net written contributions		70,302,735	48,434,916
Change in net unearned contribution provision		(17,179,054)	(3,207,941)
		<hr/>	<hr/>
Net earned contributions		53,123,681	45,226,975
Commissions earned		5,727,178	5,121,812
		<hr/>	<hr/>
Gross takaful income		58,850,859	50,348,787
		<hr/>	<hr/>
Gross claims paid		(41,523,783)	(38,907,585)
Retakaful share of accepted claims paid		(1,671,904)	(87,990)
Retakaful share of ceded claims paid		30,940,925	28,633,150
		<hr/>	<hr/>
Net paid claims		(12,254,762)	(10,362,425)
		<hr/>	<hr/>
Change in outstanding claim		453,917	8,101,078
Change in retakaful share of outstanding claims		(421,006)	(8,446,289)
Change in incurred but not reported claims reserve		(1,050,119)	5,709,376
Change in retakaful share of incurred but not reported claims reserve		1,528,319	(5,054,873)
Change in unallocated loss adjustment expense		(678,435)	(428,813)
		<hr/>	<hr/>
Net claims incurred		(12,422,086)	(10,481,946)
		<hr/>	<hr/>
Takaful income		46,428,773	39,866,841
		<hr/>	<hr/>
Other income		416,630	1,113,943
		<hr/>	<hr/>
Takaful operating profit		46,845,403	40,980,784
		<hr/>	<hr/>
Policyholders' investment income		4,047,350	1,808,421
Mudareb share	11	(1,416,572)	(632,948)
Wakalah fees	11	(34,744,420)	(27,118,269)
		<hr/>	<hr/>
Surplus of takaful result for the period		14,731,761	15,037,988
		<hr/>	<hr/>
Attributable to shareholders			
Shareholders' investment and other income, net		4,303,528	1,579,375
Mudareb share from policyholders		1,416,572	632,948
Wakalah fees from policyholders		34,744,420	27,118,269
Takaful expense		(5,568,865)	(7,412,509)
General and administrative expenses		(12,888,572)	(10,056,493)
Increase in provision of loan from shareholders	10	4,788,551	11,310,496
		<hr/>	<hr/>
Net profit for the period		26,795,634	23,172,086
		<hr/>	<hr/>
Basic and diluted earnings per share	12	0.27	0.23

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

**Condensed statement of comprehensive income
for the three months period ended 31 March 2019**

	Note	3 months ended 31 March	
		2019 (Unaudited) AED	2018 (Unaudited) AED
Profit for the period		26,795,634	23,172,086
Other comprehensive income:			
<i>Items that will not to be reclassified subsequently to profit or loss:</i>			
Change in fair value of equity investments at fair value through other comprehensive income		3,136,328	(2,110,078)
Total other comprehensive income/(loss) for the period		3,136,328	(2,110,078)
Total comprehensive income for the period		29,931,962	21,062,008

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

**Condensed statement of changes in shareholders' equity
for the three months period ended 31 March 2019**

	Share capital AED	Legal reserve AED	General reserve AED	Investment revaluation reserve AED	Retained earnings AED	Total AED
Balance at 1 January 2019 (audited)	100,000,000	41,791,425	42,500,000	220,224	155,249,505	339,761,154
Profit for the period	-	-	-	-	26,795,634	26,795,634
Other comprehensive income for the period	-	-	-	3,136,328	-	3,136,328
Total comprehensive income for the period	-	-	-	3,136,328	26,795,634	29,931,962
Loss on disposal of financial assets classified at fair value through other comprehensive income	-	-	-	2,913,423	(2,913,423)	-
Dividends paid (note 9)	-	-	-	-	(20,000,000)	(20,000,000)
Balance at 31 March 2019 (unaudited)	100,000,000	41,791,425	42,500,000	6,269,975	159,131,716	349,693,116

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

**Condensed statement of changes in shareholders' equity
for the three months period ended 31 March 2019 (continued)**

	Share capital AED	Legal reserve AED	General reserve AED	Investment revaluation reserve AED	Retained earnings AED	Total AED
Balance at 1 January 2018 (audited)	100,000,000	34,956,871	42,500,000	7,291,256	123,651,013	308,399,140
Profit for the period	-	-	-	-	23,172,086	23,172,086
Other comprehensive loss for the period	-	-	-	(2,110,078)	-	(2,110,078)
Total comprehensive income for the period	-	-	-	(2,110,078)	23,172,086	21,062,008
Profit on disposal of financial assets classified at fair value through other comprehensive income	-	-	-	(817,322)	817,322	-
Balance at 31 March 2018 (unaudited)	100,000,000	34,956,871	42,500,000	4,363,856	147,640,421	329,461,148

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

**Condensed statement of cash flows
for the three months period ended 31 March 2019 (Unaudited)**

	Notes	3 months ended 31 March	
		2019	2018
		AED	AED
OPERATING ACTIVITIES			
Net profit for the period		26,795,634	23,172,086
Adjustments for:			
Depreciation of property and equipment		902,666	801,842
Movement of unearned contributions, net		17,179,054	3,207,941
Investment and other income		(8,350,878)	(3,387,797)
Net movement in provision for end of service benefits		605,468	253,326
Movement in provision for doubtful debts		-	(1,000,000)
Movement in provision of loan from shareholders		(4,788,551)	(11,310,496)
Surplus of life policy holders takaful fund		9,943,210	3,727,492
Operating profit before movements in working capital:		42,286,603	15,464,394
Increase in prepaid and other assets		(6,043,968)	(1,978,851)
Increase in contributions and retakaful balances receivables		(20,454,270)	(35,625,398)
Increase in deferred policy acquisition costs		(13,534,697)	(3,947,986)
Increase in outstanding claims, net		(340,320)	(211,654)
Decrease in distribution of life takaful fund policyholders		(411,771)	-
Increase in provision of loan from shareholders		4,788,551	11,310,496
Increase in takaful payables		3,799,472	2,517,688
Decrease in retakaful payables		(2,775,907)	(16,723,014)
(Decrease)/increase in accrued expenses and other liabilities		(12,636,695)	1,285,020
Increase in unearned retakaful commission income		3,045,704	1,666,108
Net cash used in operating activities		(2,277,298)	(26,243,197)
INVESTING ACTIVITIES			
Net movement in investments		(6,805,554)	(47,016,968)
Purchase of property and equipment		(120,713)	(84,471)
Investment and other income received		8,350,878	3,387,797
Increase in term deposits		(37,117,846)	(19,931,117)
Net cash used in investing activities		(35,693,235)	(63,644,759)
FINANCING ACTIVITY			
Dividends paid		(20,000,000)	-
Net cash used in financing activity		(20,000,000)	-
Decrease in cash and cash equivalents		(57,970,533)	(89,887,956)
Cash and cash equivalents at 1 January		87,158,698	200,191,718
Cash and cash equivalents at the end of the period	4	29,188,165	110,303,762

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

Notes to the interim financial information for the three months period ended 31 March 2019

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 Federal Law No. (2) of 2015.

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 interim financial information of the Company for the period ended 31 March 2019 has been authorised for issue in accordance with a resolution of the Board of Directors on 9 May 2019.

2 Basis of preparation and accounting policies

Basis of preparation

The interim financial information for the three months period ended 31 March 2019 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”).

The interim financial information does not contain all information and disclosures required in the annual financial statements prepared in accordance with the International Financial Reporting Standards, and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2018. In addition, results for the three months period ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

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

The interim financial information has been prepared on the historical cost convention as modified for re-measurement of investment securities and investment properties at fair value.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

2.1 New and revised IFRSs applied with no material effect on the condensed financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these condensed consolidated financial statements.

The Company applies, for the first time, IFRS 16 *Leases*. As required by IAS 34, the nature and effect of these changes does not have a material impact on the condensed financial statements.

In the current period, the Company has also applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. The application of these amendments to IFRSs has not had any material impact on the amounts reported for the current and prior periods but may effect the accounting for the Company’s future transactions or arrangements.

**Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)****2 Basis of preparation and accounting policies (continued)****2.1 New and revised IFRSs applied with no material effect on the condensed financial statements (continued)**

- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Amendments to IAS 28 Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures
- Annual Improvements to IFRSs 2015-2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs
- Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement
- IFRIC 23 Uncertainty over Income Tax Treatments

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2019.

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Company has not early adopted the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments regarding the definition of material
- Amendments to clarify the definition of a business
- IFRS 17: Insurance Contracts
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and *Joint Ventures (2011)* relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the condensed financial statements of the Company in the period of initial application.

3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of these condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed financial statements, the significant judgments made by management in applying the Company's accounting policies, and the key sources of estimates uncertainty were same as those applied to the financial statements as at and for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective 1 January 2019.

**Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)**

4 Cash and cash equivalents

	31 March 2019 (unaudited) AED	31 December 2018 (audited) AED
Cash and bank balances	29,188,165	68,592,403
Term deposits	514,677,029	496,125,478
	<hr/>	<hr/>
Cash and bank balances	543,865,194	564,717,881
Less: term deposits with original maturity of more than three months	(514,677,029)	(477,559,183)
	<hr/>	<hr/>
Cash and cash equivalents	<u>29,188,165</u>	<u>87,158,698</u>

Term deposits represent deposits held with islamic financial institutions in the UAE, are denominated in UAE dirhams and carry profit at the prevailing market rates ranging from 1.75% to 4% per annum (31 December 2018: 1.75% to 3.15%).

5 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 7).

6 Investments

6 (a) Financial assets designated at fair value through other comprehensive income

	31 March 2019 (unaudited) AED	31 December 2018 (audited) AED
Quoted securities	61,045,044	50,306,755
Unquoted securities	38,428,780	30,091,377
	<hr/>	<hr/>
	<u>99,473,824</u>	<u>80,398,132</u>

**Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)**

6 Investments (continued)

6 (a) Financial assets designated at fair value through other comprehensive income (continued)

The geographical concentration of investments is as follows:

	31 March 2019 (unaudited) AED	31 December 2018 (audited) AED
Within UAE	45,955,801	39,975,411
Outside UAE	53,518,023	40,422,721
	<u>99,473,824</u>	<u>80,398,132</u>

Unquoted equity securities are valued primarily based on net assets of the investees unless recent transactions provide evidence of the current fair value.

6 (b) Financial assets designated at fair value through profit or loss

	31 March 2019 (unaudited) AED	31 December 2018 (audited) AED
Unquoted securities	51,303,632	60,404,954

The geographical concentration of investments is as follows:

	31 March 2019 (unaudited) AED	31 December 2018 (audited) AED
Within UAE	20,922,656	26,488,236
Outside UAE	30,380,976	33,916,718
	<u>51,303,632</u>	<u>60,404,954</u>

Investments held by the Company are sharia'a compliant as at 31 March 2019.

**Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)**

7 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:

	<u>3 months ended 31 March</u>	
	2019	2018
	(unaudited)	(unaudited)
	AED	AED
Gross contributions written	1,574,383	2,594,686
Takaful expenses	4,275	2,687,979
	31 March	31 December
	2019	2018
	(unaudited)	(audited)
	AED	AED
Statutory deposit	10,000,000	10,000,000

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

	<u>3 months ended 31 March</u>	
	2019	2018
	(unaudited)	(unaudited)
	AED	AED
Short term benefits	1,548,710	1,271,681
Long-term benefits	60,541	52,086

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

**Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)**

8 Investment properties

	31 March 2019 (unaudited) AED	31 December 2018 (audited) AED
At 1 January	19,720,000	19,600,000
Increase in fair value	-	120,000
	<u>19,720,000</u>	<u>19,720,000</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 2018 by an independent valuer which valued the properties at AED 19,720,000 using the sales comparison method utilising the evidence of transactions of similar sites. Management believes that there have been no significant changes during the period ended 31 March 2019.

9 Dividends

For the year ended 31 December 2018, cash dividend of AED 20,000,000 at a rate of AED 0.2 per share was approved by the shareholders on 19 March 2019 and paid in March 2019.

10 Loan from shareholders

	31 March 2019 (unaudited) AED	31 December 2018 (audited) AED
At 1 January	8,767,283	17,484,545
Net surplus for the period/year	(4,788,551)	(8,717,262)
	<u>3,978,732</u>	<u>8,767,283</u>

**Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)**

11 Mudareb share and wakalah fees

The shareholders manage the policyholders' investment fund and charge 35% (2018: 35%) 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.

	31 March 2019 (%)	31 December 2018 (%)
Marine hull, aviation and energy	35	35
Family Takaful	35	35
Motor	25	25
Medical	22.5	22.5
All other takaful classes	35	35

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:

	3 months ended 31 March	
	2019 (unaudited)	2018 (unaudited)
Profit for the period	26,795,634	23,172,086
Ordinary shares in issue throughout the period	100,000,000	100,000,000
Basic and diluted earnings per share (AED)	0.27	0.23

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

13 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, medical 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:

**Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)**

13 Segment information (continued)

Segment revenue and results

	As at 31 March 2019 (unaudited)			As at 31 March 2018 (unaudited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Direct revenues	104,682,902	8,350,878	113,033,780	92,760,248	3,387,796	96,148,044
Direct costs	(57,837,499)	-	(57,837,499)	(51,779,464)	-	(51,779,464)
Takaful expenses	(5,568,865)	-	(5,568,865)	(7,412,509)	-	(7,412,509)
Segment results	41,276,538	8,350,878	49,627,416	33,568,275	3,387,796	36,956,071
Unallocated costs	-	-	(22,831,782)	-	-	(13,783,985)
Profit for the period			26,795,634			23,172,086

Revenue reported above represents revenue generated from external customers and third parties. There were no inter-segment revenues in the period (31 March 2018: 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 2018, except for adoption of new and amended standards as set out in note 2.

Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)

13 Segment information (continued)

Segment assets and liabilities

	As at 31 March 2018 (unaudited)			As at 31 December 2018 (audited)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Segment assets	310,633,090	685,174,484	995,807,575	303,183,128	656,648,564	959,831,692
Unallocated assets	-	-	48,469,372	-	-	55,384,896
Total assets	310,633,090	685,174,484	1,044,276,947	303,183,128	656,648,564	1,015,216,588
Segment liabilities	650,189,692	-	650,189,692	627,380,431	521,979	627,902,410
Unallocated liabilities	-	-	13,999,894	-	-	26,722,706
Total liabilities	650,189,692	-	664,189,586	627,380,431	521,979	654,625,116
Capital expenditure	-	120,713	120,713	-	1,701,201	1,701,201

**Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)**

13 Segment information (continued)

Gross takaful contributions revenue from underwriting departments

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

	<u>3 months ended 31 March</u>	
	2019	2018
	AED	AED
	(unaudited)	(unaudited)
Motor	16,499,824	11,311,744
Medical	12,753,745	8,902,616
Workmen's compensation and miscellaneous accidents	5,104,585	8,289,385
Fire	18,233,931	16,691,816
Engineering	1,312,635	1,774,881
Marine cargo and hull	883,963	1,220,058
Family takaful	60,509,847	35,701,699
	<hr/>	<hr/>
	115,298,530	83,892,199
	<hr/>	<hr/>

14 Seasonality of results

No income of seasonal nature was recorded in the income statement for the three month period ended 31 March 2019 and 2018.

15 Contingent liabilities and commitments

	31 March	31 December
	2019	2018
	(unaudited)	(audited)
	AED	AED
Bank guarantees	529,688	572,453
	<hr/>	<hr/>

Bank guarantees were issued in the normal course of business.

**Notes to the interim financial information
for the three months period ended 31 March 2019 (continued)**

16 Fair value of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value into Levels 1 to 3 based on the degree to which the fair value is observable.

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<u>31 March 2019 (unaudited)</u>				
Financial assets designated at fair value through profit and loss	-	51,303,631	-	51,303,631
Financial assets designated at fair value through other comprehensive income	61,045,044	17,474,357	20,954,423	99,473,824
Investment properties	-	-	19,720,000	19,720,000
	<u>61,045,044</u>	<u>68,777,988</u>	<u>40,674,423</u>	<u>170,497,455</u>
<u>31 December 2018 (audited)</u>				
Financial assets designated at fair value through profit and loss	-	60,404,954	-	60,404,954
Financial assets designated at fair value through other comprehensive income	50,306,755	9,319,066	20,772,311	80,398,132
Investment properties	-	-	19,720,000	19,720,000
	<u>50,306,755</u>	<u>69,724,020</u>	<u>40,492,311</u>	<u>160,523,086</u>

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.