



**DUBAI ISLAMIC INSURANCE &  
REINSURANCE CO. (AMAN) (PSC)  
DUBAI - UNITED ARAB EMIRATES**

**Review report and condensed consolidated  
financial information  
For the period from 1 January 2011  
to 30 September 2011**

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REINSURANCE CO. (AMAN) (PSC)  
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**Dubai - United Arab Emirates**

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## Report on Review of Interim Financial Information

**The Board of Directors**  
**Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)**  
**Dubai- United Arab Emirates**

We have reviewed the condensed consolidated statement of financial position of Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC) (the "Company") and its Subsidiaries (collectively the "Group") as of 30 September 2011 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the period from 1 January 2011 to 30 September 2011. The Directors of the Group are responsible for the preparation and presentation of this condensed consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting' "IAS 34". Our responsibility is to express a conclusion on this interim condensed consolidated 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 condensed 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 consolidated financial information is not prepared, in all material respects in accordance with IAS 34.

Deloitte & Touche (M.E.)

  
Saba Y. Sindaha  
Registration Number 410  
1 November 2011



Condensed consolidated statement of financial position  
At 30 September 2011

	Note	30 September 2011 (Unaudited) AED	31 December 2010 (Audited) AED
<b>ASSETS</b>			
Cash and cash equivalents		12,910,079	19,283,809
Investment deposits		36,996,900	39,738,870
Retakaful contract assets		165,845,926	168,877,079
Takaful receivables		86,392,573	90,773,757
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	4	60,711,268	66,150,258
Other financial assets measured at fair value through profit and loss (FVTPL)	4	38,743,855	51,270,705
Prepayments and other receivables		14,539,311	21,229,398
Due from a related party	13	97,000	-
Investment property	5	64,352,585	64,352,585
Furniture and equipment		2,171,939	1,856,866
<b>Total Assets</b>		<b>482,761,436</b>	<b>523,533,327</b>
<b>LIABILITIES, POLICY HOLDERS' FUND AND EQUITY</b>			
<b>Liabilities</b>			
Due to a Bank		20,035,051	14,841,520
Due to a related party	13	284,677	-
Trade and other payables		26,534,935	44,416,582
Takaful payables		37,547,085	45,963,947
Takaful contract liabilities		268,077,452	254,869,161
Ijara payables		3,402,944	8,507,360
Amounts held under retakaful treaties		3,613,308	4,469,126
<b>Total liabilities</b>		<b>359,495,452</b>	<b>373,067,696</b>
<b>Policyholders' fund</b>			
Deficit in policyholders' fund		(37,837,791)	(18,870,398)
Qard Hasan from shareholders		37,837,791	18,870,398
Proposed profit distribution to policyholders		1,765,346	1,765,751
Policyholders' investments revaluation reserve	6	(29,584,925)	(28,172,726)
<b>Total deficit in policyholders' funds</b>		<b>(27,819,579)</b>	<b>(26,406,975)</b>
<b>Total Policyholders' Fund and Liabilities</b>		<b>331,675,873</b>	<b>346,660,721</b>
<b>Equity</b>			
Share capital	7	225,750,000	210,000,000
Statutory reserve		16,453,241	16,453,241
General reserve		16,453,241	16,453,241
Investments revaluation reserve - FVTOCI		(88,763,052)	(84,526,062)
(Accumulated losses)/retained earnings		(17,241,536)	18,340,656
<b>Equity attributable to shareholders of the Parent</b>		<b>152,651,894</b>	<b>176,721,076</b>
Non-controlling interests		(1,566,331)	151,530
<b>Total Equity</b>		<b>151,085,563</b>	<b>176,872,606</b>
<b>Total Liabilities, Policyholders' Fund and Equity</b>		<b>482,761,436</b>	<b>523,533,327</b>

Hussein Mohammed Al Meeza  
Managing Director / CEO

Basel Mohammad Al Kufairy  
Finance Manager

**Condensed consolidated income statement (Unaudited)**  
**For the period from 1 January 2011 to 30 September 2011**

	Note	9 months ended 30 September		3 months ended 30 September	
		2011	2010	2011	2010
		AED	AED	AED	AED
<b>Attributable to policyholders</b>					
<b>Takaful income</b>					
Takaful contributions		330,747,330	407,843,217	104,402,363	131,598,769
Takaful contributions ceded to reinsurers		(235,269,353)	(298,025,000)	(73,793,493)	(94,556,750)
<b>Net takaful contributions</b>		<b>95,477,977</b>	<b>109,818,217</b>	<b>30,608,870</b>	<b>37,042,019</b>
Commission received on ceded reinsurance		8,167,779	8,581,677	3,975,719	2,955,087
Policy and survey fees		4,793,453	2,197,761	1,264,569	464,636
		<b>108,439,209</b>	<b>120,597,655</b>	<b>35,849,158</b>	<b>40,461,742</b>
<b>Takaful expenses</b>					
Gross claims incurred		91,273,737	108,280,310	34,238,883	40,242,332
Retakaful's share of claims		(18,961,438)	(48,044,180)	(11,976,613)	(18,214,220)
<b>Claims incurred</b>		<b>72,312,299</b>	<b>60,236,130</b>	<b>22,262,270</b>	<b>22,028,112</b>
Commissions paid		14,885,227	13,661,237	3,714,976	3,949,133
Excess of loss of Takaful contributions		3,407,444	2,988,767	1,301,556	1,289,704
		<b>90,604,970</b>	<b>76,886,134</b>	<b>27,278,802</b>	<b>27,266,949</b>
<b>Net Takaful income</b>		<b>17,834,239</b>	<b>43,711,521</b>	<b>8,570,356</b>	<b>13,194,793</b>
Wakala fees		(35,509,023)	(41,494,643)	(8,422,503)	(9,491,166)
<b>Net (loss)/income from Takaful operations</b>		<b>(17,674,784)</b>	<b>2,216,878</b>	<b>147,853</b>	<b>3,703,627</b>
Investment (loss)/income	8	(1,292,609)	150,645	(722,035)	1,670,539
Mudarib's fees		-	(37,661)	-	(37,661)
<b>(Loss)/income for the period</b>		<b>(18,967,393)</b>	<b>2,329,862</b>	<b>(574,182)</b>	<b>5,336,505</b>
<b>Attributable to shareholders</b>					
<b>Income</b>					
Investment (loss)/income	8	(3,752,967)	406,591	(2,066,421)	4,322,461
Wakala fees from policyholders		35,509,023	41,494,643	8,422,503	9,491,166
Mudarib's fees from policyholders		-	37,661	-	37,661
		<b>31,756,056</b>	<b>41,938,895</b>	<b>6,356,082</b>	<b>13,851,288</b>
<b>Expenses</b>					
General and administrative expenses		(33,438,716)	(28,184,004)	(11,097,914)	(9,237,799)
(Write off)/write back of Qard Hasan to policyholders' fund		(18,967,393)	2,329,862	(574,182)	5,336,505
<b>(Loss)/ Profit for the period</b>		<b>(20,650,053)</b>	<b>16,084,753</b>	<b>(5,316,014)</b>	<b>9,949,994</b>
<b>Attributable to:</b>					
Shareholders of the parent		(18,932,192)	16,084,753	(4,799,870)	9,949,994
Non-controlling interests		(1,717,861)	-	(516,144)	-
		<b>(20,650,053)</b>	<b>16,084,753</b>	<b>(5,316,014)</b>	<b>9,949,994</b>
<b>(Loss)/earnings per share</b>	10	<b>(0.09)</b>	<b>0.07</b>	<b>(0.02)</b>	<b>0.04</b>

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

Condensed consolidated statement of comprehensive income (Unaudited)  
For the period from 1 January 2011 to 30 September 2011

	<u>9 months ended 30 September</u>		<u>3 months ended 30 September</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
<b>(Loss)/profit for the period</b>	<b>(20,650,053)</b>	16,084,753	<b>(5,316,014)</b>	9,949,994
<b>Other comprehensive loss</b>				
Unrealized (loss)/gain on revaluation of financial assets measured at FVTOCI	<b>(4,236,990)</b>	(5,067,679)	<b>(678,165)</b>	1,285,763
<b>Total comprehensive (loss)/income for the period</b>	<b>(24,887,043)</b>	11,017,074	<b>(5,994,179)</b>	11,235,757
<i>Attributable to:</i>				
Shareholders of the parent	<b>(23,169,182)</b>	11,017,074	<b>(5,478,035)</b>	11,235,757
Non-controlling interests	<b>(1,717,861)</b>	-	<b>(516,144)</b>	-
	<b>(24,887,043)</b>	11,017,074	<b>(5,994,179)</b>	11,235,757

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

Condensed consolidated statement of changes in equity  
For the period from 1 January 2011 to 30 September 2011

	Share capital AED	Statutory reserve AED	General reserve AED	Investments revaluation reserve - FVTOCI AED	(Accumulated losses)/ retained earnings AED	Equity attributable to shareholders of the Parent AED	Non- controlling interests AED	Total AED
<b>Balance at 1 January 2010 - Audited</b>	200,000,000	14,335,464	14,335,464	(74,881,745)	13,737,766	167,526,949	-	167,526,949
Profit for the period	-	-	-	-	16,084,753	16,084,753	-	16,084,753
Other comprehensive loss for the period	-	-	-	(5,067,679)	-	(5,067,679)	-	(5,067,679)
Total other comprehensive income for the period	-	-	-	(5,067,679)	16,084,753	11,017,074	-	11,017,074
Bonus shares issued during the period	10,000,000	-	-	-	(10,000,000)	-	-	-
Directors' fees paid during the period	-	-	-	-	(900,000)	(900,000)	-	(900,000)
<b>Balance at 30 September 2010 - Unaudited</b>	210,000,000	14,335,464	14,335,464	(79,949,424)	18,922,519	177,644,023	-	177,644,023
<b>Balance at 1 January 2011 - Audited</b>	210,000,000	16,453,241	16,453,241	(84,526,062)	18,340,656	176,721,076	151,530	176,872,606
Loss for the period	-	-	-	-	(18,932,192)	(18,932,192)	(1,717,861)	(20,650,053)
Other comprehensive loss for the period	-	-	-	(4,236,990)	-	(4,236,990)	-	(4,236,990)
Total comprehensive loss for the period	-	-	-	(4,236,990)	(18,932,192)	(23,169,182)	(1,717,861)	(24,887,043)
Bonus shares issued during the period	15,750,000	-	-	-	(15,750,000)	-	-	-
Director's fee paid during the period	-	-	-	-	(900,000)	(900,000)	-	(900,000)
<b>Balance at 30 September 2011 - Unaudited</b>	225,750,000	16,453,241	16,453,241	(88,763,052)	(17,241,536)	152,651,894	(1,566,331)	151,085,563

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

Condensed consolidated statement of cash flows (Unaudited)  
For the period from 1 January 2011 to 30 September 2011

	9 months ended 30 September	
	2011 AED	2010 AED
<b>Operating activities</b>		
(Loss)/profit for the period	(20,650,053)	16,084,753
Adjustments for:		
Depreciation of property and equipment	891,144	632,801
Loss on revaluation of other financial assets measured at FVTPL	7,539,309	5,370,975
Provision for employees' end of service benefits	569,724	624,804
	<u>(11,649,876)</u>	<u>22,713,333</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease/(increase) in retakaful assets	3,031,153	(11,245,266)
Decrease/(increase) in Takaful contract receivables	4,381,184	(14,812,638)
Decrease/(increase) in prepayments and other receivables	6,690,087	( 6,607,196)
Increase in Takaful contract liabilities	13,208,291	24,542,071
Decrease in amounts held under retakful treaties	(855,818)	(1,139,686)
Decrease in Takaful payables	(8,416,862)	(8,261,771)
Decrease in trade and other payables	(16,936,957)	(8,660,848)
Increase in due from a related party	(97,000)	-
Increase in due to a related party	284,677	-
	<u>(10,361,121)</u>	<u>(3,472,001)</u>
<b>Cash used in operations</b>	(10,361,121)	(3,472,001)
Employees' end of service benefits paid	(130,365)	(110,372)
Zakat Paid	(1,384,049)	(861,235)
	<u>(11,875,535)</u>	<u>(4,443,608)</u>
<b>Net cash used in operating activities</b>	(11,875,535)	(4,443,608)
<b>Investing activities</b>		
Purchase of property and equipment	(1,206,218)	(873,361)
Net movement on financial assets measured at FVTOCI	-	(1,840,002)
Decrease/(increase) in investment deposits	2,741,970	(3,130,290)
Proceeds from other financial assets measured at FVTPL	4,987,541	-
Purchase of financial assets measured at FVTPL	(210,198)	(7,616,806)
	<u>6,313,095</u>	<u>(13,460,459)</u>
<b>Net cash generated from/(used in) investing activities</b>	6,313,095	(13,460,459)
<b>Financing activities</b>		
Ijara repaid	(5,104,416)	(5,104,416)
Increase in due to a bank	5,193,531	9,498,500
Decrease in policyholders' funds before Zakat	(405)	(1,810)
Payment of Directors' fees	(900,000)	(900,000)
	<u>(811,290)</u>	<u>3,492,274</u>
<b>Net cash (used in)/generated from financing activities</b>	(811,290)	3,492,274
<b>Net decrease in cash and cash equivalents</b>	(6,373,730)	(14,411,793)
Cash and cash equivalents at the beginning of the period	19,283,809	21,083,736
	<u>12,910,079</u>	<u>6,671,943</u>
<b>Cash and cash equivalents at the end of the period</b>	12,910,079	6,671,943
<b>Supplementary cash flow information (non-cash transactions):</b>		
Qard Hasan from shareholders	37,837,791	30,947,772



**Notes to the condensed consolidated financial information  
For the period from 1 January 2011 to 30 September 2011**

**1. General information**

Dubai Islamic Insurance & Reinsurance Company (Aman) (PSC) (the "Company") is a public shareholding Company and is registered under the Commercial Companies Law of 1984 (as amended). The Company carries out general Takaful (insurance) business in accordance with the teachings of Islamic Sharia'a. The Company is also licensed to engage in reinsurance and life Takaful business. The registered address of the Company is P.O. Box 157, Dubai, United Arab Emirates.

The Company obtained its commercial license on March 12, 2003 and commenced operations on April 8, 2003.

The Company mainly issues short term Takaful contracts in connection with motor, marine, fire and engineering, general accident risks and Company life and medical risks (collectively known as general Takaful). The Company also invests in investment securities and properties.

The Company's business activities are subject to the supervision of its Fatwa and Sharia'a Board consisting of nine members appointed by the shareholders. The Sharia'a Board performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Sharia'a rules and principles.

The Company with its subsidiaries are together referred to as the "Group" in these condensed consolidated financial information. At 30 September 2011, the Company had the following subsidiaries:

Name of subsidiary	Place of incorporation (or registration) and operation	Proportion of ownership profit %	Proportion of voting power held %	Principal activity
Nowat Investments L.L.C.	United Arab Emirates	99.00	99.00	Investment in commercial, industrial and agricultural enterprises and management
Amity Commercial Broker L.L.C.	United Arab Emirates	50.49	50.49	Commercial brokerage

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

**2.1 New and revised IFRSs is in issue but not yet effective**

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

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
▪ Amendments to IFRS 1 relating to Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2011
▪ Amendments to IFRS 1 relating to Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs'	1 July 2011
▪ Amendments to IFRS 7 Financial Instruments: Disclosures, relating to Disclosures on Transfers of Financial Assets	1 July 2011
▪ IFRS 10 Consolidated Financial Statements	1 January 2013

Notes to the condensed consolidated financial information (continued)  
For the period from 1 January 2011 to 30 September 2011

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

2.1 New and revised IFRSs is in issue but not yet effective (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
▪ IFRS 11 Joint Arrangements	1 January 2013
▪ IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
▪ IFRS 13 Fair Value Measurement	1 January 2013
▪ Amendments to IAS 12 Income Taxes – Limited scope amendment (recovery of underlying assets)	1 January 2012
▪ Amendments to IAS 1 Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	1 July 2012
▪ Amendments to IAS 19 Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	1 January 2013
▪ IAS 27 Consolidated and Separate Financial Statements - Reissued as IAS 27 Separate Financial Statements	1 January 2013
▪ IAS 28 Investments in Associates - Reissued as IAS 28 Investments in Associates and Joint Ventures	1 January 2013

Management anticipates that the adoption of these Standards and Interpretations in future periods will have impact on the condensed consolidated financial statements of the Group in the period of initial application.

3. Accounting policies

The condensed consolidated financial information has been prepared on the historical cost basis, except for certain financial instruments, which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standard Board and also complies with the applicable requirements of the laws in the U.A.E. The accounting policies used in the preparation of the condensed consolidated financial information are consistent with those used in the preparation of the audited annual financial statements for the year ended 31 December 2010.

The condensed consolidated financial information does not include all the information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's consolidated financial statements as of 31 December 2010. In addition, results for the nine months ended 30 September 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

Notes to the condensed consolidated financial information (continued)  
For the period from 1 January 2011 to 30 September 2011

3. Accounting policies (continued)

Significant judgments and key sources of estimation uncertainty

The preparation of condensed consolidated financial information 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 consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2010.

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2010.

4. Other financial assets measured at fair value

	30 September 2011 (Unaudited) AED	31 December 2010 (Audited) AED
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI) (A)</b>		
- Quoted	23,971,270	29,620,458
- Unquoted	36,739,998	36,529,800
	<u>60,711,268</u>	<u>66,150,258</u>
<b>Financial assets measured at fair value through profit and loss (FVTPL) (B)</b>		
Financial assets measured at FVTPL - Quoted	38,743,855	51,270,705
<b>Total other financial assets measured at fair value (A+B)</b>	<u>99,455,123</u>	<u>117,420,963</u>

*Investments by geographical area are as follows:*

	30 September 2011 (Unaudited) AED	31 December 2010 (Audited) AED
- Within U.A.E.	53,447,445	69,599,550
- Outside U.A.E.	46,007,678	47,821,413
	<u>99,455,123</u>	<u>117,420,963</u>

Notes to the condensed consolidated financial information (continued)  
For the period from 1 January 2011 to 30 September 2011

5. Investment property

The investment property comprises a plot of land purchased in 2007. The Group used the fair value model permitted under IAS 40 for determining the carrying value of the investment property. The property is mortgaged as security against an Ijara payable. The valuation as of December 31, 2010, which conforms to international valuation standards, was arrived at by reference to market evidence of transaction prices for similar properties. The Group's management reassessed this valuation for the nine months period ended September 30, 2011 and no material differences were noted.

6. Policyholders investment revaluation reserve

The Group transfers to the policyholders their share of investment revaluation reserve FVTOCI from the shareholders' equity on pro rata basis. The percentage of such allocation for 30 September 2011 is identical to that used for 31 December 2010 and approved by the Company's Fatwa and Sharia'a Supervisory Board. This allocation will be revised by year end once the Board approval is obtained. When the Group disposes of these investments, any gains or losses realized will be distributed between the shareholders and policyholders and, should such disposal result in a realized loss, the portion allocated to policyholders would require an additional Qard Hasan of an equivalent amount from the shareholders.

7. Share capital

	30 September 2011 (Unaudited) AED	31 December 2010 (Audited) AED
Issued and fully paid:		
225,750,000 (2010: 210,000,000) ordinary shares of AED 1 each	225,750,000	210,000,000

At the General Assembly Meeting held on February 16, 2011, the shareholders of the Group resolved to distribute 7.5% of the share capital as bonus shares.

8. Investment (loss)/income

	<u>9 months ended 30 September</u>	
	<u>2011</u>	<u>2010</u>
	AED	AED
	(Unaudited)	(Unaudited)
<i>Fair value gains and losses</i>		
Fair value loss on investments carried at FVTPL	(7,539,309)	(5,370,975)
<i>Realized gains and losses</i>		
Gain from sale of investments carried at FVTPL	784,142	3,318,409
<i>Other investment income</i>		
Income from investment deposits	414,866	810,639
Income from investment in real estate funds	113,195	197,655
Dividend income	1,210,037	1,938,888
Rental income	300,000	346,000
Investment related costs	(328,507)	(683,380)
	<u>(5,045,576)</u>	<u>557,236</u>

Notes to the condensed consolidated financial information (continued)  
For the period from 1 January 2011 to 30 September 2011

8. Investment (loss)/income (continued)

	<u>9 months ended 30 September</u>	
	<u>2011</u>	<u>2010</u>
	AED	AED
	(Unaudited)	(Unaudited)
<i>Allocated to:</i>		
Policyholders	(1,292,609)	150,645
Shareholders	(3,752,967)	406,591
	<u>(5,045,576)</u>	<u>557,236</u>

Investment income and losses are allocated amongst the shareholders and the policyholders on a pro rata basis. The percentage of allocation for 30 September 2011 is identical to that used for 31 December 2010 and approved by the Company's Fatwa and Sharia'a Supervisory Board. This allocation will be revised by year end once the Board approval is obtained.

9. Segmental information

The Group has adopted IFRS 8 Operating Segments with effect from January 1, 2009. The segments identified in accordance with IFRS 8 do not differ materially from those previously disclosed under IAS 14.

Operating Segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Company's Managing Director (MD) in order to allocate resources to the segment and to assess its performance. Information reported to the Company's CEO for the purpose of resource allocation and assessment of performance is based on following strategic business activities:

- **Takaful activities** include the general, life and medical insurance business undertaken by the Group.
- **Investment activities** represent investment and cash management for the Group's own account.

Notes to the condensed consolidated financial information (continued)  
For the period from 1 January 2011 to 30 September 2011

9. Segmental information (continued)

The following table presents segment information for the nine months period ended 30 September 2011 and 30 September 2010.

	Period from January 1, 2011 to September 30, 2011		Period from January 1, 2010 to September 30, 2010		Total	
	Attributable to		Attributable to		2011 Unaudited AED	2010 Unaudited AED
	Policyholders Unaudited AED	Shareholders Unaudited AED	Policyholders Unaudited AED	Shareholders Unaudited AED		
<b>Takaful</b>						
Takaful income	108,439,209	-	120,597,655	-	108,439,209	120,597,655
Takaful expenses	(90,604,970)	-	(76,886,134)	-	(90,604,970)	(76,886,134)
<b>Net Takaful income</b>	<b>17,834,239</b>	<b>-</b>	<b>43,711,521</b>	<b>-</b>	<b>17,834,239</b>	<b>43,711,521</b>
Wakala fees	(35,509,023)	35,509,023	(41,494,643)	41,494,643	-	-
Mudarib fees	-	-	(37,661)	37,661	-	-
	<b>(17,674,784)</b>	<b>35,509,023</b>	<b>2,179,217</b>	<b>41,532,304</b>	<b>17,834,239</b>	<b>43,711,521</b>
<b>Investment</b>						
Investment (loss)/income	(1,292,609)	(3,752,967)	150,645	406,591	(5,045,576)	557,236
Unallocated other income and expenses	-	(33,438,716)	-	(28,184,004)	(33,438,716)	(28,184,004)
<b>(Loss)/profit attributable to policyholders</b>	<b>(18,967,393)</b>		<b>2,329,862</b>			
(Write off)/write back of Qard Hasan to policyholders' fund		(18,967,393)		2,329,862		
<b>(Loss)/profit for the period</b>		<b>(20,650,053)</b>		<b>16,084,753</b>	<b>(20,650,053)</b>	<b>16,084,753</b>

Notes to the condensed consolidated financial information (continued)  
For the period from 1 January 2011 to 30 September 2011

9. Segmental information (continued)

Other information

	Takaful		Investment		Total	
	30 September 2011 Unaudited AED	31 December 2010 Audited AED	30 September 2011 Unaudited AED	31 December 2010 Audited AED	30 September 2011 Unaudited AED	31 December 2010 Audited AED
Segment assets	281,956,829	302,020,909	200,804,608	221,512,418	482,761,437	523,533,327
Segment liabilities	328,272,929	338,153,361	3,402,944	8,507,360	331,675,873	346,660,721

Notes to the condensed consolidated financial information (continued)  
For the period from 1 January 2011 to 30 September 2011

**10. Basic and diluted earnings per share**

Earnings per share are calculated by dividing profit attributable to the shareholders for the period by the weighted average number of shares outstanding during the period as follows:

	<b>9 months ended 30 September</b>	
	<b>2011</b>	<b>2010</b>
	<b>AED</b>	<b>AED</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net (Loss)/profit for the period (AED)	<b>(20,650,053)</b>	16,084,753
Weighted average number of shares outstanding during the period	<b>225,750,000</b>	225,750,000
(Loss)/earnings per share (AED)	<b>(0.09)</b>	0.07

The number of shares outstanding as of 30 September 2010 has been adjusted to reflect the bonus shares issued during 2011 (Note 7).

**11. Statutory reserve**

In accordance with the Commercial Companies Law and the Company's Articles of Association, 10% of the net profit for the year is required to be transferred to statutory reserve. No transfers have been made during the nine months period ended 30 September 2011, as this will be based on the results for the year. The reserve is not available for distribution except in the circumstances stipulated by the law.

**12. General reserve**

The Group is required to transfer 10% of the profit for the year to a general reserve in accordance with its Articles of Association. No transfer has been made to the general reserve during the nine months period ended 30 September 2011, as this will be based on the results for the year.

**13. Related party transactions**

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24. Related parties comprise companies and entities under common ownership and/or common management and control, their partners and key management personnel. The management decides on the terms and conditions of the transactions with related parties. At the reporting date, amounts due from / to related parties were included in the following accounts:

	<b>30 September</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>
	<b>Un-audited</b>	<b>Audited</b>
	<b>AED</b>	<b>AED</b>
<i>Due from a related party</i>		
Due from shareholders of non-controlling interests	<b>97,000</b>	-
<i>Due to a related party</i>		
Advance from shareholders of non-controlling interests	<b>284,677</b>	-



**Notes to the condensed consolidated financial information (continued)**  
**For the period from 1 January 2011 to 30 September 2011**

**13. Related party transactions (continued)**

The Managing Director of the Group is also a key management executive of Al Salam Bank - Algeria and Al Salam Bank - Sudan. The Group has an equity investment in Al Salam Bank - Algeria of AED 20.2 million (31 December 2010: AED 20.2 million). The pricing policies and terms of these transactions were approved by the Board of Directors.

**14. Seasonality of results**

No income of seasonal nature was recorded in the condensed consolidated income statement for the nine months period ended 30 September 2011 and 2010.

**15. Contingencies and commitments**

*Contingent liabilities*

At 30 September 2011, the Group had contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 454,305 (31 December 2010: AED 835,294).

*Commitments*

The Group has a commitment for AED 13.03 million (31 December 2010: AED 13.03 million) on account of investments made in securities. The Group has to pay for investment securities as and when calls are made by the investee Group.

**16. Approval of the condensed consolidated financial information**

The condensed consolidated financial information were approved by the Board of Directors and authorised for issue on 1 November 2011.