

National Takaful Company (Watania) PJSC

Condensed interim financial statements

For the period ended 30 September 2015

Principal business address:

P O Box: 6457
Abu Dhabi
UAE

National Takaful Company (Watania) PJSC

Condensed interim financial statements

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED SEPT 30, 2015

Watania Management would like to present the following financial analysis to its stakeholders for the reviewed Financial Statements pertaining to period ended September 30, 2015:

- Gross Takaful Contributions for the nine months amounted to AED 192.5 million depicting an increase of 24% over the same period last year. The above increase has resulted in net earned contribution of AED 87.08 million for the current period which is 57% higher against AED 55.64 million for same period last year
- The net incurred claims for the period stood at AED 77.94 million as compared to AED 40.63 million last year. The incurred loss ratio of 90% for the current period is mainly due to bad underwriting results from the motor business
- Net commission and other underwriting expenses for the period amounted to AED 18.21 million as compared to AED 10.12 million in 2014. The increase is due to increase in business activity and recording of excess of loss premiums
- Total administrative and general expenses amounted to AED 23.67 million as compared to AED 20.23 million for 2014, showing upward trend of 16% which is mainly linked with office maintenance expenses and staff costs
- Net investment income stood at AED 5.2 million in comparison with AED 16.4 million last year showing an adverse variation of 68%. It is critical to keep in mind that last year's investment income was exceptional due to bullish equity market performance in the whole region, whereas this year the equity markets have been quite volatile due to the various challenges facing the region
- As a result of the factors explained above and after accounting for takaful fund deficit of AED 34.39 million Watania is showing a loss of AED 27.51 million as against the profit of AED 1.05 million for the same period last year
- Even though the business conditions still are very challenging at the moment, however the management feels confident that Watania's total assets of AED 415.58 million especially its cash and investments assets are effectively deployed under diversified classes to ensure that Watania's future operational requirements will continue to be met
- Cash and cash equivalents as of September 30, 2015 amounted to AED 18.17 million as against AED 24.08 million last year
- Takaful contract liabilities at the period end reached AED 254.84 million as against AED 167.53 million in December 2014, mainly due to increase in business volumes and activity levels
- Shareholders' equity as at September 30, 2015 stood at AED 92.65 million as against last reported figure of AED 120.18 million
- Basic and diluted loss per share for the current period is AED 0.18 as opposed to earning of AED 0.01 per share for September 2014



Acting Chief Executive Officer





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Independent Auditors' Report on the Review of Condensed Interim Financial Statements

The Shareholders
National Takaful Company (Watania) PJSC

Introduction

We have reviewed the accompanying 30 September 2015 condensed interim financial statements of National Takaful Company (Watania) PJSC (the "Company"), which comprises:

- the condensed interim statement of financial position as at 30 September 2015;
- the condensed interim statement of profit or loss and other comprehensive income for the three month and nine month periods ended 30 September 2015;
- the condensed interim statement of changes in shareholders' equity for the nine month period ended 30 September 2015;
- the condensed interim statement of cash flows for the nine month period ended 30 September 2015; and
- notes to the condensed interim financial statements.

The Board of Directors is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the 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 30 September 2015 condensed interim financial statements is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

29 OCT 2015

KPMG Lower Gulf Limited
Munther Dajani
Registration No.:268

National Takaful Company (Watania) PJSC

Condensed interim statement of financial position

As at

		(Unaudited) 30 September 2015 AED'000	(Audited) 31 December 2014 AED'000
	<i>Note</i>		
Assets			
Cash and cash equivalents	5	18,170	24,075
Financial assets carried at fair value through profit or loss	6	67,780	111,897
Available for sale financial assets	7	9,229	-
Investment properties	8	23,717	-
Wakala deposits held with a bank		2,071	10,491
Takaful receivables		105,205	62,874
Statutory deposit		6,000	6,000
Reinsurance and retakaful contract assets	9	160,577	112,084
Advances, deposits and other assets		20,951	13,139
Property and equipment		1,878	2,817
Total assets		415,578	343,377
Shareholders' equity, liabilities and policyholders' fund			
Shareholders' equity			
Share capital	10	150,000	150,000
Fair value reserve		(19)	-
Accumulated losses		(57,327)	(29,817)
Total shareholders' equity		92,654	120,183
Liabilities and policyholders' fund			
Policyholders' fund	11	-	-
Takaful contract liabilities	9	254,842	167,531
Payable to retakaful and brokers		46,907	41,298
Other liabilities		19,091	12,211
Provision for end of service benefits		2,084	2,154
Total liabilities and policyholders' fund		322,924	223,194
Total shareholders' equity, liabilities and policyholders' fund		415,578	343,377

These condensed interim financial statements were approved by the Board of Directors and signed on their behalf by the Chairman and Acting Chief Executive Officer on 29 OCT 2015.



Chairman



Acting Chief Executive Officer

The notes set out on pages 7 to 16 form an integral part of these condensed interim financial statements.

The independent auditors' report on the review of the condensed interim financial statements is set out on page 2.

National Takaful Company (Watania) PJSC

Condensed interim statement of profit or loss and other comprehensive income

For the period ended 30 September

	Note	3 months ended		9 months ended	
		2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
Attributable to the policyholders					
Gross takaful contributions	13	26,911	45,405	192,492	155,455
Contributions ceded to retakaful and reinsurance companies	13	(13,457)	(32,896)	(85,205)	(95,161)
Net takaful contributions	13	13,454	12,509	107,287	60,294
Movement in unearned contributions	13	13,487	5,004	(20,213)	(4,656)
Net contribution earned		26,941	17,513	87,074	55,638
Gross claims paid	13	(47,862)	(25,684)	(121,713)	(69,220)
Movement in outstanding claims and incurred but not reported claims	13	(19,022)	(20,273)	(40,114)	(37,786)
Gross claims incurred		(66,884)	(45,957)	(161,827)	(107,006)
Retakaful share of claims paid.	13	25,881	12,411	62,384	35,162
Movement in retakaful share of outstanding claims and retakaful share of incurred but not reported claims	13	13,867	20,545	21,507	31,212
Gross claims recoverable from retakaful		39,748	32,956	83,891	66,374
Net claims incurred		(27,136)	(13,001)	(77,936)	(40,632)
Commission income / (reversal)		22	(214)	2,808	1,992
Commission expense		(2,857)	(2,173)	(9,186)	(7,492)
Net commission expense	13	(2,835)	(2,387)	(6,378)	(5,500)
Other underwriting expenses - net	13	(6,344)	(1,899)	(11,826)	(4,622)
Takaful income		(9,374)	226	(9,066)	4,884
Wakala fees	13, 14	(10,831)	(8,813)	(25,324)	(22,663)
Deficit of takaful results for the period		(20,205)	(8,587)	(34,390)	(17,779)
Attributable to the shareholders					
Investment income		1,408	6,242	5,227	16,401
Wakala fees	13, 14	10,831	8,813	25,324	22,663
General and administrative expenses	15	(5,578)	(7,496)	(23,671)	(20,236)
Deficit of takaful results for the period		(20,205)	(8,587)	(34,390)	(17,779)
(Loss) / gain for the period		(13,544)	(1,028)	(27,510)	1,049
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Net change in fair value of available for sale financial assets		(19)	-	(19)	-
Total comprehensive (loss) / income for the period		(13,563)	(1,028)	(27,529)	1,049
Basic and diluted (loss) / earnings per ordinary share (AED)		(0.09)	(0.01)	(0.18)	0.01

The notes set out on pages 7 to 16 form an integral part of these condensed interim financial statements.

The independent auditors' report on the review of the condensed interim financial statements is set out on page 2.

National Takaful Company (Watania) PJSC

Condensed interim statement of changes in shareholders' equity

For the nine month period ended 30 September 2015

	Share capital AED'000	Fair value reserve AED'000	Accumulated losses AED'000	Total AED'000
At 1 January 2014	150,000	-	(20,022)	129,978
Profit for the period	-	-	1,049	1,049
Other comprehensive income for the period	-	-	-	-
As at 30 September 2014	150,000	-	(18,973)	131,027
At 1 January 2015	150,000	-	(29,817)	120,183
Loss for the period	-	-	(27,510)	(27,510)
Other comprehensive loss for the period	-	(19)	-	(19)
As at 30 September 2015	150,000	(19)	(57,327)	92,654

The notes set out on pages 7 to 16 form an integral part of these condensed interim financial statements.

National Takaful Company (Watania) PJSC

Condensed interim statement of cash flows

For the nine month period ended 30 September

	(Unaudited) 2015 AED'000	(Unaudited) 2014 AED'000
	<i>Note</i>	
Operating activities		
(Loss) / profit for the period	(27,510)	1,049
<i>Adjustment for:</i>		
Depreciation and amortisation	15 1,005	1,508
Income from investments including Wakala deposits	5,227	(16,401)
Provision for end of service benefits	2,298	571
Operating loss before changes in working capital	(18,980)	(13,273)
Changes in:		
Reinsurance and retakaful contract assets	9 (48,493)	(58,186)
Takaful contract liabilities	9 87,311	69,416
Takaful receivables	(42,331)	(24,818)
Advances, deposit and other assets	(7,812)	(909)
Payable to retakaful and brokers	5,609	15,895
Other liabilities	6,880	538
Cash used in operations	(17,816)	(11,337)
End of service benefits paid	(2,368)	(7)
Net cash used in operating activities	(20,184)	(11,344)
Investing activities		
Purchase of property and equipment	(66)	(1,129)
Income from investments including Wakala deposits	(5,227)	16,401
Net increase in investments	(12,565)	(15,956)
Net increase in investment property	23,717	-
Placement of Wakala deposits with banks	8,420	(8,469)
Net cash generated from / (used in) investing activities	14,279	(9,153)
Net decrease in cash and cash equivalents	(5,905)	(20,497)
Cash and cash equivalents at the beginning of the period	24,075	48,483
Cash and cash equivalents at the end of the period	18,170	27,986

The notes set out on pages 7 to 16 form an integral part of these condensed interim financial statements.

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National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

1 Legal status and activities

National Takaful Company (Watania) PJSC (the “Company”) was incorporated in the Emirate of Abu Dhabi, United Arab Emirates on 28 June 2011 as a public joint stock company in accordance with the United Arab Emirates Federal Law No 8 of 1984 (as amended). Incorporation of the Company was approved by the Ministry of Economy with a ministerial resolution No. (379) on 28 June 2011.

The registered office address of the Company is P.O. Box No. 6457 Abu Dhabi, United Arab Emirates. The Company is primarily authorised to engage in providing all classes of non family takaful solutions in accordance with UAE Federal Law No. 6 of 2007.

2 Basis of preparation

(a) *Statement of compliance*

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Accordingly, these do not include all of the information required for a complete set of financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

(b) *Basis of measurement*

These condensed interim financial statements have been prepared on the historical cost basis except for investment properties, available for sale financial assets and financial assets carried at fair value through profit or loss. Assets and liabilities of the investment funds fully owned by the Company have been included in these condensed interim financial statements.

(c) *Functional and reporting currency*

These condensed interim financial statements are presented in United Arab Emirates Dirhams (“AED”), which is the Company’s functional currency. Except as indicated, financial information presented in AED has been rounded to the nearest thousand.

(d) *Use of estimates and judgement*

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2014.

National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

3 Significant accounting policies

The accounting policies applied by the Company in the presentation of these condensed interim financial statements are consistent with those applied by the Company in its audited financial statements as at and for the year ended 31 December 2014, except for the adoption of accounting policies for investment properties and available for sale financial assets during the period as well as the new standards and interpretations effective as of 1 January 2015.

The adoption of the new and amended standards and interpretations did not have any impact on the financial position or performance of the Company during the period.

Investment property

Investment property is property held for rental income or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production, supply of goods or services or for administrative purposes. Investment property is measured at cost and subsequently at fair value with any change therein recognised in the statement of profit or loss and other comprehensive income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

An available for sale financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20 % to be significant and a period of nine months to be prolonged.

National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

3 Significant accounting policies (continued)

Available-for-sale financial assets (continued)

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

4 Takaful and financial risk management

The Company's takaful and financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2014.

5 Cash and cash equivalents

	(Unaudited) 30 September 2015 AED'000	(Audited) 31 December 2014 AED'000	(Unaudited) 30 September 2014 AED'000
Cash in hand	73	13	3
Cash at bank - current account	9,487	21,062	15,583
Cash at bank - margin account	-	-	-
Wakala deposits with bank (with original maturities of less than three months)	8,610	3,000	12,400
	<u>18,170</u>	<u>24,075</u>	<u>27,986</u>

Wakala deposits carry a profit rate from 0.7 % to 3.25 % per annum (2014: 0.95 % to 3.25 % per annum).

National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

6 Financial assets carried at fair value through profit or loss

	(Unaudited) 30 September 2015 AED'000	(Audited) 31 December 2014 AED'000
Equity investments	-	29,237
Fixed income investments	67,780	82,660
	<u>67,780</u>	<u>111,897</u>
Financial assets carried at fair value through profit or loss	<u>67,780</u>	<u>111,897</u>

7 Available for sale financial assets

	(Unaudited) 30 September 2015 AED'000	(Audited) 31 December 2014 AED'000
Equity investments	9,229	-
	<u>9,229</u>	<u>-</u>

8 Investment properties

	(Unaudited) 30 September 2015 AED'000	(Audited) 31 December 2014 AED'000
Investment Properties	23,717	-
	<u>23,717</u>	<u>-</u>

The Company acquired 20 residential one bedroom units in Marina Blue Tower, Al Reem Island Abu Dhabi on April 30, 2015. The above carrying value includes the purchase price paid plus the associated cost to acquire the units.

As at 30 September 2015, the investment properties were included in level 2 of the fair value hierarchy. Management believes that the carrying value of these properties approximate their fair value as of 30 September 2015.

National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

9 Reinsurance and retakaful contract assets and takaful contract liabilities

	(Unaudited) 30 September 2015 AED'000	(Audited) 31 December 2014 AED'000
Takaful contract liabilities		
Reported claims	115,618	81,541
Claims incurred but not reported	11,285	5,250
Unearned contributions	127,939	80,740
	<u>254,842</u>	<u>167,531</u>
Reinsurance and retakaful contract assets		
Reported claims	79,669	62,424
Claims incurred but not reported	6,352	2,090
Deferred retakaful contributions	74,556	47,570
	<u>160,577</u>	<u>112,084</u>
Takaful liabilities-net		
Reported claims	35,949	19,117
Claims incurred but not reported	4,933	3,160
Unearned contributions	53,383	33,170
	<u>94,265</u>	<u>55,447</u>

National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

10 Share capital

	(Unaudited) 30 September 2015 AED'000	(Audited) 31 December 2014 AED'000
<i>Authorised, issued and fully paid up capital</i> 150,000,000 shares of AED 1 each	<u>150,000</u>	<u>150,000</u>

11 Policyholders' fund

	(Unaudited) 30 September 2015 AED'000	(Audited) 31 December 2014 AED'000
Deficiency of policyholders' fund		
Deficit in policyholders' fund	(34,390)	(21,194)
Deficit financed by Qard Hassan by shareholders	34,390	21,194
	<u>-</u>	<u>-</u>

The shareholders of the Company have financed the policyholders' deficit in accordance with the Company's policy.

12 Related party transactions

The Company, in the normal course of business, collects contributions, settles claims and enters into other transactions with other businesses that fall within the definition of related parties contained in the revised International Accounting Standard 24. The following are the details of significant transactions with related parties.

	<i>3 months ended</i>		<i>9 months ended</i>	
	30 Sep 2015 AED'000	30 Sep 2014 AED'000	30 Sep 2015 AED'000	30 Sep 2014 AED'000
Transactions with related parties				
Gross contributions written	-	-	5	5
Gross contribution received	-	-	6	5
Compensation to key management personnel	-	530	4,743	1,584

National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

13 Segmental information

For the nine month period ended 30 September 2015 (Unaudited)

	Medical AED'000	Others AED'000	Total AED'000
Gross takaful contributions	112,979	79,513	192,492
Contributions ceded to retakaful	(43,658)	(41,547)	(85,205)
Net takaful contributions	69,321	37,966	107,287
Unearned premium movement	(11,523)	(8,690)	(20,213)
Net contribution earned	57,798	29,276	87,074
Gross claim paid	(65,037)	(56,676)	(121,713)
Movement in outstanding and IBNR claims	(4,426)	(35,687)	(40,114)
Retakaful share of claims paid	28,652	33,732	62,384
Movement in retakaful share of outstanding and IBNR claims	2,366	19,141	21,507
Net claims incurred	(38,445)	(39,491)	(77,936)
Net commission expense	(5,641)	(737)	(6,378)
Other underwriting expenses - net	(9,838)	(1,988)	(11,826)
Total operating gain	3,874	(12,940)	(9,066)
Wakala fee	(13,397)	(11,927)	(25,324)
Deficit of takaful results for the period	(9,523)	(24,867)	(34,390)

Segment reporting by business in respect of assets and liabilities are not available for disclosure purposes.

National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

13 Segmental information *(continued)*

For the nine month period ended 30 September 2014 (Unaudited)

	Medical AED'000	Others AED'000	Total AED'000
Gross takaful contributions	91,320	64,135	155,455
Contributions ceded to retakaful	(62,873)	(32,288)	(95,161)
Net takaful contributions	28,447	31,847	60,294
Unearned premium movement	(2,110)	(2,546)	(4,656)
Net contribution earned	26,337	29,301	55,638
Gross claim paid	(37,336)	(31,884)	(69,220)
Movement in outstanding and IBNR claims	(1,311)	(36,475)	(37,786)
Retakaful share of claims paid	22,625	12,537	35,162
Movement in retakaful share of outstanding and IBNR claims	1,191	30,021	31,212
Net claims incurred	(14,831)	(25,801)	(40,632)
Net commission (expense) / income	(3,189)	(2,311)	(5,500)
Other underwriting expenses - net	(3,178)	(1,444)	(4,622)
Total operating gain	5,139	(255)	4,884
Wakala fee	(10,477)	(12,186)	(22,663)
Deficit of takaful results for the period	(5,338)	(12,441)	(17,779)

Segment reporting by business in respect of assets and liabilities are not available for disclosure purposes.

14 Wakala fees

The shareholders manage the takaful operations of the Company for the policyholders and charge a maximum of 45% of gross directly written contributions. During the nine months period ended 30 September 2015, Wakala fee has been charged at 15% (2014: 15%).

15 General and administrative expenses

	(Unaudited) 3 months ended		(Unaudited) 9 months ended	
	30 Sep 2015 AED'000	30 Sep 2014 AED'000	30 Sep 2015 AED'000	30 Sep 2014 AED'000
Staff cost	4,484	5,449	18,921	14,674
Rent, rates and service charges	208	675	1,188	1,435
Office stationary and maintenance	143	179	563	461
Marketing and advertising	11	50	278	404
IT maintenance costs	125	254	599	624
Audit, legal and other professional expenses	105	301	554	808
Directors' remuneration	99	18	358	141
Depreciation and amortisation	336	542	1,005	1,508
Others	67	28	205	181
	5,578	7,496	23,671	20,236

National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

16 Fair value of financial instruments

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(a) Financial instruments measured at fair value – fair value hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
30 September 2015				
Financial assets at fair value through profit or loss	67,780	-	-	67,780
Available for sale financial assets	9,229	-	-	9,229
31 December 2014				
Financial assets at fair value through profit or loss	111,897	-	-	111,897

(b) Financial instruments not measured at fair value – fair value hierarchy

Carrying value of all other assets and liabilities that are not measured at fair value are close approximates of their fair values.

National Takaful Company (Watania) PJSC

Notes to the condensed interim financial statements

17 Commitments and contingencies

Commitments as at 30 September 2015 amounted to NIL (2014: AED 175 thousand). Contingent liabilities as at 30 September 2015 were AED 19,862 thousand (2014: AED 10,507 thousand) and represent bank guarantees.

18 Comparative figures

Certain comparative figures have been reclassified, where necessary, to conform to the presentation adopted in these condensed interim financial statements. Such reclassification neither has any impact on the income and expenses nor on the assets and liabilities for the comparative year.