DUBAI NATIONAL INSURANCE & REINSURANCE
(Public Shareholding Company)

دبي الوطنية للتأمين وإعادة التأمين
(شركة مساهمة عامة)

Dated : 10th November 2013

Directors' Report
For the Third Quarter Ended 30th September 2013

The Board of Directors is pleased to present the unaudited results for the third quarter ended 30th September 2013.

- The gross premium written increased in the third quarter of 2013 by 49% to AED 143.800 Million as compared to AED 96.229 Million in the same period last year.

- The net underwriting income also increased in the third quarter of 2013 to AED 25.286 Million as compared to AED 24.024 Million as of September 2012.

- The company achieved net profit of AED 24.536 Million in the third quarter of 2013 compared to AED 23.519 Million in the same period last year.

Mohammed Khalaf Al Habtoor
Managing Director

سجلت في سجل شركات التأمين طبقا للقانون الإتحادي رقم (٦) لسنة ٢٠٠٧، شهادة قيد رقم ٦٤ بتاريخ ٦ يناير ١٩٩٢
Registered in the Insurance Companies Register Under Federal Law No. (6) of 2007, Certificate No. 64 Dated 6th January 1992
E-mail : mails@dnirc.com, Website : www.dnirc.com

ص. ب: ١٨٠٦، دبي، الإمارات العربية المتحدة، هاتف: ٢٩٥٦٧٠٠ ٤ ٩٧١+، فاكس: ٢٩٥٦٧١١ ٤ ٩٧١+
P.O. Box : 1806, DUBAI, United Arab Emirates, Tel. : +971 4 2956700, Fax : +971 4 2956711

Grant Thornton

Dubai National Insurance & Reinsurance (P.S.C.)

Dubai - United Arab Emirates

Condensed Interim Financial Information
(Un-audited)

For the period ended September 30, 2013

Dubai National Insurance & Reinsurance (P.S.C.)
Condensed Interim Financial Information
for the period ended September 30, 2013

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Grant Thornton

Public Accountants
P.O. Box 1620
Warba Centre
Deira-Abu Baker Al Siddique Road
Dubai, United Arab Emirates
Tel. : 971 (4) 2688070
Fax. : 971 (4) 2694599
E-mail : info@ae.gt.com
Website : www.gtuae.net

Review report of the independent auditor to the shareholders of Dubai National Insurance & Reinsurance (P.S.C.)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dubai National Insurance & Reinsurance (P.S.C.) (the "Company") as of September 30, 2013 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine months period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim financial reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagement 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 condensed interim financial information is not prepared, in all material respect in accordance with International Accounting Standard 34 "Interim financial reporting".

Grant Thornton

Grant Thornton
Farouk Mohamed
Insurance Registration No: 86

Dubai, United Arab Emirates
Date: 10 November, 2013

Dubai National Insurance & Reinsurance (P.S.C.)
Condensed Interim Financial Information

Condensed Interim Statement of Financial Position
as at September 30, 2013

	Notes	(Un-audited) September 30, 2013 AED'000	(Audited) December 31, 2012 AED'000
Assets			
Non-current			
Statutory deposits	4	10,268	10,268
Property and equipment		637	1,055
Investment property	5	85,607	86,988
		96,512	98,311
Current			
Financial assets at fair value through other comprehensive income	6	186,026	118,562
Insurance receivables		28,805	35,228
Other receivables		2,735	2,382
Due from related parties	7	16,259	15,342
Re-insurers' contract assets		116,152	95,068
Cash and cash equivalents	8	49,366	31,304
		399,343	297,886
Total assets		495,855	396,197
Equity and liabilities			
Equity			
Share capital		115,500	115,500
Legal reserve		57,448	57,448
Obligatory reserve		28,875	28,875
General reserve		220,000	220,000
Retained earnings		31,285	29,851
Fair value reserve on financial assets at fair value through other comprehensive income		(193,468)	(260,932)
Total equity		259,640	190,742
Liabilities			
Non-current			
Employees' end-of-service benefits		2,513	2,116
Current			
Insurance Contracts provisions		176,733	142,702
Insurance payables		42,798	42,705
Other payables		14,106	13,721
Due to related parties	7	65	4,211
		233,702	203,339
Total liabilities		236,215	205,455
Total equity and liabilities		495,855	396,197

This condensed interim financial information was approved by the Board of Directors on 10 November, 2013 and signed on their behalf by:

Mohammed Khalaf Al Habtoor
Managing Director

Sultan Ahmed Al Habtoor
Vice Chairman

The notes from 1 to 13 form an integral part of this condensed interim financial information.

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Dubai National Insurance & Reinsurance (P.S.C.)
Condensed Interim Financial Information

Condensed Interim Income Statement
for the period ended September 30, 2013

	(Un-audited) 9 months ended September 30, 2013 AED'000	(Un-audited) 9 months ended September 30, 2012 AED'000	(Un-audited) 3 months ended September 30, 2013 AED'000	(Un-audited) 3 months ended September 30, 2012 AED'000
Gross premium	143,800	96,229	43,770	38,362
Reinsurance share of premium	(88,740)	(64,162)	(29,957)	(27,487)
Net premium	55,060	32,067	13,813	10,875
Net transfer (to)/from unearned premium	(9,818)	(217)	2,035	1,075
Net premium earned	45,242	31,850	15,848	11,950
Commission earned	14,463	11,337	6,656	4,830
Commission paid	(12,996)	(8,723)	(3,862)	(3,116)
Others	3,365	4,768	1,031	3,638
Gross underwriting income	50,074	39,232	19,673	17,302
Gross claims paid	54,422	37,134	12,906	9,964
Reinsurance share	(32,763)	(22,201)	(6,695)	(6,664)
Net claims paid	21,659	14,933	6,211	3,300
Provision for outstanding claims and technical provisions	(660)	(4,333)	4,897	1,753
Reinsurance share of outstanding claims	3,789	4,608	(1,485)	525
Net claims incurred	24,788	15,208	9,623	5,578
Net underwriting income	25,286	24,024	10,050	11,724
Income from investment - net	6,942	5,920	92	90
Income from investment property - net	7,084	7,909	2,200	2,415
Other income	146	12	(1)	12
Gross income	39,458	37,865	12,341	14,241
General and administrative expenses	(14,922)	(14,346)	(5,039)	(4,879)
Net profit for the period	24,536	23,519	7,302	9,362
Earnings per share:				
Basic and diluted (note 9)	AED 0.21	AED 0.20	AED 0.06	AED 0.08

The notes from 1 to 13 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Comprehensive Income
for the period ended September 30, 2013

	(Un-audited) 9 months ended September 30, 2013 AED'000	(Un-audited) 9 months ended September 30, 2012 AED'000	(Un-audited) 3 months ended September 30, 2013 AED'000	(Un-audited) 3 months ended September 30, 2012 AED'000
Net profit for the period	24,536	23,519	7,302	9,362
Other comprehensive income:				
Net unrealized profit on investments	67,464	12,153	21,135	11,478
Translation of operating assets and liabilities of overseas branch	(2)	2	1	(2)
Other comprehensive income for the period	67,462	12,155	21,136	11,476
Total comprehensive income for the period	91,998	35,674	28,438	20,838

The notes from 1 to 13 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Changes in Equity
for the period ended September 30, 2013

	Share capital AED'000	Legal reserve AED'000	Obligatory reserve AED'000	General reserve AED'000	Fair value reserve on financial assets at fair value through other comprehensive income AED'000	Retained earnings AED'000	Total equity AED'000
Balance at January 1, 2012 (Audited)	110,000	54,537	27,500	220,000	(274,417)	28,927	166,547
Bonus shares issued	5,500	-	-	-	-	(5,500)	-
Dividend paid	-	-	-	-	-	(16,500)	(16,500)
Transactions with owners	5,500	-	-	-	-	(22,000)	(16,500)
Net profit for the period	-	-	-	-	-	23,519	23,519
Other comprehensive income:							
Net unrealized gain on investments	-	-	-	-	12,153	-	12,153
Adjustment arising on translation of operating assets and liabilities of branch	-	-	-	-	-	2	2
Total comprehensive income for the period	-	-	-	-	12,153	23,521	35,674
Balance at September 30, 2012 (Un-audited)	115,500	54,537	27,500	220,000	(262,264)	30,448	185,721
Balance at January 1, 2013 (Audited)	115,500	57,448	28,875	220,000	(260,932)	29,851	190,742
Dividend paid (note 12)	-	-	-	-	-	(23,100)	(23,100)
Transactions with owners	-	-	-	-	-	(23,100)	(23,100)
Net profit for the period	-	-	-	-	-	24,536	24,536
Other comprehensive income:							
Net unrealized gain on investments	-	-	-	-	67,464	-	67,464
Adjustment arising on translation of operating assets and liabilities of branch	-	-	-	-	-	(2)	(2)
Total comprehensive income for the period	-	-	-	-	67,464	24,534	91,998
Balance at September 30, 2013 (Un-audited)	115,500	57,448	28,875	220,000	(193,468)	31,285	259,640

The notes from 1 to 13 form an integral part of this condensed interim financial information

Dubai National Insurance & Reinsurance (P.S.C.)
Condensed Interim Financial Information

Condensed Interim Statement of Cash Flows
for the period ended September 30, 2013

	(Un-audited) 9 months ended September 30, 2013 AED'000	(Un-audited) 9 months ended September 30, 2012 AED'000
Cash flows from operating activities		
Net profit for the period	24,536	23,519
Adjustments for:		
Depreciation on property and equipment	640	737
Depreciation on investment property	1,381	1,387
Net movement in employees' end-of-service benefits	397	181
Insurance contract provisions	34,031	(4,293)
Re-insurance contract assets	(21,084)	4,783
Dividend and interest on long-term deposits	(6,942)	(5,920)
Income from investment property - net	(7,084)	(7,909)
Profit on sale of property and equipment	(145)	(12)
Operating profit before changes in working capital	25,728	12,473
Changes in working capital		
Insurance receivables	6,423	15,306
Other receivables	(353)	(382)
Insurance and other payables	478	3,668
Due (to) / from related parties – net	(5,063)	(13,485)
Net cash generated from operating activities	27,213	17,580
Cash flows from investing activities		
Purchase of property and equipment	(272)	(190)
Dividend and interest on long-term deposits	6,942	5,920
Income from investment property	7,084	7,909
Proceeds from sale of property and equipment	195	31
Net cash generated from investing activities	13,949	13,670
Cash flows from financing activity		
Dividend paid	(23,100)	(16,500)
Net cash used in financing activity	(23,100)	(16,500)
Net change in cash and cash equivalents	18,062	14,750
Cash and cash equivalents, beginning of period	31,304	11,223
Cash and cash equivalents, end of period	49,366	25,973

The notes from 1 to 13 form an integral part of this condensed interim financial information.

Notes to the condensed interim financial information (Un-audited)

1 Legal status and activities

Dubai National Insurance & Reinsurance (P.S.C.) (the "Company") is a public shareholding company incorporated in Dubai on January 06, 1992 with a branch in Beirut, Lebanon.

The Company is engaged in insurance and reinsurance of all classes of business in accordance with the provisions of the UAE Federal Law No. 6 of 2007 relating to insurance companies and insurance agents. The registered address of the Company is Dubai National Insurance Building, Floor 7 & 9, Port Saeed, P.O. Box 1806, Dubai, U. A. E.

The overseas branch in Beirut is in the process of being wound down. Accordingly, the related license as required by local regulations has been terminated. The related guarantee is blocked with the Ministry of Economic & Commerce, Insurance Affairs Department in Lebanon until it meets all its obligations, as published in the official gazette in April 2004. The branch has no operations and the total expenses and assets of the branch are not material to these financial statements. Hence, these financial statements do not separately disclose the expenses, assets, liabilities and cash flows for the discontinued operations of the branch.

2 General information and basis of preparation

The interim condensed consolidated financial information of the Company has been prepared in accordance with International Accounting Standards 34: Interim Financial Reporting and does not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2012.

3 Significant accounting policies

Accounting policies, related adjustments, estimates and assumptions adopted for the preparation of this interim condensed consolidated financial information are the same as those applied in the preparation of the annual audited consolidated financial statements for the year ended December 31, 2012, except for new standards, interpretations and amendments mandatorily effective for the first time as of January 1, 2013 [refer note 3(b) and note 13].

a) Functional and presentation currency

The interim condensed consolidated financial information has been prepared in Arab Emirates Dirham (AED), the functional currency of the Company.

b) Standards, interpretations and amendments to existing standards that are effective in 2013

Certain standards, interpretations and amendments to existing standards, issued by the IASB, that are effective for the accounting period beginning on or after January 1, 2013 are relevant to the Company and have been applied for the first time. The nature and impact of these standards, interpretations and amendments is described on the next page.

Notes to the condensed interim financial information (Un-audited)

3 Significant accounting policies (continued)

b) Standards, interpretations and amendments to existing standards that are effective in 2013 (continued)

IFRS 7 Financial Instruments: Disclosures - Amendment (effective for accounting periods commencing on or after January 1, 2013)

Qualitative and quantitative disclosures have been added to IFRS 7 'Financial Instruments: Disclosures' (IFRS 7) relating to gross and net amounts of recognised financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position.

As the Company is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Company.

IFRS 13 Fair Value Measurement - New (effective for accounting periods commencing on or after January 1, 2013)

This standard does not affect items which are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. None of these disclosure requirements are applicable for the Company's interim condensed consolidated financial information.

IAS 1 Presentation of Financial Statements - Amendment (effective for accounting periods commencing on or after July 1, 2012)

The amendments require an entity to Company items presented in other comprehensive income into those that, in accordance with other IFRSs:

- will not be reclassified subsequently to profit or loss; and
- will be reclassified subsequently to profit or loss when specific conditions are met.

The amendment affected presentation only and had no impact on the Company's financial position or performance.

Notes to the condensed interim financial information (Un-audited)

3 Significant accounting policies (continued)

b) Standards, interpretations and amendments to existing standards that are effective in 2013 (continued)

IAS 19 Employee Benefits – Amendment (effective for accounting periods commencing on or after January 1, 2013)

The amendments include a number of targeted improvements throughout the standard. The main changes relate to defined benefit plans. They:

- eliminate the 'corridor method', requiring entities to recognise all gains and losses arising in the reporting period;
- streamline the presentation of changes in plan assets and liabilities; and
- enhance the disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.

The Company provides for employees' end of service benefits by the full amount due to employees for their periods of service up to the reporting date in accordance with the U.A.E. Labour Law. Accordingly, these amendments do not have a material impact on the Company.

c) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

d) Financial assets at fair value through other comprehensive income (FVTOCI)

Investments in equity securities are classified as FVTOCI. At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity investments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading. They are initially recognised at fair value plus transaction costs.

After initial recognition, securities are measured at fair value, with unrealised gains or losses reported within the fair value reserve on investments at FVTOCI, and shown as part of shareholders' equity until the investment is derecognised. When the investment is disposed of, the cumulative gain or loss recognised in other comprehensive income is not reclassified from the equity reserve to income statement, but is reclassified to retained earnings.

e) Investment property

Investment property is measured at cost and is carried net of accumulated depreciation and impairment. Depreciation is determined on a straight-line basis over the estimated useful life of the property which is considered to be 40 years.

3 Significant accounting policies (continued)

f) Critical accounting estimates and judgments in applying accounting policies

The Company makes estimates and assumption that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Outstanding claims and technical provisions

The estimation of the ultimate liability (both technical and outstanding) arising from claims made under insurance contracts is the Company's most critical accounting estimate. These estimates are continually reviewed and updated, and adjustments resulting from this review are reflected in the income statement. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends, is an appropriate basis for predicting future events.

Classification of investment property

The Company makes judgement to determine whether a property qualifies as investment property and follows the guidance of IAS 40 'Investment Property' to consider whether any owner occupied property is not significant and is classified accordingly as investment property.

Provision for doubtful debts

Management reviews the provision for doubtful debts at each reporting date by assessing the recoverability of insurance receivables.

4 Statutory deposits

	(Un-audited) September 30, 2013 AED'000	(Audited) December 31, 2012 AED'000
Held with a local bank in Dubai	10,000	10,000
Held with a bank outside UAE	268	268
	10,268	10,268

Statutory deposit held with a local bank in Dubai, UAE represents deposits held under a lien in favour of the Ministry of Economy and Planning in accordance with Article 42 of Federal Law No. (6) of 2007 (as amended) relating to insurance companies and brokers. The deposit cannot be withdrawn without prior approval from the Ministry of Economy and Planning.

Statutory deposits held outside UAE represent a Restricted Fixed Deposit in favour of the Ministry of Economy & Commerce, Government of Lebanon, as per Law No. 31/91 of Insurance companies held under lien by bank against guarantees issued.

Notes to the condensed interim financial information (Un-audited)

5 Investment property

Within U.A.E:	(Un-audited) September 30, 2013 AED'000	(Audited) December 31, 2012 AED'000
Balance at the beginning of the period	105,721	105,721
Accumulated depreciation	(20,114)	(18,733)
Balance at the end of the period	85,607	86,988

6 Financial assets at fair value through other comprehensive income

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets
- Level 2 – inputs other than quoted prices included within 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)

	Note	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
September 30, 2013					
Investment in quoted securities	(a)	161,180	-	-	161,180
Investment in unquoted securities*	(b)	-	-	24,846	24,846
		161,180	-	24,846	186,026
December 31, 2012					
Investment in quoted securities	(a)	93,716	-	-	93,716
Investment in unquoted securities*	(b)	-	-	24,846	24,846
		93,716	-	24,846	118,562

*The title of the unquoted securities is held by related parties for the beneficial interest of the Company.

(a) Fair values have been determined by reference to their quoted prices at the reporting date.

(b) Unquoted securities as at December 31, 2012 were fair valued by an independent valuer based on the Net Assets Value as of the latest available financial statements of the investees', i.e. December 31, 2011 (2011: based on Net Assets Value as of the financial statements as on December 31, 2010). Management believes that there is no significant deterioration in the value of the unquoted investments during the period ended September 30, 2013 (September 30, 2012: Nil).

Notes to the condensed interim financial information (Un-audited)

7 Related parties

Details of related parties' balances are as follows:

	(Un-audited) September 30, 2013 AED'000	(Audited) December 31, 2012 AED'000
Due from investor:		
Al Habtoor Motors Co L.L.C	861	-
Due from related parties		
Al Habtoor Leighton LLC	5,810	6,679
Dubai National Investment	2,936	914
Diamond Lease L.L.C	2,686	6,417
Habtoor Grand Resort & Spa	1,739	118
Other Habtoor Group companies	2,227	1,214
	16,259	15,342

	(Un-audited) September 30, 2013 AED'000	(Audited) December 31, 2012 AED'000
Due to investor:		
Al Habtoor Motors Co L.L.C	-	4,150
Due to related parties		
Others:		
Al Habtoor Group companies	65	61
	65	4,211

The Company, in the normal course of business, collects premiums from and settles claims of other businesses that fall within the definition of related parties as contained in IFRS. Management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties except specifically disclosed.

Notes to the condensed interim financial information (Un-audited)

7 Related parties (continued)

The following are the details of significant transactions with related parties:

	(Un-audited) 9 months ended September 30, 2013 AED'000	(Un-audited) 9 months ended September 30, 2012 AED'000
Premiums written	60,528	39,035
Claims paid	12,497	6,511
Commission paid	4,269	1,637
Agency repairs	13,295	10,244

8 Cash and cash equivalents

	(Un-audited) September 30, 2013 AED'000	(Audited) December 31, 2012 AED'000
Cash in hand and at bank	49,366	31,304

(a) Cash at banks includes approximately AED 0.43 million (2012: AED 0.3 million) converted from Lebanese Lira (LL).

(b) Cash at banks includes short term deposits with local banks carrying interest ranging from 0.75% - 1.2% (December 31, 2012: 0.8% - 2.5%).

Notes to the condensed interim financial information (Un-audited)

9 Earnings per share

Basic and diluted

	(Un-audited) 9 months ended September 30, 2013	(Un-audited) 9 months ended September 30, 2012	(Un-audited) 3 months ended September 30, 2013	(Un-audited) 3 months ended September 30, 2012
Earnings (AED'000):				
Net profit for the period	24,536	23,519	7,302	9,362
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic earnings per share	115,500,000	115,500,000	115,500,000	115,500,000
Earnings per share (AED):				
Basic and diluted*	0.21	0.20	0.06	0.08

* These figures are rounded off

The Company does not have potentially diluted shares and accordingly, diluted earnings per share equals basic earnings per share.

10 Segment information

The Company operates two main business segments: Underwriting and Investments.

Underwriting segment is further classified into General Insurance and Life & Health Insurance. Investments segment comprises Investment Property and Investment at FVTOCI. The Life insurance provided by the Company is for a period of 12 months and does not include any investment portion.

	Nine months period ended September 30, 2013 AED '000			Nine months period ended September 30 , 2012 AED '000		
	Underwriting	Investments	Total	Underwriting	Investments	Total
Segment revenue	143,800	-	143,800	96,229	-	96,229
Segment result	25,432	14,026	39,458	24,036	13,829	37,865
Unallocated administrative cost			(14,922)	-	-	(14,346)
Net profit for the period			24,536	-	-	23,519

Notes to the condensed interim financial information (Un-audited)

10 Segment information (continued)

	September 30 , 2013 AED '000			December 31, 2012 AED '000		
	Underwriting	Investments	Total	Underwriting	Investments	Total
Segment assets	164,588	271,633	436,221	149,075	205,550	354,625
Unallocated assets	-	-	59,634	-	-	41,572
Total assets			495,855			396,197
Segment liabilities	232,222	3,993	236,215	203,134	2,321	205,455
Total liabilities			236,215			205,455

11 Commitments

The Company's bankers have issued in the normal course of business guarantee in favour of third parties amounting to AED 0.3 million (December 31, 2012: AED 0.3 million) which is secured by way of deposits held.

12 Dividend

The Board proposed cash dividend of 20% of paid up capital, AED 23.1 million (AED 0.20 per share) for the year ended December 31, 2012 which was approved at the Annual General Meeting held on March 17, 2013 and paid in April 2013.

13 Change in accounting estimate

In adherence to the recommendation of the UAE Insurance Authority on the calculation of the unearned premium reserves, the Company has changed the estimate used to compute the provision for unearned premium from a flat rate (25% for marine and 40% for all other classes except for medical which was already on linear method) in the last year to the linear method computed based on lives of individual contracts with effect from January 1, 2013. If the provision computation had continued as per last year's estimate, the net transfer to unearned premium would have reduced by AED 7.22 million with a corresponding increase in net profit by the same amount.