DUBAI NATIONAL INSURANCE & REINSURANCE

(Public Shareholding Company)

دبي الوطنية للتأمين وإعادة التأمين

(شركة مساهمة عامة)

Dubai National Insurance & Reinsurance P.S.C

Financial Statements

Statement of financial postion

As at December 31, 2013

		December 31, 2013 AED '000	December 31, 2012 AED '000
ASSETS			
Non-current assets			
Statutory deposits	3	**10,268**	10,268
Property and equipment	4	**593**	1,055
Investment property	5	**85,141**	86,988
		96,002	98,311
Current assets			
Financial assets	6	**228,861**	118,562
Insurance receivables	7	**26,738**	35,228
Other receivables	8	**2,561**	2,382
Due from related parties	9	**6,938**	15,342
Re-insurer's contract assets	10	**107,693**	95,068
Cash and cash equivalents	11	**55,265**	31,304
		428,056	297,886
TOTAL ASSETS		**524,058**	396,197
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**115,500**	115,500
Legal reserve	13	**57,750**	57,448
Obligatory reserve	14	**28,875**	28,875
General reserve	15	**220,000**	220,000
Retained earnings		**34,242**	29,851
Fair value reserve on available for sale investments		**(150,634)**	(260,932)
		305,733	190,742
LIABILITIES			
Non-current			
Employees' end of service benefits	16	**2,636**	2,116
Current			
Insurance Contract Provisions	10	**159,144**	142,702
Insurance payables	17	**36,779**	42,705
Other payables	18	**16,262**	13,721
Due to related parties	9	**3,504**	4,211
		215,689	203,339
Total liabilities		**218,325**	205,455
TOTAL EQUITY AND LIABILITIES		**524,058**	396,197

These financial statements were approved by the Board of Directors on 12TH February 2014 and signed on their behalf by:

Khalaf Ahmed Al Habtoor
Chairman

Mohammed Khalaf. Al Habtoor
Managing Director

Dubai National Insurance & Reinsurance P.S.C
Financial Statements
Statement of comprehensive income
For the year ended December 31, 2013

	Notes	2013 AED'000	2012 AED'000
Gross premium		**166,633**	128,193
Reinsurance share of premium		**(101,739)**	(79,569)
Net premium		**64,894**	48,624
Net transfer to unearned premium reserve		**(3,654)**	(4,682)
Net premium earned		**61,240**	43,942
Commision earned		**16,765**	13,825
Commision paid		**(16,791)**	(11,602)
Others		**4,223**	6,648
Gross underwriting income		**65,437**	52,813
Gross claims paid		**72,951**	47,375
Reinsurance share		**(41,141)**	(27,262)
Net claims paid		**31,810**	20,113
Provision for outstanding claims and technical provisions		**4,036**	(1,196)
Reinsurance share of outstanding claims		**(3,873)**	889
Net claims incurred		**31,973**	19,806
Net underwriting income		**33,464**	**33,007**
Income from investment -net	19	**6,976**	6,084
Income from investment property	20	**9,489**	10,210
Other income	21	**156**	41
Gross income		**50,085**	49,342
General and administrative expenses	22	**(19,878)**	(20,229)
Net profit for the year		**30,207**	**29,113**
Earnings per share:			
Basic and diluted	23	**AED 0.26**	AED 0.25

Dubai National Insurance & Reinsurance P.S.C
Financial Statements
Statement of comprehensive income
For the year ended December 31, 2013

	2013 AED'000	2012 AED'000
Net profit for the period	**30,207**	29,113
Other comprehensive income		
Net unrealized profit/(losses) on investments	110,298	13,485
Translation of operating assets and liabilities of overseas branch	(1)	2
Total compreshensive income for the period	**140,504**	42,600

The notes from 1 to 30 form an integral part of these financial statements.

Dubai National Insurance & Reinsurance P.S.C
Financial Statements
Statement of changes in equity
For the year ended December 31, 2013

	Share capital	Legal reserve	Obligatory reserve	General reserve	Fair value reserve on financial asset at fair value through other comprehensive income	Retained earnings	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Balance as at January 1,2012	110,000	54,537	27,500	220,000	(274,417)	28,927	166,547
Dividend paid	-	-	-	-	-	(16,500)	(16,500)
Bonus share issue	5,500	-	-	-	-	(5,500)	-
Directors' remuneration	-	-	-	-	-	(1,905)	(1,905)
Transfer to legal reserve	-	2,911	-	-	-	(2,911)	-
Transfer to obligatory reserve	-	-	1,375	-	-	(1,375)	-
Transaction with owners	5,500	-	-	-	-	(28,191)	(18,405)
Profit for the year	-	-	-	-	-	29,113	29,113
Other comprehensive income:							
Net unrealised gain on investments	-	-	-	-	13,485		13,485
Adjustment arising on translation of operating assets and liabilities of overseas branch	-	-	-	-	-	2	2
Balance as at 31st December 2012	**115,500**	**57,448**	**28,875**	**220,000**	**(260,932)**	**29,851**	**190,742**
Balance as at January 1,2013	115,500	57,448	28,875	220,000	(260,932)	29,851	190,742
Dividend paid	-	-	-	-	-	(23,100)	(23,100)
Directors' remuneration	-	-	-	-	-	(2,413)	(2,413)
Transfer to legal reserve	-	302	-	-	-	(302)	-
Transaction with owners	-	302	-	-	-	(25,815)	(25,513)
Profit for the year	-	-	-	-	-	30,207	30,207
Other comprehensive income:							
Net unrealised gain on investments	-	-	-	-	110,298	-	110,298
Adjustment arising on translation of operating assets and liabilities of overseas branch	-	-	-	-	-	(1)	(1)
Balance as at 31st December 2013	**115,500**	**57,750**	**28,875**	**220,000**	**(150,634)**	**34,242**	**305,733**

The notes from 1 to 30 form an integral part of these financial statements.

Statement of cash flows
for the year ended December 31, 2013

	Notes	2013 AED '000	2012 AED '000
Operating activities			
Net profit for the year		**30,207**	29,113
Adjustments for:			
Depreciation on property and equipment	4	**763**	963
Depreciation on investment property	5	**1,847**	1,853
Profit on disposal of property and equipment	21	**(156)**	(41)
Provision for employees' end of service benefits	16	**615**	442
Insurance contract provisions		**16,442**	7,854
Reinsurance contract assets		**(12,625)**	(3,480)
Dividend and interest on long-term deposits	19	**(6,976)**	(6,084)
Income from investment property - net		**(9,489)**	(12,063)
Operating profit before changes in working capital		**20,628**	18,557
Changes in working capital			
Insurance receivables		**8,490**	20,165
Other receivables		**(179)**	(1,291)
Insurance payables		**(5,926)**	(1,397)
Other payables		**2,541**	753
Due from/(to) related parties-net		**7,697**	(16,150)
		33,251	20,637
Employees' end of service benefits paid	16	**(95)**	(87)
Directors' remuneration paid	18	**(2,413)**	(1,905)
Net cash from operating activities		**30,743**	**18,645**
Investing activities			
Purchase of property and equipment	4	**(361)**	(343)
Proceeds from disposals of property and equipment		**215**	130
Dividend and interest on long-term deposits		**6,976**	6,084
Income from investment property - net		**9,489**	12,063
Cash flow from investing activities		**16,319**	17,934
Financing activities			
Dividends paid	25	**(23,100)**	(16,500)
Cash flow used financing activities		**(23,100)**	(16,500)
Net increase in cash and cash equivalents		23,962	20,079
Cash and cash equivalents at January 1,		**31,304**	11,223
Exchange differences on cash and cash equivalents		**(1)**	2
Cash and cash equivalents at December 31,	11	**55,265**	31,304

The notes from 1 to 30 form an integral part of these financial statements.

2 Significant Accounting Policies (continued)

b) Standards, interpretations and amendments to existing standards (continued)

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

IAS 16 Property, Plant and Equipment – Amendments (effective for accounting period on or after July 1, 2014)

The amendments remove perceived inconsistencies in the accounting for accumulated depreciation when an item of property, plant and equipment is revalued. The amended requirements clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

An entity is required to apply to amendments to all revaluations recognised in the annual period in which the amendments are first applied and in the immediately preceding annual period. An entity is permitted, but not required, to restate any earlier periods presented.

IAS 24 Related Party Disclosures – Amendments (effective for accounting period on or after July 1, 2014)

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

IAS 40 Investment Property – Amendment (effective for accounting period on or after July 1, 2014)

The amendment clarifies that IAS 40 and IFRS 3 'Business Combinations' are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether (a) the property meets the definition of investment property in IAS 40 and (b) the transaction meets the definition of a business combination under IFRS 3 'Business Combinations'.

The amendment applies prospectively for acquisitions of investment property in periods commencing on or after July 1, 2014. An entity is only permitted to adopt the amendments early and/or restate prior periods if the information to do so is available.

c) Accounting convention

The financial statements are prepared using the measurement basis specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more described in the accounting policies below.

2 Significant Accounting Policies (continued)

d) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives of the property and equipment.

The rates of depreciation used are based on the following estimated useful lives of the assets.

	Years
Furniture and fixtures	4-11
Motor vehicles	3
Computer equipment	4
Buildings	40

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether or not the asset is revalued.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income'.

e) Investment property

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

No depreciation is charged on freehold land.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

Fair value of investment properties are determined by open market values based on valuations performed by an independent surveyor only for disclosure purposes.

f) Revenue recognition

Gross premium
Gross premium and policy fees are recognised as income when insurance policies are issued to the insured, consequent to the acceptance of the risk.

Commission on reinsurance
Commission is recognised at the time the policies are written excluding profit commission which is recognised at the time of settlement.

2 Significant Accounting Policies (continued)

f) Revenue recognition (continued)

Interest income
Interest income is recognised on accrual basis taking into account effective interest rates on the instrument, on a time proportionate basis.

Investment income
Investment income is recognised at the time the securities are liquidated and the proceeds are realised or realisable.

Fair value gains and losses are recognised in accordance with specific policies for different classes of financial instruments.

Rental income
Rental income from investment property is recognised on a straight line basis over the term of the lease.

Dividend income
Dividend income is recognised when the right to receive payment is established.

g) Claims

Claims incurred comprise actual claims and other related costs paid and incurred in the year and movement in outstanding claims. Claim handling costs are recognised at the time of registering the claims.

On account of uncertainties involved in non-motor claim recoveries, salvage and subrogation rights are recognised only at the time of actual recovery. For motor claim recoveries, salvage is accounted at the time of registering the claims.

Provision for outstanding claims represents the estimated settlement values of all claims notified, but not settled at the statement of financial position date on the basis of individual case estimates.

The reinsurers' portion towards the above outstanding claims is classified as reinsurance contract assets and it is showed as current assets in the financial statements.

h) Provision for IBNR

In addition to outstanding claims a provision for Incurred But Not Reported claims ("IBNR") is made at the statement of financial position date based on management estimates of net claims. The method used by the Company to calculate the provisions takes into account past estimates and details of reinsurance programmes to assess the expected size of reinsurance recoveries.

2 Significant Accounting Policies (continued)

i) Liability adequacy test

All recognised insurance liabilities including provision for outstanding claims are subject to liability adequacy test at each reporting date. This involves comparison of current estimates of all contractual cash flows attached to these liabilities with their carrying amounts. Estimates of contractual cash flows include expected claim handling costs as also recoveries from third parties. Any deficiency in carrying amounts is charged to the income statement by establishing a provision for losses arising from liability adequacy test.

j) Unearned Premium Reserve

The Unearned Premium Reserve (UPR) represents that portion of premiums earned gross of reinsurance, which relate to the period of insurance subsequent to the statement of financial position date and is computed on linear method based on the outstanding period from the date of statement of financial position upto the date of the maturity of the policy.

k) Reinsurance premium

Ceded reinsurance premiums are accounted for in the same accounting periods as the premiums for the related direct insurance, and are calculated in accordance with reinsurance arrangements in place.

l) Reinsurance assets

Amounts recoverable under reinsurance contracts are assessed for impairment at each statement of financial position date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

m) Financial assets

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

2 Significant Accounting Policies (continued)

m) Financial assets (continued)

Recognition, initial measurement and derecognition

Loans and receivables comprise cash and cash equivalents, trade and most other receivables.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial assets

The Company classifies its financial assets as investments at 'fair value through other comprehensive income' ('FVTOCI') and 'loans and receivables' at amortised cost. The classification depends on the nature of these investments.

Investments 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.

Fair value measurement

For investments traded in organised financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date. Investments in unquoted securities are measured at fair value, except in the limited circumstances where cost may be an appropriate estimate of fair value. This may be the case if insufficient more recent information is available to determine fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Gains or losses on subsequent measurement

Gain or loss arises from change in fair value of investments at FVTOCI and is recognised in other comprehensive income and reported within the fair value reserve for investments at FVTOCI within equity. When the asset 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.

De-recognition

A financial asset is derecognised when the Company loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expired or surrendered. A financial liability is derecognised when it is extinguished. The Company uses the specific identification method to determine the gains or losses on de-recognition.

2 Significant Accounting Policies (continued)

m) Financial assets (continued)

Impairment and uncollectability of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the income statement. Impairment is determined as follows:

a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognized in the income statement; and

b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.

n) Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from insurance brokers, re-insurers and insurance contract holders.

If there is objective evidence that the insurance receivables are impaired, the Company reduces the carrying amount of the insurance receivables accordingly and realises the impairment loss in the income statement.

o) End of service benefits

In compliance with U.A.E. Labour Law, the Company has gratuity benefits covering all of its non-national employees who have been with the Company for more than one year. The provision for staff terminal benefits is based on the liability that would arise if the employment of all the employees was terminated at the statement of financial position date.

Under Federal Labour Law No. 7 of 1999 for pension and social security employers are required to contribute 12.5% of the 'contribution calculation salary' (basic salary plus allowances) of those employees who are U.A.E. nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Company's contribution is recognised as an expense in the income statement as incurred. The employees and employers' contribution, to the extent remaining unpaid at the statement of financial position date, are shown under provisions.

p) Foreign currency transactions

Transactions in foreign currencies are translated to U.A.E. Dirhams ('AED') at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

2 Significant Accounting Policies (continued)

m) Financial assets (continued)

Impairment and uncollectability of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the income statement. Impairment is determined as follows:

a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognized in the income statement; and

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p) Foreign currency transactions

Transactions in foreign currencies are translated to U.A.E. Dirhams ('AED') at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

2 Significant Accounting Policies (continued)

q) Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognised in the income statement.

r) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, current accounts and fixed deposits balances with original maturities of less than 3 months and free from lien. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of cash flows.

t) Critical accounting estimates and judgements in applying accounting policy

On 1 January 2013, the Company has voluntarily changed their accounting policy for recognising revenue from insurance contracts relating to general insurance business. Prior to the change in the accounting policy, the Group had recognised revenue (earned premium) from insurance contracts in accordance with the regulation relating to the insurance companies, deferring 40% of annual written premium as unearned premium except marine class of business of which the amount to be deferred was calculated at 25% of the annual written premium. The change in accounting policy in the current year has resulted in recognising earned premium on time-proportion basis wherein revenue from an insurance contract is recognised over the effective period of the policy.

If the provision computation had continued as per last year's estimate the net transfer to unearned premium would have reduced by AED 3.123 million with the corresponding increase in net profit by the same amount.

The Company makes estimates and assumption that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements 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.

2 Significant Accounting Policies (continued)

t) Critical accounting estimates and judgements in applying accounting policy (continued)

Outstanding claims, IBNR and UPR

The estimation of the ultimate liability (outstanding claims and IBNR) arising from claims and UPR 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.

Value of investment property is estimated at open market value by an independent professional valuer.

Unquoted investments

Unquoted securities as at December 31, 2013 were fair valued by an independent valuer based on Earnings Multiple technique following 'Market Approach' under IFRS-13: Fair Value Measurement.

Provision for doubtful debts

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

u) Segment reporting

In identifying its operating segments, management generally follows the Company's lines of business. Each of these operating segments is managed separately as each of these business lines require different resources as well as marketing approaches.

Under IFRS 8 "Operating Segments", reported segment profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The measurement policies used by the Company for segment reporting under IFRS 8 are the same those used in its financial statements.

3 Statutory deposits

	2013 AED '000	2012 AED '000
(i) Deposit with a local bank in Dubai, U.A.E. 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 on Establishment of the Insurance Authority and Organization of the Insurance Operations relating to insurance companies and brokers. The deposit cannot be withdrawn without prior approval from the Ministry of Economy and Planning.	**10,000**	10,000
(ii) 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 guarantee issued deposit in LL 110 million (2012: LL 110 million).	**268**	268
	10,268	10,268

Notes to the financial statements (continued)
for the year ended December 31, 2013

4 Property and equipment

	Furniture and fixtures AED'000	Motor vehicles AED'000	Computer equipment AED'000	Land and buildings AED'000	Total AED'000
Cost					
At January 1, 2013	1,723	703	2,601	-	5,027
Additions	73	35	253	-	361
Disposals	-	(327)	-	-	(327)
At December 31, 2013	1,796	411	2,854	-	5,061
Accumulated depreciation					
At January 1, 2013	1,433	521	2,018	-	3,972
Charge for the year	217	107	439	-	763
Disposals	-	(267)	-	-	(267)
At December 31, 2013	1,650	361	2,457	-	4,468
Net book value At December 31, 2013	146	50	397	-	593
At 31 December 2012	290	182	583	-	1,055
Cost					
At January 1, 2012	1,743	703	2,644	-	5,090
Additions	48	135	160	-	343
Disposals	(68)	(135)	(203)	-	(406)
At December 31, 2012	1,723	703	2,601	-	5,027
Accumulated depreciation					
At January 1, 2012	1,167	455	1,704	-	3,326
Charge for the year	316	130	517	-	963
Disposals	(50)	(64)	(203)	-	(317)
At December 31, 2012	1,433	521	2,018	-	3,972
Net book value At December 31, 2012	290	182	583	-	1,055
At 31 December 2011	576	248	940	-	1,764

5 Investment property

	2013 AED '000	2012 AED '000
Cost		
At January 1	**105,721**	105,721
Accumulated Depreciation		
At January 1	**18,733**	16,880
Charge for the year (note 20)	**1,847**	1,853
At December 31	**20,580**	18,733
Net book value		
At December 31	**85,141**	86,988

On December 31, 2013, Land Sterling Property Consultants, independent professional valuers estimated the open market value of the investment properties at AED 175.9 million (2012: AED 160.5 million). The properties are held for capital appreciation and for rental purposes. The Company occupies an insignificant area (16%) of these properties for use in its own business.

6 Financial assets

Financial instruments measured at fair value

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)

The fair values of the financial assets are classified into these three levels as follows:

	Note	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
December 31, 2013					
Investment in quoted securities	(a)	199,361	-	-	199,361
Investment in unquoted securities*	(b)	-	-	29,500	29,500
Net fair value		199,361	-	29,500	228,861
December 31, 2012					
Investment in quoted securities	(a)	93,716	-	-	93,716
Investment in unquoted securities*	(b)	-	-	24,846	24,846
Net fair value		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) Investment in quoted securities:
Fair values have been determined by reference to their quoted prices at the reporting date.

(b) Investment in unquoted securities:
Unquoted securities as at December 31, 2013 were fair valued by an independent valuer based on Earnings Multiple Technique Since latest financial information for similar entities was not publicly available until the date of the issue of these financial statements, therefore valuer used financial information reported at December 31, 2012 (2012: based on Net Assets Value as of the financial statements as on December 31, 2011).

Level 3 value measurements

The reconciliation of carrying amounts of financial instruments classified within level 3 is as follows:

	2013 AED '000	2012 AED '000
Investments in unquoted securities		
Balance as on January 1	**24,846**	25,736
Gains or losses recognised in other comprehensive income	**4,654**	(890)
Balance as on December 31	**29,500**	24,846

7 Insurance receivables

	2013	2012
	AED '000	AED '000
Due from policy holders	**5,731**	4,144
Due from insurance companies	**8,498**	10,126
Due from reinsurance companies	**2,417**	6,980
Due from insurance brokers	**14,426**	18,306
	31,072	39,556
Provision for doubtful debts	**(4,334)**	(4,328)
	26,738	35,228

The average credit period is 90 days. Insurance receivables outstanding over one year which in the management's estimate are impaired and not recoverable are fully provided.

8 Other receivables

	2013	2012
	AED '000	AED '000
Prepayments	**1,880**	1,709
Accrued interest	**97**	114
Other receivables	**584**	559
	2,561	2,382

9 Related party balances

Details of related parties' balances are as follows:

Amounts due from related parties

	2013	2012
	AED '000	AED '000
Al Habtoor Leighton L.L.C.	**5,058**	6,679
Diamond Lease L.L.C.	**783**	6,417
Other Habtoor Group companies	**1,097**	2,246
	6,938	15,342

9 Related party balances (continued)

Amounts due to related parties

	2013 AED '000	2012 AED '000
Due to shareholder:		
Al Habtoor Motors Co L.L.C.	**3,331**	4,150
Other:		
Other Habtoor Group companies	**173**	61
	3,504	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.

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

	2013 AED '000	2012 AED '000
Premiums written	62,756	50,808
Claims paid	11,564	13,337
Commission paid	4,044	2,848
Agency / Non-Agency repairs	20,689	14,384
Key management remuneration		
Short term benefits	2,303	2,789
Post-employment benefits	177	644
	2,480	3,433

10 Insurance contracts provisions and reinsurance contract assets

Assumptions and sensitivities

The process used to determine assumptions for assessing claims provisions is reviewed and updated to be consistent with observable market practices and other reliable information to result in most likely expected outcome.

However, considering the nature of business it cannot be predicted with certainty the likely outcome and the actual cost of the claim. But each claim is assessed on a case to case basis depending upon information available and past trends.

10 Insurance contracts provisions and reinsurance contract assets (continued)

An analysis of sensitivity is carried out for various claims which are an indication for establishing the adequacy of the estimation process. The management believes that the liability for claims reported in the statement of financial position is adequate.

10 Insurance contracts provisions and reinsurance contract assets (continued)

		2013			2012		
		Gross insurance contract liabilities AED	Reinsurance contract assets AED	Net insurance contract liabilities AED	Gross insurance contract liabilities AED	Reinsurance contract assets AED	Net insurance contract liabilities AED
Unearned Premium Reserves	a	59,673	(37,042)	22,631	47,267	(28,291)	18,977
Insurance contract provisions	b	86,859	(70,651)	16,208	82,516	(66,777)	15,739
Provision for IBNR	c	12,612	-	12,612	12,919	-	12,919
Closing balance		159,144	(107,693)	51,451	142,702	(95,068)	47,635

a) Unearned Premium Reserve

		2013			2012		
		Gross AED	Reinsurance share AED	Net AED	Gross AED	Reinsurance share AED	Net AED
Balance as at January 1,	a	47,267	(28,291)	18,977	38,216	(23,922)	14,294
Provision made during the year		59,673	(37,042)	22,631	47,267	(28,291)	18,977
Provision released during the year		(47,267)	28,291	(18,977)	(38,216)	23,922	(14,294)
Net movement during the year	b	12,406	(8,751)	3,654	9,051	(4,369)	4,683
Balance as at December 31,	(a+b)	59,673	(37,042)	22,631	47,267	(28,291)	18,977

10 Insurance contracts provisions and reinsurance contract assets (continued)

b) Insurance contract provisions

		2013			2012		
		Gross AED	Reinsurance share AED	Net AED	Gross AED	Reinsurance share AED	Net AED
Balance as at January 1,	a	82,516	(66,777)	15,739	83,775	(67,666)	16,109
Provision made during the year		77,295	(45,015)	32,280	46,116	(26,373)	19,743
Settled during the year		(72,952)	41,141	(31,811)	(47,375)	27,262	(20,113)
Net movement during the year	b	4,343	(3,874)	469	(1,259)	889	(370)
Balance as at December 31,	(a+b)	86,859	(70,651)	16,208	82,516	(66,777)	15,739

c) Provision for IBNR

		2013			2012		
		Gross AED	Reinsurance share AED	Net AED	Gross AED	Reinsurance share AED	Net AED
Balance as at January 1,	a	12,919	-	12,919	12,857	-	12,857
Provision made during the year		12,612	-	12,612	12,919	-	12,919
Provision released during the year		(12,919)	-	(12,919)	(12,857)	-	(12,857)
Net movement during the year	b	(307)	-	(307)	62	-	62
Balance as at December 31,	(a+b)	12,612	-	12,612	12,919	-	12,919

11 Cash and cash equivalents

	2013 AED'000	2012 AED '000
Cash in hand and at banks	**55,265**	31,304
	=======	======

(a) Cash at banks includes approximately AED 0.45 million (2012: AED 0.3 million) in converted Lebanese Lira (LL).

(b) Cash and bank includes short term deposits with local banks carrying interest ranging from 0.5% - 1.25% (2012: 0.8% - 2.5%).

12 Share capital

The authorised and issued share capital comprises 115,500,000 fully paid-up shares of AED 1 each (Previous year 115,500,000 fully paid-up share of AED 1 each):

	2013 No of shares	2013 AED '000	2012 No of shares	2012 AED '000
Balance at December 31	115,500,000	115,500	115,500,000	115,500
	==========	=======	==========	=======

13 Legal reserve

In accordance with the Company's Articles of Association and Article 192 of the U.A.E. Federal Law No. 8 of 1984 (as amended), a minimum of 10% of the Company's annual net profits must be transferred to a non-distributable legal reserve. As per the Company's Articles of Association, such transfers are required until the balance on the legal reserve equals 50% of the Company's paid-up share capital. During the year the Company has transferred AED 0.302 million (2012: AED 2.911 million), being 0.10% of the net profits to the Legal Reserve to meet the limit.

14 Obligatory reserve

In accordance with the Company's Articles of Association, at least 10% of the Company's annual net profits (before directors' fees) must be transferred to a non-distributable obligatory reserve. Such transfers are required until the balance on this reserve equals 25% of the Company's paid-up share capital, or until the transfer is suspended by resolution of the shareholders. During the year the Company has transferred AED NIL (2012: AED 1.375 million), to the Obligatory Reserve as the limit has been met during the previous year.

15 General reserve

This reserve is established by appropriations from net profits, as proposed by the Board of Directors and is subject to approval by the General Assembly.

16 Employees' end of service benefits

	2013	2012
	AED '000	AED '000
Balance at January 1, 2013	**2,116**	1,761
Charge for the year	**615**	442
Payments during the year	**(95)**	(87)
Balance at December 31, 2013	**2,636**	2,116

17 Insurance payables

	2013	2012
	AED '000	AED '000
Trade creditors	**6,012**	5,143
Insurance companies	**2,357**	2,198
Re-insurance companies	**23,889**	31,158
Brokers payable	**2,002**	1,218
Premium reserve withheld	**2,519**	2,988
	36,779	42,705

18 Other payables

	2013	2012
	AED '000	AED '000
Accrued expenses	**2,510**	2,926
Provision for staff benefits	**2,055**	1,798
Directors' remuneration *	**2,413**	1,905
Other payables	**9,284**	7,092
	16,262	13,721

* Directors' remuneration is an appropriation of net profit for the year in accordance with Article 118 of U.A.E. Commercial Companies Law No. 8 of 1984 (as amended), by The Ministry of Economy and Planning and also as per the Articles of Association of the Company.

19 Income from investments - net

	2013	2012
	AED '000	AED '000
Dividend income	**6,686**	5,718
Interest income – net	**290**	366
	6,976	6,084

20 Income from investment property - net

	2013 AED '000	2012 AED '000
Gross rental income	15,041	15,695
Maintenance expenses	(3,705)	(3,632)
Depreciation (note 5)	(1,847)	(1,853)
	9,489	10,210

21 Other income

	2013 AED '000	2012 AED '000
Profit on disposal of property and equipment	156	41
	156	41

22 General and administrative expenses

	2013 AED '000	2012 AED '000
Personnel costs	14,671	13,354
Other operational expenses	5,207	6,875
	19,878	20,229

23 Earnings per share

Basic and diluted

	2013	2012
Net profit for the year AED '000'	30,207	29,113
Weighted average number of shares outstanding (note 12)	115,500,000	115,500,000
Earnings per share (AED) Basic and diluted	0.26	0.25

24 Segment reporting

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

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

	2013 AED '000			2012 AED '000		
	Underwriting	**Investments**	**Total**	Underwriting	Investments	Total
Segment revenue	**166,633**		**166,633**	128,193		128,193
Segment result	**33,621**	**16,465**	**50,085**	33,048	16,294	49,342
Unallocated administrative cost			**(19,878)**			(20,229)
Net profit for the year			**30,207**			29,113
Segment assets	**144,524**	**316,164**	**460,688**	149,075	205,550	354,625
Unallocated assets			**65,533**			41,572
Total assets			**526,222**			396,197
Segment liabilities	**215,908**	**2,418**	**218,326**	202,346	3,109	205,455
Unallocated liabilities			-			-
Total liabilities			**218,326**			205,455

Underwriting results are further classified as follows:

	AED'000		
2013	**General business**	**Life & health**	**Total**
Gross premiums written	**111,923**	**54,710**	**166,633**
Gross underwriting income	**48,460**	**16,978**	**65,438**
Net claims incurred	**23,852**	**8,121**	**31,973**
Net Underwriting income	**24,608**	**8,857**	**33,465**
2012			
Gross premiums written	94,185	34,008	**128,193**
Gross underwriting income	44,171	8,642	**52,813**
Net claims incurred	15,008	4,798	**19,806**
Net Underwriting income	29,163	3,844	**33,007**

25 Proposed dividend and bonus issue

The Board has proposed cash dividend of 20% of paid up capital, AED 23.1 million (AED 0.20 per share) for the year ended December 31, 2013.

During the previous year, the Board proposed a cash dividend of AED 23.1 million (AED 0.20 per share) representing 20% of the paid up capital as at December 31, 2012. This was approved at the Annual General Meeting held on 17 March 2013.

26 Commitments and contingencies

Guarantees

	2013 AED '000	2012 AED'000
Financial guarantee	**508**	3,908

Guarantees of AED 0.3 million (2012: AED 0.3 million) issued by banks are secured by way of deposits held.

Legal claims

The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of the business. Although the ultimate outcome of these claims cannot presently be determined, adequate provisions have been made for any liability that may result, based on management's best estimates

27 Operating lease

Leases as a lessor

The Company has leased out its investment properties under various operating leases.

Operating lease rentals receivable are:

	2013 AED '000	2012 AED '000
Due within one year	**10,715**	10,018
Due within two to five years	**2,015**	277

Leases as a lessee

At the statement of financial position date, there were no major outstanding commitments under non-cancellable operating leases.

28 Capital commitments

At the statement of financial position date, there were no major capital commitments (2012: nil).

29 Insurance risk management

Risk management objectives and policies for mitigating insurance risk

The primary insurance activity carried out by the Company assumes the risk of loss from persons or organisations that are directly subject to the risk. Such risks may relate to property, liability, life, accident health, financial or other perils that may arise from an insurable event. The Company also has exposure to market risk through its insurance and investment activities. The Company manages the risk through well laid out procedures and delegation levels for both underwriting and settlement of claims.

The Company has structured policies for acceptance and pricing risks. Experienced and qualified professionals undertake the assessment of risks and pricing, with a conservative and cautious approach. Survey, risk measurement, sensitivity analysis, reinsurance term etc., are followed meticulously before acceptance of risk. Apart from these study of portfolio, probability, market trend, past history are all considered for pricing.

Underwriting strategy

This involves the Company's own risk assessment procedures and is based on a balanced portfolio. It is set out in terms of industry, type of exposures, limits for each class, and quality of risks with acceptance levels. This is percolated down to the lower levels of the underwriting sections with the authorities specified along with their limits. Risk selection is set out as per the Company's risk management policies.

Managing reinsurance risk

The Company carries reinsurance cover to minimise exposure to potential losses arising from large insurance claims and consequently in the normal course of business enters into arrangements with other parties for reinsurance purposes. Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance arrangements.

This reinsurance is through proportional treaty and facultative reinsurance contracts. The reinsurers are selected based on their standing in the market, rating, relationship experience and length of association.

Reinsurance recoverable is monitored on a regular basis and through exchange of statements which are duly reconciled.

Terms and conditions of insurance contracts

Insurance contracts are based on uncertainty. As such the terms and conditions of Insurance contracts varies but are generally based on norms as applied in the Insurance Market.

Sensitivity of underwriting profits and losses

The contribution from insurance operations to the profit of the Company amounts to AED 33.465 million for the year ended December 31, 2013 (2012: AED 33.007 million)

29 Insurance risk management

Risk management objectives and policies for mitigating insurance risk (continued)

The Company does not foresee any major impact from insurance operations on account of the following:

- The overall risk retention level of the Company in the year ended December 31, 2013 is 39% (2012: 38%). The Company has initiated series of enterprise-wide risk management measures which includes acceptance and transfer of risks. Appropriate Excess of Loss protections have been designed and placed. The insurance liabilities of the Company are being adequately covered by Treaty/Facultative arrangements with rated reinsurance companies and Excess of Loss reinsurance programs to safeguard against any major financial impact.

- The Company's commissions earned from reinsurance placements are consistent and remain a comfortable source of income.

- Because of the risk retention in all classes of business, the Company does not foresee any serious financial impact in the insurance net profits due to changes in the loss ratios.

30 Financial instruments

The financial assets of the Company include cash at bank and in hand, insurance receivables, reinsurance contract assets, other receivables, due from related parties and investments. Financial liabilities include insurance payables, other payables and due to related parties and provisions. Accounting policies for each class of financial assets and liabilities are set out in note 2.

Categories of financial instruments

Year - 2013

Assets	Loans and receivables AED'000	Financial instruments AED'000	Insurance contracts AED'000	Total AED'000
Financial instruments				
Statutory deposits	10,268	-	-	10,268
Reinsurance contract assets	-	-	107,693	107,693
Cash in hand and at banks including deposits	-	55,265	-	55,265
Financial assets	-	228,861	-	228,861
Insurance receivables	26,738	-	-	26,738
Other receivables	2,561	-	-	2,561
Due from related parties	6,938	-	-	6,938
Total financial assets	46,505	284,126	107,693	438,324

30 Financial instruments (continued)

Categories of financial instruments (continued)

Year - 2013

Liabilities	At amortised cost	Insurance Contracts	Total AED'000
Insurance contract provision	-	159,144	159,144
Insurance and other payables	16,262	36,779	53,041
Due to related parties	3,504	-	3,504
Total liabilities	19,766	195,924	215,690

Year - 2012

Assets	Loans and Receivables AED'000	Financial Instruments AED'000	Insurance Contracts AED'000	Total AED'000
Financial instruments				
Statutory deposits	10,268	-	-	10,268
Reinsurance contract assets	-	-	95,068	95,068
Cash in hand and at banks including deposits	-	31,304	-	31,304
Financial assets	-	118,562	-	118,562
Insurance receivables	35,228	-	-	35,228
Other receivables	673	-	-	673
Due from related parties	15,342	-	-	15,342
Total financial assets	61,511	149,866	95,069	306,446

Year - 2012

Liabilities	At amortised cost	Insurance contracts	Total AED'000
Insurance contract provision	-	142,702	142,702
Insurance and other payables	13,721	42,705	56,425
Due to related parties	4,211	-	4,211
Total liabilities	17,392	185,407	203,338

30 Financial instruments (continued)

Capital management

The Company's objective when managing capital risks are:

1) To comply with the Insurance Capital Requirements required by the U.A.E. Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organization of the Insurance Operations concerning Insurance Companies and Agents. The minimum regulatory capital for Insurance Companies which must be maintained at all times throughout the year as per U.A.E. Law is AED 100,000,000/- (2012: AED 100,000,000/-).

2) To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to the shareholders.

3) To provide an adequate rate of return to shareholders by pricing products and services commensurate with the level of risk.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholders or issue new shares.

There were no changes made in the objectives, policies or processes during the years ended December 31, 2013 and December 31, 2012.

The table below summarises the minimum regulatory capital of the Company and the actual equity held by the Company at the end of the year:

	2013 **AED'000**	2012 AED'000
Total equity held	**305,733**	190,742
Minimum Regulatory Capital	**100,000**	100,000

The main risks arising from the Company's financial instruments are credit risk, interest rate risk, liquidity risk, foreign exchange risk and market risk. The broad review and agreed policies for management of these risks are summarised below:

Credit risk

Credit risk is the risk that one party to a contract underlying a financial instrument will fail to discharge its obligations causing the other party to incur a financial loss.

All of the Company's underwriting activities are carried out in the United Arab Emirates. Cash is placed with a group of banks with good credit ratings. Credit risk on account receivables is spread, as they are due from a large number of customers. Credit risk with respect to 'due from insurers' and due from brokers is diversified due to the dispersion of amounts recoverable over a large number of insurers.

30 Financial instruments (continued)

Credit risk (continued)

Credit risk with respect to reinsurers is mitigated by placement only with those Companies having an acceptable rating.

Credit risk is limited to the carrying values of financial assets in the statement of financial position.

The following table provides an age analysis of receivables arising from insurance past due but not impaired.

	Neither past due nor impaired	Past due but not impaired					
		<120 days	120-180 days	>180 days	Total	Past due and impaired	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
31 December 2013	**18,384**	**2,946**	**2,026**	**7,716**	**31,072**	**(4,334)**	**26,738**
31 December 2012	22,227	4,131	4,936	8,262	39,556	(4,328)	35,228

The Company believes that overdue debtors are not impaired except those already provided for.

Liquidity risk

Liquidity risk is the risk that the Company faces in meeting its present and future financial obligations in a timely manner. Solvency risk refers to the excess of assets over liabilities, and hence, to the adequacy of the Company's capital. The Company is required to maintain an adequate level of liquidity by the regulatory requirements currently in force in the U.A.E.

Liquidity requirements are monitored by the management to ensure sufficient funds are available to meet commitments as they arise. The table below summarised the contractual maturity of various financial instruments:

30 Financial instruments (continued)

Liquidity risk (continued)

Year -2013

	Less than 30 days	30-90 days	90-180 days	After 180 days	Total AED'000
Statutory deposits				10,268	10,268
Financial assets				231,024	231,024
Insurance receivables	5,667	14,929	3,703	2,439	26,738
Other receivables	150	235	1,276	900	2,561
Due from related parties	435	2,613	1,934	1,956	6,938
Cash in hand and at banks including deposits:					
Interest bearing	2,256	24,995	18,002	10,000	55,253
Non-interest bearing	12				12
	8,520	42,772	24,915	256,587	332,794
Liabilities					
Insurance and other payables	3,332	27,236	12,502	9,972	53,041
Due to related parties	61	1,132	1,649	662	3,504
	3,993	29,468	15,141	11,327	60,929

Year -2012

	Less than 30 days	30-90 days	90-180 days	After 180 days	Total AED'000
Statutory deposits				10,268	10,268
Financial assets				118,562	118,562
Insurance receivables	4,630	11,342	15,996	3,260	35,228
Other receivables	130	790	1,061	401	2,382
Due from related parties	767	6,447	6,921	1,207	15,342
Cash in hand and at banks including deposits:					
Interest bearing		21,292		10,000	31,292
Non-interest bearing	12				12
	5,409	39,181	23,490	143,297	211,377

30 Financial instruments (continued)

Liquidity risk (continued)

Year -2012 (continued)

Liabilities					
Insurance and other payables	3,506	23,016	19,646	10,257	56,425
Due to related parties	352	1,062	2,109	688	4,211
	3,858	24,078	21,755	10,945	60,636

Provisions have been excluded due to the uncertainty of timing of payments.

Interest rate risk

The interest risk is the risk that the value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company has interest bearing deposit in commercial banks having effective interest rate (0.5%-1.25%). The interest rate is floating in nature. However, the Company does not foresee any material impacts due to interest rate fluctuations in the foreseeable future as the total amount interest income was not material.

Exchange risk

A major portion of the Company's liabilities and assets are denominated in AED or US Dollars, barring Beirut Branch which is in Lebanese Lira. However since the US Dollar is effectively pegged to AED, there is minimal risk. Moreover assets and liabilities in Beirut branch are not considered to be significant to adversely result in significant exchange loss.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The Company is exposed to market risk with respect to its investments in quoted and unquoted shares.

The Company limits market risks by maintaining a diversified portfolio and by continuous monitoring of developments in stock markets. In addition, the Company actively monitors the key factors that affect stock movements, including analysis of the operational and financial performance of investee.

All the Company's investments are within the United Arab Emirates.

30 Financial instruments (continued)

Sensitivity of equity prices

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower:

- net profit for the year ended 31 December 2013 would have been unaffected as the equity investments are classified as Fair Value Through Other Comprehensive Income and no investments were disposed of during the year; and
- equity reserve for Fair Value Through Other Comprehensive Income investments would increase/decrease by AED 23.102 million (2012: increase/decrease by AED 11.856 million) as a result of the changes in Fair Value Through Other Comprehensive Income.

Method and assumptions for sensitivity analysis

- As at the statement of financial position date if the equity prices are 10% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on equity has been shown above.
- A 10% change in equity prices has been used to give a realistic assessment as a plausible event.

31 Post-reporting date events

Except for the proposed cash dividend of 20% of paid up capital for the year ended December 31, 2013 (note 25) there are no adjusting or significant non-adjusting events which have occurred between the reporting date and the date of authorisation of these financial statements.