Dubai Insurance Company
(Public Shareholding Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2015 (UNAUDITED)

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REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF DUBAI INSURANCE COMPANY (PSC)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Dubai Insurance Company (PSC) as at 30 September 2015, comprising the interim condensed consolidated statement of financial position as at 30 September 2015 and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and explanatory information. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Signed by
Ashraf Abu-Sharkh
Partner
Registration number: 690

9 November 2015

Dubai, United Arab Emirates

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 30 September 2015 (Unaudited)

	Note	*Three months ended 30 September* 2015 AED '000	2014 AED '000	*Nine months ended 30 September* 2015 AED '000	2014 AED '000
UNDERWRITING INCOME					
Gross premium		**63,268**	51,256	**277,041**	248,182
Movement in provision for unearned premium		**7,768**	17,960	**(11,468)**	(2,189)
Insurance premium revenue		**71,036**	69,216	**265,573**	245,993
Reinsurance share of premium		**(48,737)**	(31,371)	**(203,584)**	(162,942)
Movement in provision for reinsurance share of unearned premium		**(1,250)**	(14,709)	**21,014**	(5,066)
		(49,987)	(46,080)	**(182,570)**	(168,008)
Net insurance premium revenue		**21,049**	23,136	**83,003**	77,985
Reinsurance commission income		**6,106**	4,498	**23,761**	15,781
Other expense		**(399)**	(696)	**(3,405)**	(255)
Total underwriting income		**26,756**	26,938	**103,359**	93,511
UNDERWRITING EXPENSES					
Claims incurred		**64,933**	48,477	**173,716**	132,035
Reinsurers' share of claims incurred		**(52,145)**	(33,854)	**(129,615)**	(90,755)
Net claims incurred		**12,788**	14,623	**44,101**	41,280
Commission expenses		**8,516**	7,893	**32,632**	27,627
Excess of loss reinsurance premium		**157**	309	**446**	929
General and administrative expenses relating to underwriting activities		**3,864**	3,267	**11,061**	10,660
Total underwriting expenses		**25,325**	26,092	**88,240**	80,496
NET UNDERWRITING INCOME		**1,431**	846	**15,119**	13,015
INVESTMENT INCOME					
Realised gain on disposal of investment		**28**	43	**203**	157
Fair value gain/(loss) on financial assets at fair value through profit or loss		**699**	682	**217**	(116)
Other investment income		**1,652**	973	**17,047**	15,495
Other investment costs		**(121)**	(58)	**(237)**	(158)
		2,258	1,640	**17,230**	15,378
OTHER INCOME AND EXPENSES					
General and administrative expenses not allocated		**(1,119)**	(1,627)	**(3,687)**	(4,157)
Other income (expense)		**(186)**	11	**(190)**	157
		(1,305)	(1,616)	**(3,877)**	(4,000)
PROFIT FOR THE PERIOD		**2,384**	870	**28,472**	24,393
Basic and diluted earnings per share (AED)	3	**0.024**	0.009	**0.285**	0.243

The attached explanatory notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2015 (Unaudited)

	Three months ended 30 September		*Nine months ended 30 September*	
	2015* *AED '000	*2014* *AED '000*	***2015* *AED '000***	*2014* *AED '000*
Profit for the period	**2,384**	870	**28,472**	24,393
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that could not be reclassified to profit or loss in subsequent periods:				
Net unrealized (loss)/gain on financial assets at fair value though other comprehensive income	**(15,873)**	32,561	**12,483**	86,432
Other comprehensive income for the period	**(15,873)**	32,561	**12,483**	86,432
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(13,489)**	33,431	**40,955**	110,825

The attached explanatory notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015 (Unaudited)

	Notes	30 September 2015 AED '000	Audited 31 December 2014 AED '000
ASSETS			
Property and equipment	4	47,473	47,549
Investment property	5	1,670	1,670
Financial instruments	6	497,820	417,934
Reinsurance assets		164,950	125,893
Insurance receivables		142,431	113,139
Prepayments and other receivables		6,885	6,955
Statutory deposits		10,000	10,000
Cash and cash equivalents	7	29,643	69,416
TOTAL ASSETS		900,872	792,556
EQUITY AND LIABILITIES			
Equity			
Share capital	9	100,000	100,000
Statutory reserve	10	50,000	50,000
General reserve	10	13,000	13,000
Retained earnings		116,101	112,629
Cumulative changes in fair value of investments	10	213,664	201,181
Total equity		492,765	476,810
Liabilities			
Bank loan	8	46,225	18,417
Employees' end of service benefits		2,592	2,349
Insurance contract liabilities		228,101	190,125
Amounts held under reinsurance treaties		25,617	10,664
Reinsurance balances payable		82,157	63,463
Insurance and other payables		23,415	30,728
Total liabilities		408,107	315,746
TOTAL EQUITY AND LIABILITIES		900,872	792,556

The interim condensed consolidated financial statements were authorized for issue in accordance with a resolution of the directors on 9 November 2015.

Buti Obaid Almulla
Chairman

Abdellatif Abuqurah
Chief Executive Officer

The attached explanatory notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2015 (Unaudited)

	Share capital AED '000	*Statutory reserve AED '000*	*General reserve AED '000*	*Retained earnings AED '000*	*Proposed dividend AED '000*	*Cumulative changes in fair value of investments AED '000*	*Total AED '000*
Balance at 1 January 2015	100,000	50,000	13,000	112,629	-	201,181	476,810
Profit for the period	-	-	-	28,472	-	-	28,472
Other comprehensive income	-	-	-	-	-	12,483	12,483
Total comprehensive income for the period	-	-	-	28,472	-	12,483	40,955
Proposed dividend	-	-	-	(25,000)	25,000	-	-
Cash dividend paid (note 11)	-	-	-	-	(25,000)	-	(25,000)
Balance at 30 September 2015	**100,000**	**50,000**	**13,000**	**116,101**	**-**	**213,664**	**492,765**
Balance at 1 January 2014	100,000	50,000	10,000	87,344	25,000	131,884	404,228
Profit for the period	-	-	-	24,393	-	-	24,393
Other comprehensive income	-	-	-	-	-	86,432	86,432
Total comprehensive income for the period	-	-	-	24,393	-	86,432	110,825
Cash dividend paid (note 11)	-	-	-	-	(25,000)	-	(25,000)
Balance at 30 September 2014	100,000	50,000	10,000	111,737	-	218,316	490,053

The attached explanatory notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 30 September 2015 (Unaudited)

	Note	*Nine month period ended 30 September* 2015 AED '000	2014 AED '000
OPERATING ACTIVITIES			
Profit for the period		**28,472**	24,393
Adjustments for:			
Depreciation on property and equipment		**1,070**	915
Interest income		-	2,087
Provision for employees' end of service benefits		**318**	216
Gain on sale of investments in debt instruments at amortised cost		**(203)**	(157)
		29,657	27,454
Changes in operating assets and liabilities:			
Reinsurance assets		**(39,057)**	13,180
Insurance receivables		**(29,292)**	(2,979)
Prepayments and other receivables		**70**	1,355
Insurance contract liabilities		**37,976**	(712)
Amounts held under reinsurance treaties		**14,953**	332
Reinsurance balances payable		**18,694**	(401)
Insurance and other payables		**(7,313)**	(2,953)
Cash generated from operations		**25,688**	35,276
Employees' end of service benefits paid		**(75)**	(42)
Net cash from operating activities		**25,613**	35,234
INVESTING ACTIVITIES			
Interest income		-	(2,087)
Investments held at amortised cost		**(56,018)**	21
Financial investments at fair value through other comprehensive income		**(5,733)**	
Financial investments at fair value through profit or loss		**(5,449)**	5,161
Purchase of property and equipment		**(994)**	(804)
Additions to investment property		-	-
Net cash (used in) /from investing activities		**(68,194)**	2,291
FINANCING ACTIVITIES			
Dividends paid		**(25,000)**	(25,000)
Bank loan		**27,808**	5
Net cash from /(used in) financing activities		**2,808**	(24,995)
(DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS		**(39,773)**	12,530
Cash and cash equivalents at 1 January		**69,416**	35,132
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	7	**29,643**	47,662

The attached explanatory notes 1 to 14 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Dubai Insurance Company (PSC) (the "Company") is a public shareholding Company registered under the Federal Law No. 8 of 1984 (as amended) and the UAE Federal Law No. (6) of 2007 relating to commercial companies in the UAE. The Company mainly issues short term insurance contracts in connection with motor, marine, fire, engineering, general accident and medical risks (collectively known as general insurance) and group life and individual life risk (collectively referred to as life assurance). The Company also invests its funds in investment securities and properties. The registered address of the Company is P.O. Box 3027, Dubai, United Arab Emirates. The Company operates in United Arab Emirates and most of the insurance policies are issued in the United Arab Emirates. The shares of the Company are listed on the Dubai Financial Market.

During 2010, the Company established a new subsidiary for investment purposes. These interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiary (collectively referred to as the "Group").

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

Basis of preparation
The interim condensed consolidated financial statements for the nine months ended 30 September 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

Interim reporting
The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2014 except for the adoption of the following new and amended IFRS and IFRIC interpretations which became effective as of 1 January 2015:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

The adoption of this amendment did not have an impact on the financial position or performance of the Group during the period. Annual Improvements 2010-2012 cycle and 2011-2013 cycle which became effective from 1 July 2014 also did not have an impact on the financial position or performance of the Group during the period.

These interim condensed consolidated financial statements do not include all disclosures and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014. In addition, results for the nine months ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

2.2 BASIS OF CONSOLIDATION

The Group comprises of the Company and the under-mentioned subsidiary company.

Subsidiary	Principal activity	Country of incorporation	Ownership
Vattaun Limited	Investment	British Virgin Island	100%

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

Basis of consolidation
The interim condensed consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 30 September 2015.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three months ended 30 September		*Nine months ended 30 September*	
	2015	*2014*	***2015***	*2014*
Profit for the period (AED '000)	**2,384**	870	**28,472**	24,393
Weighted average number of shares outstanding during the period ('000)	**100,000**	100,000	**100,000**	100,000
Earnings per share (AED)	**0.024**	0.009	**0.285**	0.243

No figures for diluted earnings has been presented because the Group has not issued any instruments which would have an impact on earnings per share when exercised.

4 PROPERTY AND EQUIPMENT

Included in property and equipment is a plot of land situated in the Emirate of Dubai, United Arab Emirates with a carrying value of AED 44,173 thousand. The Group's Board of Directors has resolved to construct the Group's head office on the land in the foreseeable future. The Group's management has completed the process of formalising the transfer of legal title in respect of the land.

5 INVESTMENT PROPERTY

Investment property represent the Group's investments in freehold land and building situated in the Emirate of Dubai, United Arab Emirates.

6 FINANCIAL INSTRUMENTS

	Carrying value		*Fair value*	
	30 September 2015 AED'000 (Unaudited)	*31 December 2014 AED'000 (Audited)*	***30 September 2015 AED'000 (Unaudited)***	*31 December 2014 AED'000 (Audited)*
Financial instruments				
At fair value through profit or loss (note 6.1)	**58,479**	53,030	**58,479**	53,030
At fair value through other comprehensive income (note 6.2)	**345,740**	327,523	**345,740**	327,523
Investments held at amortised cost (note 6.3)	**93,601**	37,381	**93,327**	37,781
	497,820	417,934	**497,546**	418,334

6.1 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2015 AED'000 Unaudited	*31 December 2014 AED'000 (Audited)*
a) Shares - quoted	**4,614**	4,397
b) Designated upon initial recognition		
Bank deposits with maturity over three months (unquoted)	**53,865**	48,633
	58,479	53,030

The entire shares and bank deposits are within the United Arab Emirates.

6.2 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)

	30 September 2015 AED'000 Unaudited	*31 December 2014 AED'000 (Audited)*
Shares – quoted (within UAE)	**329,925**	317,323
Shares – quoted (Outside UAE)	**5,615**	-
Shares – unquoted (within UAE)	**10,200**	10,200
	345,740	327,523

The fair value changes amounting to AED 12,483 thousand (2014: AED 86,432 thousand) have been recognised in the consolidated statement of comprehensive income.

6 FINANCIAL INSTRUMENTS (continued)

6.3 DEBT INSTRUMENTS AT AMORTISED COST

	30 September 2015 AED'000 Unaudited	31 December 2014 AED'000 (Audited)
Amortised cost		
Debt securities (within UAE)	**11,906**	3,675
Debt securities (outside UAE)	**81,695**	33,706
	93,601	37,381

Debt securities amounting to AED 89,926 thousand (2014: AED 33,706 thousand) are pledged against bank loan (note 8). The investments carry interest at an effective rate of 4.28% per annum. The maturity profile of the debt instruments is shown below:

	30 September 2015		
	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
Debt securities (within UAE)	**7,767**	**4,139**	**11,906**
Debt securities (outside UAE)	**42,955**	**38,740**	**81,695**
	50,722	**42,879**	**93,601**

	31 December 2014 (Audited)		
	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
Debt securities (within UAE)	3,675	-	3,675
Debt securities (outside UAE)	25,307	8,399	33,706
	28,982	8,399	37,381

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	30 September 2015 AED '000	31 December 2014 AED'000 (Audited)	30 September 2014 AED '000
Bank balances and cash	**29,643**	49,416	27,662
Bank deposits maturing within three months	-	20,000	20,000
	29,643	69,416	47,662

The entire bank balance and bank deposits are within the United Arab Emirates.

8 BANK LOAN

The Group entered into a credit facility agreement with three banks for USD 12.5 million (equivalent AED 46,225 thousand). The loan facility is secured against investments in debt instruments held at amortised cost amounting to AED 89,926 thousand (31 December 2014: AED 33,706 thousand) (note 6.3) used for the Group's investment operation. The loan carries interest linked to USD LIBOR and the tenure of the loan is directly linked to the maturity period of the debt instruments which are financed by the loan. The debt instruments have maturity periods of 2 to 10 years.

9 SHARE CAPITAL

	30 September 2015 AED'000	*31 December 2014 AED'000 (Audited)*
Issued and fully paid		
100,000,000 shares of AED 1 each (2014: 100,000,000 shares of AED 1 each)	**100,000**	100,000

10 RESERVES

NATURE AND PURPOSE OF RESERVES

- **STATUTORY RESERVE**

In accordance with the UAE Commercial Companies Law and the Group's Article of Association, the Group has resolved not to increase the statutory reserve above an amount equal to 50% of its paid up share capital. Accordingly, no transfers have been made during the nine months period to 30 September 2015, as this will be based on the results for the year. The reserve is not available for distribution except in the circumstances stipulated by the law.

- **GENERAL RESERVE**

Transfers to the general reserve are made on the recommendation of the Board of Directors. This reserve may be used for such purposes as deemed appropriate by the Board of Directors.

- **CUMULATIVE CHANGES IN FAIR VALUE OF INVESTMENTS**

This reserve records fair value changes on financial instrument held at fair value through other comprehensive income.

11 PROPOSED AND PAID DIVIDENDS

	30 September 2015 AED'000	*31 December 2014 AED'000 (Audited)*
Declared and paid:		
Cash dividend for 2014 of AED 0.25 per share (declared and paid)	**25,000**	-
Cash dividend for 2013 of AED 0.20 per share (declared and paid)	-	25,000
	25,000	25,000
Proposed for approval at Annual General Meeting:		
(2014: Cash dividend of AED 0.25 per share)	-	25,000
	-	**25,000**

12 SEGMENTAL INFORMATION

Primary segment information

For management purposes, the Group is organised into business units based on its products and services and has three reportable operating segments as follows:

- The general insurance segment, comprises motor, marine, fire, engineering and general accident.
- The medical and life segment, includes group life insurance and medical.
- Investment comprises investment and cash management for the Group's own account.

Transactions between operating segments are conducted at estimated market rates on an arm's length basis.

During the current year, medical insurance has been reclassified from the general insurance segment and grouped along with life insurance to form a new segment medical and life insurance. Accordingly the underwriting income AED 45,395 thousand (2014: AED 36,098 thousand), underwriting expenses AED 44,239 thousand (2014: AED 33,164 thousand) and net underwriting income AED 1,156 thousand (2014: AED 2,934 thousand) of medical segment during the current Nine months period have been transferred to new segment medical and life insurance with respective restatements in the comparative figures.

Operating segment information is presented below:

	Three months ended 30 September					
	General insurance		*Medical and Life assurance*		*Total*	
	30 Sept 2015 AED'000	*30 Sept 2014 AED'000*	***30 Sept 2015 AED'000***	*30 Sept 2014 AED'000*	***30 Sept 2015 AED'000***	*30 Sept 2014 AED'000*
UNDERWRITING INCOME						
Insurance premium revenue	**30,087**	27,118	**40,949**	42,098	**71,036**	69,216
Reinsurers' share of premium	**(21,923)**	(14,617)	**(28,064)**	(31,463)	**(49,987)**	(46,080)
Net insurance premium revenue	**8,164**	12,501	**12,885**	10,635	**21,049**	23,136
Reinsurance commission income	**5,762**	3,861	**344**	637	**6,106**	4,498
Other income/(expenses)	**12**	15	**(411)**	(711)	**(399)**	(696)
	13,938	16,377	**12,818**	10,561	**26,756**	26,938
UNDERWRITING EXPENSES						
Claims incurred	**40,102**	30,488	**24,831**	17,989	**64,933**	48,477
Reinsurers' share of claims incurred	**(33,493)**	(19,595)	**(18,652)**	(14,259)	**(52,145)**	(33,854)
Net claims incurred	**6,609**	10,893	**6,179**	3,730	**12,788**	14,623
Commission expenses	**3,729**	3,218	**4,787**	4,675	**8,516**	7,893
Excess of loss reinsurance premium	**157**	309	**-**	-	**157**	309
General and administration expenses relating to underwriting activities	**1,966**	1,613	**1,898**	1,654	**3,864**	3,267
	12,461	16,033	**12,864**	10,059	**25,325**	26,092
NET UNDERWRITING INCOME	**1,477**	344	**(46)**	502	**1,431**	846
TOTAL INVESTMENT INCOME					**2,258**	1,640
Unallocated other expenses					**(1,305)**	(1,616)
PROFIT FOR THE PERIOD					**2,384**	870

12 SEGMENTAL INFORMATION (continued)

	Nine months ended 30 September					
	General insurance		***Medical and Life assurance***		***Total***	
	30 Sept 2015 AED'000	*30 Sept 2014 AED'000*	***30 Sept 2015 AED'000***	*30 Sept 2014 AED'000*	***30 Sept 2015 AED'000***	*30 Sept 2014 AED'000*
UNDERWRITING INCOME						
Insurance premium revenue	**125,082**	111,376	**140,491**	134,617	**265,573**	245,993
Reinsurers' share of premium	**(91,674)**	(71,807)	**(90,896)**	(96,201)	**(182,570)**	(168,008)
Net insurance premium revenue	**33,408**	39,569	**49,595**	38,416	**83,003**	77,985
Reinsurance commission income	**22,567**	13,989	**1,194**	1,792	**23,761**	15,781
Other income	**45**	56	**(3,450)**	(311)	**(3,405)**	(255)
	56,020	53,614	**47,339**	39,897	**103,359**	93,511
UNDERWRITING EXPENSES						
Claims incurred	**100,188**	85,512	**73,528**	46,523	**173,716**	132,035
Reinsurers' share of claims incurred	**(76,671)**	(55,102)	**(52,944)**	(35,653)	**(129,615)**	(90,755)
Net claims incurred	**23,517**	30,410	**20,584**	10,870	**44,101**	41,280
Commission expenses	**13,152**	9,303	**19,480**	18,324	**32,632**	27,627
Excess of loss reinsurance premium	**446**	929	**-**	-	**446**	929
General and administration expenses relating to underwriting activities	**5,262**	4,919	**5,799**	5,741	**11,061**	10,660
	42,377	45,561	**45,863**	34,935	**88,240**	80,496
NET UNDERWRITING INCOME	**13,643**	8,053	**1,476**	4,962	**15,119**	13,015
TOTAL INVESTMENT INCOME					**17,230**	15,378
Unallocated other expenses					**(3,877)**	(4,000)
PROFIT FOR THE PERIOD					**28,472**	24,393

For operational and management reporting purposes, the Group is organised as one geographical segment.

13 SEASONALITY OF RESULTS

Dividend income is AED nil and AED 12,645 thousand for the three month and nine month periods ended 30 September 2015, respectively, and AED nil and AED 12,195 thousand for the three month and nine month periods ended 30 September 2014, respectively. Dividend income depends on market conditions, investment activities of the Group and declaration of profits by investee companies, which are of a seasonal nature. Accordingly, results for the period ended 30 September 2015 are not comparable to those relating to the comparative period, and are not indicative of the results that might be expected for the year ending 31 December 2015.

14 COMMITMENTS AND CONTINGENCIES

Guarantees
At 30 September 2015, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 10,285 thousand (31 December 2014: AED 10,276 thousand).

Legal claims
The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Group's income or financial condition.