National General Insurance Co. (P.S.C.)

Condensed interim financial statements

For the six month period ended 30 June 2016

National General Insurance Co. (P.S.C.)

Condensed interim financial statements
For the six month period ended 30 June 2016

Contents ***Page***

KPMG Lower Gulf Limited
Level 13, Boulevard Plaza Tower One
Mohammed Bin Rashid Boulevard
P.O.Box 3800
Downtown Dubai
United Arab Emirates
Tel. +971 (4) 403 0300
Fax +971 (4) 330 1515
www.ae-kpmg.com

Independent Auditors' Report on Review of Condensed Interim Financial Information

The Shareholders
National General Insurance Co. (P.S.C.)

Introduction

We have reviewed the accompanying 30 June 2016 condensed interim financial information of National General Insurance Co. (P.S.C.) (the "Company"), which comprises:

- the condensed interim statement of financial position as at 30 June 2016;
- the condensed interim statement of profit or loss for the three-month and six-month periods ended 30 June 2016;
- the condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2016;
- the condensed interim statement of changes in shareholder's equity for the six-month period ended 30 June 2016;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2016; and
- notes to the interim condensed financial information.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2016 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG

KPMG Lower Gulf Limited
Muhammad Tariq
Registered Auditor Number: 793
Date: 25 JUL 2016

National General Insurance Co. (P.S.C.)

Condensed interim statement of financial position

as at 30 June 2016

	Note	(Un-audited) 30 June 2016 AED	(Audited) 31 December 2015 AED
ASSETS			
Property and equipment		**33,583,137**	34,757,738
Intangible assets		**2,046,921**	1,958,503
Investment properties		**225,781,060**	225,781,060
Investment securities	*8*	**220,285,343**	239,757,350
Reinsurance assets		**402,219,309**	222,748,768
Insurance and other receivables		**167,020,793**	188,641,628
Cash and bank balances		**226,000,147**	205,421,467
Total assets		**1,276,936,710**	1,119,066,514
LIABILITIES			
Insurance contract provisions		**643,389,502**	493,898,785
Insurance and other payables		**163,920,288**	153,428,433
Payable to policyholders of unit-linked products	*10*	**38,840,194**	36,634,723
Total liabilities		**846,149,984**	683,961,941
EQUITY			
Share capital		**149,954,112**	149,954,112
Legal reserve		**70,299,878**	70,299,878
General reserve		**69,683,892**	69,683,892
Fair value reserve		**418,470**	(100,545)
Retained earnings		**140,430,374**	145,267,236
Total equity		**430,786,726**	435,104,573
Total liabilities and equity		**1,276,936,710**	1,119,066,514

The notes on pages 8 to 15 form an integral part of these condensed interim financial statements.

These condensed interim financial statements were authorised for issue and approved by the Board on 25 JUL 2016 and signed on its behalf by:

Adel Mohammed Saleh Al Zarouni
Vice Chairman

Dr. Abdul Zahra A. Ali
CEO

The independent auditors' review report is set out on pages 1 - 2.

National General Insurance Co. (P.S.C.)

Condensed interim statement of profit or loss

For the six month period ended 30 June 2016

	Note	**(Un-audited) For the three-month period ended 30 June 2016 AED**	(Un-audited) For the three-month period ended 30 June 2015 AED *(Restated)*	**(Un-audited) For the six-month period ended 30 June 2016 AED**	(Un-audited) For the six-month period ended 30 June 2015 AED *(Restated)*
Gross written premium	*9*	**105,359,061**	122,250,026	**259,300,028**	224,481,483
Reinsurance ceded		**(51,662,430)**	(35,988,352)	**(136,514,123)**	(69,068,012)
Net premium		**53,696,631**	86,261,674	**122,785,905**	155,413,471
Change in unearned premium provision		**14,237,435**	(17,858,697)	**28,247,944**	(13,134,974)
Net earned premiums	*9*	**67,934,066**	68,402,977	**151,033,849**	142,278,497
Reinsurance commission		**9,213,750**	8,824,889	**17,893,737**	17,653,121
Net underwriting income	*9*	**77,147,816**	77,227,866	**168,927,586**	159,931,618
Claims paid		**(89,254,979)**	(69,728,201)	**(166,079,984)**	(122,678,178)
Reinsurance share		**36,526,159**	14,447,263	**55,793,928**	23,166,163
Net claims paid		**(52,728,820)**	(55,280,938)	**(110,286,056)**	(99,512,015)
Change in outstanding claims provision		**7,875,826**	(470,711)	**6,656,850**	4,013,112
Net incurred claims	*9*	**(44,852,994)**	(55,751,649)	**(103,629,206)**	(95,498,903)
Commission incurred		**(14,733,231)**	(7,758,114)	**(28,453,694)**	(16,831,036)
Administrative expenses		**(12,302,763)**	(11,084,414)	**(24,353,728)**	(22,000,185)
Net underwriting expenses		**(71,888,988)**	(74,594,177)	**(156,436,628)**	(134,330,124)
Movement in life assurance fund and payable to policyholders of unit linked products	*9*	**(3,198,858)**	(839,398)	**(7,130,443)**	(3,628,033)
Increase / (decrease) in fair value of investment held for unit linked products		**1,431,218**	(583,392)	**2,165,529**	272,538
Total underwriting expense		**(73,656,628)**	(76,016,967)	**(161,401,542)**	(137,685,619)
Underwriting profit	*9*	**3,491,188**	1,210,899	**7,526,044**	22,245,999
Interest and other income (net)		**3,498,174**	1,635,262	**7,722,487**	8,530,580
Net income from investment securities	*8.4*	**220,670**	14,436,249	**3,823,007**	8,344,525
Administrative expenses		**(2,285,273)**	(2,069,503)	**(7,777,874)**	(5,030,331)
Profit for the period		**4,924,759**	15,212,907	**11,293,664**	34,090,773
Basic and diluted earnings per share		**0.03**	0.10	**0.08**	0.23

The notes on pages 8 to 15 form an integral part of these condensed interim financial statements.

The independent auditors' review report is set out on pages 1 - 2.

National General Insurance Co. (P.S.C.)

Condensed interim statement of profit or loss and other comprehensive income

For the six month period ended 30 June 2016

	(Un-audited) For the three-month period ended 30 June 2016 AED	(Un-audited) For the three-month period ended 30 June 2015 AED *(Restated)*	**(Un-audited) For the six-month period ended 30 June 2016 AED**	(Un-audited) For the six-month period ended 30 June 2015 AED *(Restated)*
Profit for the period	**4,924,759**	15,212,907	**11,293,664**	34,090,773
Other comprehensive income				
Items that will not be classified to profit or loss:				
Net change in fair value of investments at fair value through other comprehensive income	**(61,664)**	(74,987)	**519,015**	356,568
Total other comprehensive income	**(61,664)**	(74,987)	**519,015**	356,568
Total comprehensive income for the period	**4,863,095**	15,137,920	**11,812,679**	34,447,341

The notes on pages 8 to 15 form an integral part of these condensed interim financial statements.

The independent auditors' review report is set out on pages 1 - 2.

National General Insurance Co. (P.S.C.)

Condensed interim statement of changes in shareholders' equity (Un-audited)

For the six month period ended 30 June 2016

	Attributable to equity holders of the Company					
	Share Capital AED	**Legal reserve AED**	**General reserve AED**	**Fair value reserve AED**	**Retained earnings AED**	**Total AED**
Balance at 1 January 2015 *(restated)*	149,954,112	67,949,507	67,333,521	229,233	167,585,135	453,051,508
Total comprehensive income for the period						
Profit for the period *(restated)*	-	-	-	-	34,090,773	34,090,773
Other comprehensive income for the period						
Net change in fair value of investments FVTOCI	-	-	-	356,568	-	356,568
Total other comprehensive income for the period	-	-	-	356,568	-	356,568
Total comprehensive income for the period *(restated)*	-	-	-	356,568	34,090,773	34,447,341
Director's remuneration	-	-	-	-	(3,653,540)	(3,653,540)
Dividends paid	-	-	-	-	(37,488,528)	(37,488,528)
As at 30 June 2015 *(restated)*	149,954,112	67,949,507	67,333,521	585,801	192,846,852	478,669,793
Balance at 1 January 2016	149,954,112	70,299,878	69,683,892	(100,545)	145,267,236	435,104,573
Total comprehensive income for the period						
Profit for the period	-	-	-	-	11,293,664	11,293,664
Other comprehensive income for the period						
Net change in fair value of investments FVTOCI	-	-	-	519,015	-	519,015
Total other comprehensive income for the period	-	-	-	519,015	-	519,015
Total comprehensive income for the period	-	-	-	519,015	11,293,664	11,812,679
Director's remuneration	-	-	-	-	(1,130,526)	(1,130,526)
Dividends paid	-	-	-	-	(15,000,000)	(15,000,000)
As at 30 June 2016	**149,954,112**	**70,299,878**	**69,683,892**	**418,470**	**140,430,374**	**430,786,726**

The notes on pages 8 to 15 form an integral part of these condensed interim financial statements.

The independent auditors' review report is set out on pages 1 - 2.

National General Insurance Co. (P.S.C.)

Condensed interim statement of cash flows

For the six month period ended 30 June 2016

	(Un-audited) For the six-month period ended 30 June 2016 AED	(Un-audited) For the six-month period ended 30 June 2015 AED *(Restated)*
Cash flows from operating activities		
Net profit for the period	**11,293,664**	34,090,773
Adjustment for:		
Depreciation and amortisation	**1,844,101**	2,286,748
Dividend income	**(2,177,271)**	(3,531,483)
Realised gains on investments fair valued through profit or loss	**(2,473,458)**	(7,923,436)
Unrealised gain on investments fair valued through profit or loss	**(1,349,549)**	(542,732)
Realised loss on sale of property and equipment	**1,443**	-
Change in unearned premium reserve and life assurance fund	**(23,286,491)**	17,417,066
Provision for gratuity – net of repayment	**974,169**	432,877
	(15,173,392)	42,229,813
Change in insurance and other receivables (including related parties)	**21,620,835**	(34,238,719)
Change in insurance and other payables	**9,517,686**	(6,855,618)
Change in net outstanding claims	**(6,656,850)**	(4,013,112)
Directors' remuneration paid	**(1,130,526)**	(3,653,540)
Net cash generated from / (used in) operating activities	**8,177,753**	(6,531,176)
Cash flows from investing activities		
Purchase of property and equipment	**(760,817)**	(1,433,512)
Purchase of investments fair valued through profit or loss	**(32,733,845)**	(68,038,869)
Purchase of investments fair valued through other comprehensive income	**-**	(20,070,000)
Proceeds from sale of investments fair valued through profit or loss	**58,307,962**	102,615,616
Proceeds from sale of investments at amortised cost	**408,900**	-
Proceeds from sale of property and equipment	**1,456**	-
Dividend income	**2,177,271**	3,531,483
Change in bank deposits	**(67,182,347)**	(35,873,021)
Net cash used in investing activities	**(39,781,420)**	(19,268,303)
Cash flows from financing activities		
Dividends paid	**(15,000,000)**	(37,488,528)
Net cash used in financing activities	**(15,000,000)**	(37,488,528)
Net decrease in cash and cash equivalents	**(46,603,667)**	(63,288,007)
Cash and cash equivalents at the beginning of the period	**107,616,467**	180,789,347
Cash and cash equivalents at the end of the period	**61,012,800**	117,501,340
These comprise the following:		
Cash in hand	**108,199**	129,594
Cash at bank	**60,904,601**	117,371,746
Fixed deposits	**164,987,347**	50,873,021
Total	**226,000,147**	168,374,361
Less: deposits with original maturities of greater than three months	**(164,987,347)**	(50,873,021)
Cash and cash equivalents as at 30 June	**61,012,800**	117,501,340

The notes on pages 8 to 15 form an integral part of these condensed interim financial statements.

The independent auditors' review report is set out on pages 1 - 2.

National General Insurance Co. (P.S.C.)

Notes

(forming part of the condensed interim financial statements)

1. Legal status and principal activities

National General Insurance Co. (P.S.C) ("the Company") is a Public Shareholding Company registered under UAE Federal Law No. (8) of 1984 as amended, in the Emirate of Dubai with effect from 12 September 2001.

The Company was originally incorporated as a Private Limited Liability Company, registered under UAE Federal Law No. (8) of 1984, as amended, in the Emirate of Dubai.

The Company underwrites all classes of life and general insurance business as well as certain reinsurance business in accordance with the provisions of the UAE Federal Law no. 6 of 2007 relating to establishment of insurance authority.

The registered office of the Company is at the NGI House, P.O. Box 154, Dubai, UAE.

2. Basis of preparation

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual audited financial statements, and should be read in conjunction with the annual audited financial statements as at and for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

On 1 April 2015, a new UAE Federal Law No. 2 of 2015 for the Commercial Companies ("UAE Companies Law of 2015") was issued with effective date on 1 July 2015. In June 2016, the UAE Cabinet passed a resolution to extend the deadline for existing companies in the UAE to ensure compliance with the new UAE Companies Law from 30 June 2016 to 30 June 2017. The Company is in the process of adopting the new federal law and will be fully compliant before the transitional provisions deadline.

Further, under Federal Law No 6 of 2007, relating to Establishment of Insurance Authority and Regulation of Insurance Operations, a new financial regulation for insurance companies was issued on 28 January 2015. The financial regulation provided an alignment period to the Insurance companies between one to three years from the publication of financial.regulation in Public Gazzette from 29 January 2015 to align the operations to the covenants of the regulations therein. The Company is in the process of aligning the operations with the requirement of the regulations and will be fully aligned before the deadline for alignment period.

b) Basis of measurement

These condensed interim financial statements have been prepared on the historical cost basis except for the following which are measured at fair value :

i) financial instruments at fair value through profit or loss ("FVTPL");
ii) financial instruments at fair value through other comprehensive income ("FVTOCI") ; and
iii) investment properties.

c) Functional & presentation currency

These condensed interim financial statements have been prepared in United Arab Emirates Dirham (AED), which is the Company's functional currency.

d) Use of estimates and judgements

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

2. Basis of preparation *(continued)*

Estimates and underlying assumptions are reviewed on a ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in the future periods effected.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended 31 December 2015.

3. Summary of significant accounting policies

The accounting policies used in the preparation of the condensed interim financial statements are consistent with those used in the preparation of the Company's annual audited financial statements for the year ended 31 December 2015.

4. Financial risk management

Aspects of the Company's financial risk management objectives and policies and procedures are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2015.

5. Interim measurement

The nature of the Company's business is such that income and expense are incurred in a manner, which is not impacted by any form of seasonality. These interim condensed financial statements were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the year.

6. Related party transactions

The Company, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party as defined by International Accounting Standard 24 - (Revised). The Company's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

a) The following are the details of transactions with related parties:

	(Un-audited) For the six-month period ended 30 June 2016 AED	(Un-audited) For the six-month period ended 30 June 2015 AED
Key management personnel compensation		
Remuneration and short term benefits	**3,669,997**	3,380,530
End of service benefits	**383,192**	374,943
Other related parties		
Premiums underwritten	**37,187,778**	43,914,999
Claims paid	**20,688,569**	15,724,921
Dividends paid	**12,822,247**	27,933,713
Interest income	**703,691**	617,836

	(Un-audited) 30 June 2016 AED	(Audited) 31 December 2015 AED
b) Due from related parties		
Insurance premium receivable (included in receivables)	**19,631,018**	25,345,465
c) Due to related parties		
Payable to related party (included in payable)	**2,354,508**	12,133,628

		(Un-audited)	(Audited)
6.	**Related party transactions** *(continued)*	**30 June 2016**	31 December 2015
		AED	AED
d)	**Cash and cash equivalents**		
	Cash at bank	**43,646,025**	23,205,632
	Short term deposit	**15,368,882**	57,727,505

7. Classes and categories of financials assets and financial liabilities

The table below sets out the classification of each class of financial assets and liabilities and their fair values:

At 30 June 2016 (Un-audited)

Financial Assets	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**
	AED	**AED**	**AED**	**AED**
Investment securities	**160,255,896**	**45,029,447**	**15,000,000**	**220,285,343**
Insurance and other receivables	**-**	**-**	**146,968,293**	**146,968,293**
Cash and cash equivalents	**-**	**-**	**226,000,147**	**226,000,147**
	160,255,896	**45,029,447**	**387,968,440**	**593,253,783**

Financial Liabilities				
Insurance and other payables	**-**	**-**	**152,083,553**	**152,083,553**
Payable to policyholders of unit-linked products	**38,840,194**	**-**	**-**	**38,840,194**
	38,840,194	**-**	**152,083,553**	**190,923,747**

At 31 December 2015 (Audited)

Financial Assets	FVTPL	FVTOCI	Amortised cost	Total
	AED	AED	AED	AED
Investment securities	179,830,198	44,518,252	15,408,900	239,757,350
Insurance and other receivables	-	-	154,323,900	154,323,900
Cash and cash equivalents	-	-	205,421,467	205,421,467
	179,830,198	44,518,252	375,154,267	599,502,717

Financial Liabilities				
Insurance and other payables	-	-	142,565,868	142,565,868
Payable to policyholders of unit-linked products	36,634,723	-	-	36,634,723
	36,634,723	-	142,565,868	179,200,591

8. Investment securities

	(Un-audited) 30 June 2016 AED	(Audited) 31 December 2015 AED
Financial assets at fair value through profit or loss	**160,255,896**	179,830,198
Financial assets at fair value through other comprehensive income	**45,029,447**	44,518,252
Financial assets at amortised costs	**15,000,000**	15,408,900
	220,285,343	239,757,350

8.1 Investments fair valued through profit or loss

	(Un-audited) 30 June 2016 AED	(Audited) 31 December 2015 AED
Investments on behalf of policyholders of unit-linked products	**38,803,711**	36,634,723
Equity investments - quoted	**56,511,356**	72,311,455
Fixed income investments / bonds - quoted	**64,940,829**	70,884,020
Total	**160,255,896**	179,830,198

8.2 Investments - Geographic concentration

	(Un-audited) 30 June 2016 AED	(Audited) 31 December 2015 AED
Investments made :		
- Within U.A.E.	**184,559,091**	212,189,289
- Outside U.A.E.	**35,726,252**	27,568,061
	220,285,343	239,757,350

8.3 Fair value hierarchy

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

Investment Securities	**Level 1 AED**	**Level 2 AED**	**Level 3 AED**	**Total AED**
At 30 June 2016 (Un-audited)				
FVTPL	**160,255,896**	**-**	-	**160,255,896**
FVTOCI	**45,029,447**	**-**	-	**45,029,447**
	205,285,343	**-**	**-**	**205,285,343**
31 December 2015 (Audited)				
FVTPL	179,830,198	-	-	179,830,198
FVTOCI	44,518,252	-	-	44,518,252
	224,348,450	-	-	224,348,450

8.4 Net income from investment securities

	(Un-audited) For the six month period ended 30 June 2016 AED	(Un-audited) For the six month period ended 30 June 2015 AED
Realised gain on disposal of investments	**2,473,458**	7,923,436
Revaluation of investments fair valued through profit or loss	**1,349,549**	421,089
	3,823,007	8,344,525

9. Segment information

Primary segment information

For management purposes the Company is organised into two business segments, general insurance and life assurance (including group life). These segments are the basis on which the Company reports its primary segment information.

	General insurance For the six-month period ended 30 June		Life assurance For the six-month period ended 30 June		Total For the six-month period ended 30 June	
	2016	2015	**2016**	2015	**2016**	2015
Profit or loss	**AED**	AED	**AED**	AED	**AED**	AED
		(Restated)		*(Restated)*		*(Restated)*
Underwriting income						
Gross written premium	**225,200,865**	193,651,886	**34,099,163**	30,829,597	**259,300,028**	224,481,483
Reinsurance ceded	**(125,528,510)**	(56,044,851)	**(10,985,613)**	(13,023,161)	**(136,514,123)**	(69,068,012)
Net premium	**99,672,355**	137,607,035	**23,113,550**	17,806,436	**122,785,905**	155,413,471
Change in unearned premium provision	**30,715,660**	(11,300,977)	**(2,467,716)**	(1,833,997)	**28,247,944**	(13,134,974)
Net earned premium	**130,388,015**	126,306,058	**20,645,834**	15,972,439	**151,033,849**	142,278,497
Reinsurance commission earned	**16,018,428**	11,773,473	**1,875,309**	5,879,648	**17,893,737**	17,653,121
Net underwriting income	**146,406,443**	138,079,531	**22,521,143**	21,852,087	**168,927,586**	159,931,618
Underwriting expenses						
Net incurred claims	**(89,626,858)**	(82,233,147)	**(14,002,348)**	(13,265,756)	**(103,629,206)**	(95,498,903)
Commission paid	**(26,032,442)**	(14,019,469)	**(2,421,252)**	(2,811,567)	**(28,453,694)**	(16,831,036)
Administrative and general expenses	**(20,668,215)**	(18,588,373)	**(3,685,513)**	(3,411,812)	**(24,353,728)**	(22,000,185)
Net underwriting expense	**(136,327,515)**	(114,840,989)	**(20,109,113)**	(19,489,135)	**(156,436,628)**	(134,330,125)
Profit before movement in life assurance fund	**10,078,928**	23,238,542	**2,412,030**	2,362,952	**12,490,958**	25,601,494
Movement in life assurance fund and payable to participants of unit linked product	**-**	-	**(7,130,443)**	(3,628,033)	**(7,130,443)**	(3,628,033)
Increase in fair value of investment held for unit linked products	**-**	-	**2,165,529**	272,537	**2,165,529**	272,537
Underwriting profit for the period	**10,078,928**	23,238,542	**(2,552,884)**	(992,544)	**7,526,044**	22,245,999
Income from investments					**11,545,494**	16,875,105
Unallocated expenses					**(7,777,874)**	(5,030,331)
Profit for the period					**11,293,664**	34,090,773

9. Segment information *(continued)*

Primary segment information

For management purposes the Company is organised into two operating segments, general insurance and life assurance. These segments are the basis on which Company reports its primary segment information

	General insurance		Life assurance		Total	
	30 June	31 December	**30 June**	31 December	**30 June**	31 December
Financial position	**2016**	2015	**2016**	2015	**2016**	2015
	AED	AED	**AED**	AED	**AED**	AED
ASSETS						
Property and equipment	**32,734,979**	33,909,580	**848,158**	848,158	**33,583,137**	34,757,738
Intangible assets	**2,046,921**	1,958,503	**-**	-	**2,046,921**	1,958,503
Investment properties	**225,781,060**	225,781,060	**-**	-	**225,781,060**	225,781,060
Investments securities	**128,609,148**	147,300,497	**91,676,195**	92,456,853	**220,285,343**	239,757,350
Reinsurance assets	**388,327,779**	215,021,308	**13,891,530**	7,727,460	**402,219,309**	222,748,768
Insurance and other receivables	**144,061,597**	176,417,486	**22,959,196**	12,224,142	**167,020,793**	188,641,628
Cash and bank balances	**218,243,446**	194,646,976	**7,756,701**	10,774,491	**226,000,147**	205,421,467
Total assets	**1,139,804,930**	995,035,410	**137,131,780**	124,031,104	**1,276,936,710**	1,119,066,514
LIABILITIES						
Insurance contract provisions	**554,030,178**	418,295,055	**89,359,324**	75,603,730	**643,389,502**	493,898,785
Insurance and other payables	**159,790,794**	147,904,845	**4,129,494**	5,523,588	**163,920,288**	153,428,433
Payable to policyholders of unit linked products	**-**	-	**38,840,194**	36,634,723	**38,840,194**	36,634,723
Total liabilities	**713,820,972**	566,199,900	**132,329,012**	117,762,041	**846,149,984**	683,961,941
EQUITY						
Share capital	-	-	-	-	**149,954,112**	149,954,112
Legal reserve	-	-	-	-	**70,299,878**	70,299,878
General reserve	-	-	-	-	**69,683,892**	69,683,892
Fair value reserve	-	-	-	-	**418,470**	(100,545)
Retained earnings	-	-	-	-	**140,430,374**	145,267,236
Total equity	-	-	-	-	**430,786,726**	435,104,573
Total liabilities and equity					**1,276,936,710**	1,119,066,514

10. Payable to policyholders of unit-linked products

Movement during the period:

	(Un-audited) **30 June 2016** **AED**	(Audited) 31 December 2015 AED
As at 1 January	**36,634,723**	41,990,988
Amount invested by policyholders	**3,696,610**	13,279,671
Amount withdrawn at redemption stage/lapse/surrender by policyholder	**(3,656,668)**	(15,296,581)
Change in fair value	**2,165,529**	(3,339,355)
Balance as at 30 June / 31 December	**38,840,194**	36,634,723

11. Contingent liabilities and commitments

Capital commitments

Capital commitments as at 30 June 2016 amounted to AED nil (30 June 2015: nil).

Guarantees

	(Un-audited) **30 June 2016** **AED**	(Audited) 31 December 2015 AED
Letters of guarantees	**9,725,536**	9,467,779

Fixed deposits amounting to AED 15.4 million *(31 December 2015: AED 15 million)* are under lien as collateral in respect of above guarantees. Guarantees include an amount of AED 7.5 million *(31 December 2015: AED 7.5 million)* favoring Ministry of Economy and Commerce.

Contingent liabilities

The Company, in common with other insurance companies, is involved as defendant in a number of legal cases in respect of its underwriting activities. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Company in terms of an outflow of economic resources and a reliable estimate of the amount of outflow can be made.

12. Comparatives

12.1 Restatement of comparative information for the period ended 30 June 2015

On 1 October 2015, the Company voluntarily early adopted the directives of Federal Law No. 6 of 2007 that relates to basis of recognising technical reserves. Consequently, the Company has changed its basis for recognising unexpired premium risk ("UPR"), Incurred But Not Reported ("IBNR") claims, and Unearned Commission Income from insurance contracts, relating to general insurance business, and the change in accounting policies has been retrospectively applied by the Company. The financial statements for the six months period ended 30 June 2015 were issued prior to the change in the aforementioned accounting policy. Therefore, the comparative information of these financial statements for the six months period ended 30 June 2015 has been restated to conform to the revised

12. Comparatives *(continued)*

12.1 Restatement of comparative information for the period ended 30 June 2015 *(continued)*

The effects of change in accounting policy on the condensed interim statement of profit or loss and related notes for the six months period ended 30 June 2015 are mentioned below:

	As previously reported 30 June 2015 (Un-audited) AED	Reclassification (Un-audited) AED	Restatement (Un-audited) AED	Restated 30 June 2015 (Un-audited) AED
Change in unearned premium provision	(21,885,033)	96,842	8,653,217	(13,134,974)
Change in outstanding claims provision	(5,738,538)	-	9,751,650	4,013,112
Commission incurred	(15,929,705)	-	(901,331)	(16,831,036)
Movement in life assurance fund and payable to policyholders of unit linked products	(3,531,191)	(96,842)	-	(3,628,033)
Basic earnings per share	0.11	-	0.12	0.23

The change in accounting policy resulted in an increase in previously reported profit for the year ended 30 June 2015 by AED 17.5 million and consequently increased basic earnings per share by AED 0.12.