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

Condensed interim financial statements

For the nine month period ended 30 September 2016

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Condensed interim financial statements
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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 September 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 September 2016;
- the condensed interim statement of profit or loss for the three-month and nine-month periods ended 30 September 2016;
- the condensed interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2016;
- the condensed interim statement of changes in shareholder's equity for the nine-month period ended 30 September 2016;
- the condensed interim statement of cash flows for the nine-month period ended 30 September 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 September 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
Fawzi AbuRass
Registered Auditor Number: 968
Date: 30 OCT 2016

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

Condensed interim statement of financial position

as at 30 September 2016

	Note	(Un-audited) 30 September 2016 AED	(Audited) 31 December 2015 AED
ASSETS			
Property and equipment		**32,743,268**	34,757,738
Intangible assets		**2,046,921**	1,958,503
Investment properties		**225,781,060**	225,781,060
Investment securities	*8*	**236,821,912**	239,757,350
Reinsurance assets		**383,800,955**	222,748,768
Insurance and other receivables		**207,916,855**	188,641,628
Cash and bank balances		**223,892,034**	205,421,467
Total assets		**1,313,003,005**	1,119,066,514
LIABILITIES			
Insurance contract provisions		**633,865,250**	493,898,785
Insurance and other payables		**198,699,141**	153,428,433
Payable to policyholders of unit-linked products	*10*	**39,585,044**	36,634,723
Total liabilities		**872,149,435**	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		**619,442**	(100,545)
Retained earnings		**150,296,246**	145,267,236
Total equity		**440,853,570**	435,104,573
Total liabilities and equity		**1,313,003,005**	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 30 OCT 2016 and signed on its behalf by :

H.E Hamad Mubarak Buamim
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 nine month period ended 30 September 2016

	Note	**(Un-audited) For the three-month period ended 30 September 2016 AED**	(Un-audited) For the three-month period ended 30 September 2015 AED *(Restated)*	**(Un-audited) For the nine-month period ended 30 September 2016 AED**	(Un-audited) For the nine-month period ended 30 September 2015 AED *(Restated)*
Gross written premium	*9*	**165,000,963**	126,735,691	**424,300,991**	351,217,174
Reinsurance ceded		**(91,163,420)**	(44,233,285)	**(227,677,543)**	(113,301,297)
Net premium		**73,837,543**	82,502,406	**196,623,448**	237,915,877
Change in unearned premium provision		**(6,723,044)**	(22,627,545)	**21,524,900**	(35,762,519)
Net earned premiums	*9*	**67,114,499**	59,874,861	**218,148,348**	202,153,358
Reinsurance commission		**13,512,937**	11,396,102	**31,406,674**	29,049,223
Net underwriting income	*9*	**80,627,436**	71,270,963	**249,555,022**	231,202,581
Claims paid		**(87,237,643)**	(61,551,282)	**(253,317,627)**	(184,229,460)
Reinsurance share		**41,667,062**	9,619,100	**97,460,990**	32,785,263
Net claims paid		**(45,570,581)**	(51,932,182)	**(155,856,637)**	(151,444,197)
Change in outstanding claims provision		**(1,054,439)**	(5,038,863)	**5,602,411**	(1,025,751)
Net incurred claims	*9*	**(46,625,020)**	(56,971,045)	**(150,254,226)**	(152,469,948)
Commission incurred		**(15,000,871)**	(13,499,580)	**(43,454,565)**	(30,330,616)
Administrative expenses		**(11,721,430)**	(11,467,659)	**(36,075,158)**	(33,467,844)
Net underwriting expenses		**(73,347,321)**	(81,938,284)	**(229,783,949)**	(216,268,408)
Movement in life assurance fund and payable to policyholders of unit linked products	*9*	**(1,861,468)**	4,799,662	**(8,991,911)**	1,171,629
Increase / (decrease) in fair value of investment held for unit linked products		**2,497,899**	(4,124,317)	**4,663,428**	(3,851,779)
Total underwriting expense		**(72,710,890)**	(81,262,939)	**(234,112,432)**	(218,948,558)
Underwriting profit	*9*	**7,916,546**	(9,991,976)	**15,442,590**	12,254,023
Interest and other income (net)		**2,359,194**	2,807,372	**10,081,681**	11,337,952
Net income from investment securities	*8.4*	**1,810,088**	(3,818,256)	**5,633,095**	4,526,269
Administrative expenses		**(2,219,956)**	(2,127,192)	**(9,997,830)**	(7,157,523)
Profit for the period		**9,865,872**	(13,130,052)	**21,159,536**	20,960,721
Basic and diluted earnings per share		**0.07**	(0.09)	**0.14**	0.14

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 nine month period ended 30 September 2016

	(Un-audited) For the three-month period ended 30 September 2016 AED	(Un-audited) For the three-month period ended 30 September 2015 AED *(Restated)*	**(Un-audited) For the nine-month period ended 30 September 2016 AED**	(Un-audited) For the nine-month period ended 30 September 2015 AED *(Restated)*
Profit for the period	**9,865,872**	(13,130,052)	**21,159,536**	20,960,721
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	**200,972**	93,981	**719,987**	450,549
Total other comprehensive income	**200,972**	93,981	**719,987**	450,549
Total comprehensive income for the period	**10,066,844**	(13,036,071)	**21,879,523**	21,411,270

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 nine month period ended 30 September 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)*	-	-	-	-	20,960,721	20,960,721
Other comprehensive income for the period						
Net change in fair value of investments FVTOCI	-	-	-	450,549	-	450,549
Net change in fair value of investments FVTOCI transferred to profit or loss	-	-	-	(245,874)	245,874	-
Total other comprehensive income for the period	-	-	-	204,675	245,874	450,549
Total comprehensive income for the period *(restated)*	-	-	-	204,675	21,206,595	21,411,270
Director's remuneration	-	-	-	-	(3,653,540)	(3,653,540)
Dividends paid	-	-	-	-	(37,488,528)	(37,488,528)
As at 30 September 2015 *(restated)*	149,954,112	67,949,507	67,333,521	433,908	147,649,662	433,320,710
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	-	-	-	-	21,159,536	21,159,536
Other comprehensive income for the period						
Net change in fair value of investments FVTOCI	-	-	-	719,987	-	719,987
Total other comprehensive income for the period	-	-	-	719,987	-	719,987
Total comprehensive income for the period	-	-	-	719,987	21,159,536	21,879,523
Director's remuneration	-	-	-	-	(1,130,526)	(1,130,526)
Dividends paid	-	-	-	-	(15,000,000)	(15,000,000)
As at 30 September 2016	**149,954,112**	**70,299,878**	**69,683,892**	**619,442**	**150,296,246**	**440,853,570**

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 nine month period ended 30 September 2016

	(Un-audited)	(Un-audited)
	For the nine-month period ended	For the nine-month period ended
	30 September 2016	30 September 2015
	AED	AED
		(Restated)
Cash flows from operating activities		
Net profit for the period	**21,159,536**	20,960,721
Adjustment for:		
Depreciation and amortisation	**2,766,121**	3,469,962
Dividend income	**(2,177,271)**	(3,678,283)
Realised gains on investments fair valued through profit or loss	**(2,787,968)**	(7,909,617)
Unrealised (gain) / loss on investments fair valued through profit or loss	**(2,845,127)**	3,334,401
Realised loss on sale of property and equipment	**1,443**	-
Change in unearned premium reserve and life assurance fund	**(15,483,310)**	39,424,513
Provision for gratuity – net of repayment	**-**	29,094
	633,424	55,630,791
Change in insurance and other receivables (including related parties)	**(19,275,227)**	(52,451,393)
Change in insurance and other payables	**45,270,708**	11,282,758
Change in net outstanding claims	**(5,602,411)**	1,025,751
Directors' remuneration paid	**(1,130,526)**	(3,653,540)
Net cash generated from operating activities	**19,895,968**	11,834,367
Cash flows from investing activities		
Purchase of property and equipment	**(842,967)**	(3,721,707)
Purchase of investments fair valued through profit or loss	**(55,551,152)**	(117,608,842)
Purchase of investments fair valued through other comprehensive income	**-**	(27,473,373)
Proceeds from sale of investments fair valued through profit or loss	**67,381,091**	110,012,002
Proceeds from sale of investments fair valued through other comprehensive income	**-**	15,424,727
Proceeds from sale of investments at amortised cost	**408,900**	-
Proceeds from sale of property and equipment	**1,456**	1,983,230
Dividend income	**2,177,271**	3,678,283
Change in bank deposits	**(67,372,625)**	(65,673,021)
Net cash used in investing activities	**(53,798,026)**	(83,378,701)
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	**(48,902,058)**	(109,032,862)
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	**58,714,409**	71,756,485
These comprise the following:		
Cash in hand	**117,725**	148,743
Cash at bank	**58,596,684**	61,607,742
Fixed deposits	**165,177,625**	90,673,021
Total	**223,892,034**	152,429,506
Less: deposits with original maturities of greater than three months	**(165,177,625)**	(80,673,021)
Cash and cash equivalents as at 30 September	**58,714,409**	71,756,485

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.

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.

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

Notes (continued)

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 nine-month period ended 30 September 2016 AED	(Un-audited) For the nine-month period ended 30 September 2015 AED
Key management personnel compensation		
Remuneration and short term benefits	**5,330,813**	4,861,287
End of service benefits	**463,130**	449,688
Other related parties		
Premiums underwritten	**50,918,011**	53,889,905
Claims paid	**26,277,260**	28,353,864
Dividends paid	**12,822,247**	27,933,713
Interest income	**1,069,655**	638,695

	(Un-audited) 30 September 2016 AED	(Audited) 31 December 2015 AED
b) Due from related parties		
Insurance premium receivable (included in receivables)	**21,956,675**	25,345,465
c) Due to related parties		
Payable to related party (included in payable)	**2,462,346**	12,133,628

	(Un-audited)	(Audited)
6. Related party transactions *(continued)*	**30 September 2016**	31 December 2015
	AED	AED
d) Cash and cash equivalents		
Cash at bank	**33,744,458**	23,205,632
Short term deposit	**58,408,986**	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 September 2016 (Un-audited)

Financial Assets	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**
	AED	**AED**	**AED**	**AED**
Investment securities	**176,574,179**	**45,247,733**	**15,000,000**	**236,821,912**
Insurance and other receivables	**-**	**-**	**188,493,586**	**188,493,586**
Cash and cash equivalents	**-**	**-**	**223,892,034**	**223,892,034**
	176,574,179	**45,247,733**	**427,385,620**	**649,207,532**

Financial Liabilities				
Insurance and other payables	**-**	**-**	**186,785,988**	**186,785,988**
Payable to policyholders of unit-linked products	**39,585,044**	**-**	**-**	**39,585,044**
	39,585,044	**-**	**186,785,988**	**226,371,032**

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	-	-	168,522,959	168,522,959
Cash and cash equivalents	-	-	205,421,467	205,421,467
	179,830,198	44,518,252	389,353,326	613,701,776

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 September 2016 AED	(Audited) 31 December 2015 AED
Financial assets at fair value through profit or loss	**176,574,179**	179,830,198
Financial assets at fair value through other comprehensive income	**45,247,733**	44,518,252
Financial assets at amortised costs	**15,000,000**	15,408,900
	236,821,912	239,757,350

8.1 Investments fair valued through profit or loss

	(Un-audited) 30 September 2016 AED	(Audited) 31 December 2015 AED
Equity investments - quoted	**80,628,218**	72,311,455
Fixed income investments / bonds - quoted	**56,360,917**	70,884,020
Investments on behalf of policyholders of unit-linked products	**39,585,044**	36,634,723
Total	**176,574,179**	179,830,198

8.2 Investments - Geographic concentration

	(Un-audited) 30 September 2016 AED	(Audited) 31 December 2015 AED
Investments made :		
- Within U.A.E.	**209,780,064**	212,189,289
- Outside U.A.E.	**27,041,848**	27,568,061
	236,821,912	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 September 2016 (Un-audited)				
FVTPL	**176,574,179**	**-**	-	**176,574,179**
FVTOCI	**45,247,733**	**-**	-	**45,247,733**
	221,821,912	**-**	**-**	**221,821,912**
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 nine month period ended 30 September 2016 AED	(Un-audited) For the nine month period ended 30 September 2015 AED
Realised gain on disposal of investments	**2,787,968**	7,909,617
Revaluation of investments fair valued through profit or loss	**2,845,127**	(3,383,348)
	5,633,095	4,526,269

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

Notes (continued)

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		Life assurance		Total	
	For the nine-month period ended 30 September		For the nine-month period ended 30 September		For the nine-month period ended 30 September	
	2016	2015	**2016**	2015	**2016**	2015
Profit or loss	**AED**	AED	**AED**	AED	**AED**	AED
		(Restated)		*(Restated)*		*(Restated)*
Underwriting income						
Gross written premium	**375,778,940**	307,119,186	**48,522,051**	44,097,988	**424,300,991**	351,217,174
Reinsurance ceded	**(211,466,225)**	(96,033,348)	**(16,211,318)**	(17,267,949)	**(227,677,543)**	(113,301,297)
Net premium	**164,312,715**	211,085,838	**32,310,733**	26,830,039	**196,623,448**	237,915,877
Change in unearned premium provision	**23,623,085**	(34,557,873)	**(2,098,185)**	(1,204,646)	**21,524,900**	(35,762,519)
Net earned premium	**187,935,800**	176,527,965	**30,212,548**	25,625,393	**218,148,348**	202,153,358
Reinsurance commission earned	**28,899,277**	21,699,363	**2,507,397**	7,349,860	**31,406,674**	29,049,223
Net underwriting income	**216,835,077**	198,227,328	**32,719,945**	32,975,253	**249,555,022**	231,202,581
Underwriting expenses						
Net incurred claims	**(128,764,747)**	(130,977,805)	**(21,489,479)**	(21,492,143)	**(150,254,226)**	(152,469,948)
Commission incurred	**(39,516,962)**	(25,956,351)	**(3,937,603)**	(4,374,265)	**(43,454,565)**	(30,330,616)
Administrative and general expenses	**(30,999,813)**	(28,176,459)	**(5,075,345)**	(5,291,385)	**(36,075,158)**	(33,467,844)
Net underwriting expense	**(199,281,522)**	(185,110,615)	**(30,502,427)**	(31,157,793)	**(229,783,949)**	(216,268,408)
Profit before movement in life assurance fund	**17,553,555**	13,116,713	**2,217,518**	1,817,460	**19,771,073**	14,934,173
Movement in life assurance fund and payable to participants of unit linked product	**-**	-	**(8,991,911)**	1,171,629	**(8,991,911)**	1,171,629
Increase in fair value of investment held for unit linked products	**-**	-	**4,663,428**	(3,851,779)	**4,663,428**	(3,851,779)
Underwriting profit for the period	**17,553,555**	13,116,713	**(2,110,965)**	(862,690)	**15,442,590**	12,254,023
Income from investments					**15,714,776**	15,864,221
Unallocated expenses					**(9,997,830)**	(7,157,523)
Profit for the period					**21,159,536**	20,960,721

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Notes (continued)

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

Financial position	General insurance 30 September 2016 AED	General insurance 31 December 2015 AED	Life assurance 30 September 2016 AED	Life assurance 31 December 2015 AED	Total 30 September 2016 AED	Total 31 December 2015 AED
ASSETS						
Property and equipment	**31,895,110**	33,909,580	**848,158**	848,158	**32,743,268**	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	**144,084,578**	147,300,497	**92,737,334**	92,456,853	**236,821,912**	239,757,350
Reinsurance assets	**365,204,145**	215,021,308	**18,596,810**	7,727,460	**383,800,955**	222,748,768
Insurance and other receivables	**166,830,140**	176,417,486	**41,086,715**	12,224,142	**207,916,855**	188,641,628
Cash and bank balances	**221,639,489**	194,646,976	**2,252,545**	10,774,491	**223,892,034**	205,421,467
Total assets	**1,157,481,443**	995,035,410	**155,521,562**	124,031,104	**1,313,003,005**	1,119,066,514
LIABILITIES						
Insurance contract provisions	**538,019,218**	418,295,055	**95,846,032**	75,603,730	**633,865,250**	493,898,785
Insurance and other payables	**189,047,283**	147,904,845	**9,651,858**	5,523,588	**198,699,141**	153,428,433
Payable to policyholders of unit linked products	**-**	-	**39,585,044**	36,634,723	**39,585,044**	36,634,723
Total liabilities	**727,066,501**	566,199,900	**145,082,934**	117,762,041	**872,149,435**	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	**-**	-	**-**	-	**619,442**	(100,545)
Retained earnings	**-**	-	**-**	-	**150,296,246**	145,267,236
Total equity	**-**	-	**-**	-	**440,853,570**	435,104,573
Total liabilities and equity					**1,313,003,005**	1,119,066,514

10. Payable to policyholders of unit-linked products

Movement during the period:

	(Un-audited) **30 September 2016** **AED**	(Audited) 31 December 2015 AED
As at 1 January	**36,634,723**	41,990,988
Amount invested by policyholders	**4,895,839**	13,279,671
Amount withdrawn at redemption stage/lapse/surrender by policyholder	**(6,608,946)**	(15,296,581)
Change in fair value	**4,663,428**	(3,339,355)
Balance as at 30 September / 31 December	**39,585,044**	36,634,723

11. Contingent liabilities and commitments

Capital commitments

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

Guarantees

	(Un-audited) **30 September 2016** **AED**	(Audited) 31 December 2015 AED
Letters of guarantees	**9,896,891**	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 the 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 September 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 nine months period ended 30 September 2015 were issued prior to the change in the aforementioned accounting policy. Therefore, the comparative information of these financial statements for the nine months period ended 30 September 2015 has been restated to conform to the revised accounting policy.

12. Comparatives *(continued)*

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

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

	As previously reported 30 September 2015 (Un-audited) AED	Reclassification (Un-audited) AED	Restatement (Un-audited) AED	Restated September 2015 (Un-audited) AED
Change in unearned premium provision	(21,790,456)	(5,194,492)	(8,777,571)	(35,762,519)
Change in outstanding claims provision	(7,889,499)	-	6,863,748	(1,025,751)
Commission incurred	(30,798,949)	-	468,333	(30,330,616)
Movement in life assurance fund and payable to policyholders of unit linked products	(4,022,863)	5,194,492	-	1,171,629
Basic earnings per share	0.15	-	(0.01)	0.14

The change in accounting policy resulted in a decrease in previously reported profit for the period ended 30 September 2015 by AED 1.4 million and consequently decreased basic earnings per share by AED 0.01.