Dubai National Insurance & Reinsurance P.S.C.

دبي الوطنية للتأمين وإعادة التأمين ش.م.ع.

Dated : 12th November 2017

## Directors' Report
## For the Third Quarter Ended 30th September 2017

The Board of Directors is pleased to present the third quarter unaudited results for the period ended 30th September 2017.

- The gross premium written for the period ended 30th September 2017 increased by 23% to AED 258.486 Million compared to AED 210.908 Million in the same period last year.

- The net underwriting income for the period ended 30th September 2017 increased by 11% to AED 34.697 Million as compared to AED 31.128 Million (restated) as of 30th September 2016.

- The company achieved net profit of AED 42.002 Million for the period ended 30th September 2017 as compared to AED 41.704 Million (restated) as of 30th September 2016.

Mohammed Khalaf Al Habtoor
Managing Director

ص. ب: ١٨٠٦، دبي، الإمارات العربية المتحدة | هاتف : ٢٩٥٦٧٠٠ ٤ ٩٧١+ | فاكس : ٢٩٥٦٧١١ ٤ ٩٧١+

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سجلت في سجل شركات التأمين طبقا للقانون الإتحادي رقم (٦) لسنة ٢٠٠٧، شهادة قيد رقم ٦٤ بتاريخ ٦ يناير ١٩٩٢

Registered in the Insurance Companies Register Under Federal Law No. (6) of 2007, Certificate No. 64 Dated 6th January 1992

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

Dubai - United Arab Emirates

Condensed Interim Financial Statements
(Unaudited)

For the period ended 30 September 2017

Grant Thornton

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# Review report of the independent auditor

## To the shareholders of Dubai National Insurance & Reinsurance (P.S.C.)

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dubai National Insurance & Reinsurance (P.S.C.) (the "Company") as of 30 September 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine month period then ended. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements 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 interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Grant Thornton

Grant Thornton P.O. Box: 1620 DUBAI-U.A.E. Public Accountants

**Grant Thornton**
**Farouk Mohamed**

**Registration No: 86**
**Dubai, 12 November 2017**

## Condensed interim statement of financial position
As at 30 September 2017

| | Notes | (Unaudited) 30 September 2017 AED'000 | (Audited - Restated) 31 December 2016 AED'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current** | | | |
| Statutory deposits | 4 | 10,000 | 10,000 |
| Property and equipment | | 579 | 770 |
| Investment property | 5 | 78,209 | 79,595 |
| | | 88,788 | 90,365 |
| **Current** | | | |
| Financial assets at fair value through other comprehensive income | 6 | 374,490 | 372,316 |
| Insurance receivables | | 66,536 | 43,619 |
| Other receivables | | 23,431 | 16,255 |
| Due from related parties | 7 | 18,172 | 13,386 |
| Reinsurance contract assets | | 186,391 | 133,033 |
| Cash and cash equivalents | 8 | 117,482 | 110,004 |
| | | 786,502 | 688,613 |
| **Total assets** | | 875,290 | 778,978 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | | 115,500 | 115,500 |
| Legal reserve | | 57,750 | 57,750 |
| Obligatory reserve | | 28,875 | 28,875 |
| General reserve | | 180,000 | 180,000 |
| Fair value reserve on financial assets at fair value through other comprehensive income | | 53,219 | 51,045 |
| Retained earnings | | 48,006 | 34,879 |
| **Total equity** | | 483,350 | 468,049 |
| **Liabilities** | | | |
| **Non-current** | | | |
| Employees' end-of-service benefits | | 4,459 | 4,348 |
| **Current** | | | |
| Insurance contract provisions | | 279,825 | 211,458 |
| Insurance payables | | 75,393 | 50,893 |
| Other payables | | 32,189 | 34,175 |
| Due to related parties | 7 | 74 | 10,055 |
| | | 387,481 | 306,581 |
| **Total liabilities** | | 391,940 | 310,929 |
| **Total equity and liabilities** | | 875,290 | 778,978 |

These condensed interim financial statements were approved by the Board of Directors on 12 November 2017 and signed on their behalf by:

**Mohammed Khalaf Al Habtoor**
**Managing Director**

**Sultan Ahmed Al Habtoor**
**Vice Chairman**

The notes from 1 to 13 form an integral part of these condensed interim financial statements.

## Condensed interim income statement
**For the period ended 30 September 2017**

| | (Unaudited) Nine months period ended 30 September 2017 AED'000 | (Unaudited - Restated) Nine months period ended 30 September 2016 AED'000 | (Unaudited) Three months period ended 30 September 2017 AED'000 | (Unaudited - Restated) Three months period ended 30 September 2016 AED'000 |
|---|---|---|---|---|
| Gross premiums | 258,486 | 210,908 | 92,114 | 75,459 |
| Reinsurance share of premiums | (166,475) | (130,054) | (62,819) | (51,774) |
| **Net premiums** | 92,011 | 80,854 | 29,295 | 23,685 |
| Net transfer to unearned premiums | (12,173) | (13,018) | (1,165) | 219 |
| **Net premiums earned** | 79,838 | 67,836 | 28,130 | 23,904 |
| Commission earned | 17,994 | 17,189 | 6,215 | 5,946 |
| Commission paid | (24,386) | (18,032) | (9,028) | (6,547) |
| Others | 2,675 | 3,310 | 1,545 | 1,169 |
| **Gross underwriting income** | 76,121 | 70,303 | 26,862 | 24,472 |
| Gross claims paid | 120,202 | 98,449 | 40,740 | 31,987 |
| Reinsurance share | (81,615) | (59,722) | (28,737) | (18,869) |
| **Net claims paid** | 38,587 | 38,727 | 12,003 | 13,118 |
| Provision for outstanding claims and technical provisions | 23,858 | 15,563 | 8,603 | 7,446 |
| Reinsurance share of outstanding claims and technical provisions | (21,021) | (15,115) | (7,711) | (7,475) |
| **Net claims incurred** | 41,424 | 39,175 | 12,895 | 13,089 |
| **Net underwriting income** | 34,697 | 31,128 | 13,967 | 11,383 |
| Income from investments - net | 20,211 | 19,540 | 1,782 | 1,682 |
| Income from investment property - net | 5,041 | 8,102 | 1,432 | 2,316 |
| Other income | 26 | 52 | 14 | 1 |
| **Gross income** | 59,975 | 58,822 | 17,195 | 15,382 |
| General and administrative expenses | (17,973) | (17,118) | (6,235) | (5,886) |
| **Net profit for the period** | 42,002 | 41,704 | 10,960 | 9,496 |
| **Earnings per share:** | | | | |
| Basic and diluted (note 9) | AED 0.36 | AED 0.36 | AED 0.09 | AED 0.08 |

The notes from 1 to 13 form an integral part of these condensed interim financial statements.

## Condensed interim statement of comprehensive income
**For the period ended 30 September 2017**

| | (Unaudited) Nine months period ended 30 September 2017 | (Unaudited-Restated) Nine months period ended 30 September 2016 | (Unaudited) Three months period ended 30 September 2017 | (Unaudited-Restated) Three months period ended 30 September 2016 |
|---|---|---|---|---|
| | AED'000 | AED'000 | AED'000 | AED'000 |
| **Net profit for the period** | **42,002** | 41,704 | **10,960** | 9,496 |
| **Other comprehensive income** | | | | |
| *Items that will not be reclassified subsequently to profit or loss* | | | | |
| Net unrealised profit/ (Loss) on financial assets at fair value through other comprehensive income | **2,174** | 31,169 | **1,339** | (2,941) |
| **Other comprehensive income/ (Loss) for the period** | **2,174** | 31,169 | **1,339** | (2,941) |
| **Total comprehensive income for the period** | **44,176** | 72,873 | **12,299** | 6,555 |

The notes from 1 to 13 form an integral part of these condensed interim financial statements.

## Condensed interim statement of changes in equity
**For the period ended 30 September 2017**

| | Share capital AED'000 | Legal reserve AED'000 | Obligatory reserve AED'000 | General reserve AED'000 | Fair value reserve on financial assets at fair value through other comprehensive income AED'000 | Retained earnings AED'000 | Total equity AED'000 |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2017 (Audited)** | 115,500 | 57,750 | 28,875 | 180,000 | 51,045 | 33,563 | 466,733 |
| Effect of change in accounting policy (note 13) | - | - | - | - | - | 1,316 | 1,316 |
| **Balance at 1 January 2017 (Restated)** | 115,500 | 57,750 | 28,875 | 180,000 | 51,045 | 34,879 | 468,049 |
| Dividend (note 12) | - | - | - | - | - | (28,875) | (28,875) |
| Transactions with owners | - | - | - | - | - | (28,875) | (28,875) |
| Net profit for the period | - | - | - | - | - | 42,002 | 42,002 |
| Other comprehensive income for the period | - | - | - | - | 2,174 | - | 2,174 |
| Total comprehensive income for the period | - | - | - | - | 2,174 | 42,002 | 44,176 |
| **Balance at 30 September 2017 (Unaudited)** | **115,500** | **57,750** | **28,875** | **180,000** | **53,219** | **48,006** | **483,350** |
| Balance at 1 January 2016 (Audited) | 115,500 | 57,750 | 28,875 | 180,000 | 8,781 | 16,456 | 407,362 |
| Effect of change in accounting policy (note 13) | - | - | - | - | - | (638) | (638) |
| Balance at 1 January 2016 (Restated) | 115,500 | 57,750 | 28,875 | 180,000 | 8,781 | 15,818 | 406,724 |
| Dividend (note 12) | - | - | - | - | - | (23,100) | (23,100) |
| Transactions with owners | - | - | - | - | - | (23,100) | (23,100) |
| Net profit for the period | - | - | - | - | - | 41,704 | 41,704 |
| Other comprehensive income for the period | - | - | - | - | 31,169 | - | 31,169 |
| Total comprehensive income for the period | - | - | - | - | 31,169 | 41,704 | 72,873 |
| Balance at 30 September 2016 (Unaudited) | 115,500 | 57,750 | 28,875 | 180,000 | 39,950 | 34,422 | 456,497 |

The notes from 1 to 13 form an integral part of these condensed interim financial statements.

## Condensed interim statement of cash flows
**For the period ended 30 September 2017**

| | (Unaudited) Nine months period ended 30 September 2017 AED'000 | (Unaudited - Restated) Nine months period ended 30 September 2016 AED'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net profit for the period | **42,002** | 41,704 |
| *Adjustments for:* | | |
| Depreciation on property and equipment | **304** | 346 |
| Depreciation on investment property | **1,386** | 1,388 |
| Gain on disposal of property and equipment | **(26)** | (52) |
| Net transfer to employees' end-of-service benefits | **111** | 483 |
| Insurance contract provisions | **68,367** | 50,286 |
| Reinsurance contract assets | **(53,358)** | (36,820) |
| Income from investments - net | **(20,211)** | (19,540) |
| Income from investment property | **(6,427)** | (9,490) |
| Operating cash flows before changes in working capital | **32,148** | 28,305 |
| *Changes in working capital:* | | |
| Insurance receivables | **(22,917)** | (17,400) |
| Other receivables | **(7,176)** | (3,686) |
| Insurance payables | **24,500** | 13,198 |
| Other payables | **(1,986)** | (2,301) |
| Due from/to related parties – net | **(14,767)** | (21,163) |
| Net cash generated from/(used in) operating activities | **9,802** | (3,047) |
| **Cash flows from investing activities** | | |
| Purchase of property and equipment | **(113)** | (243) |
| Proceeds from disposal of property and equipment | **26** | 52 |
| Purchase of financial assets at fair value through other comprehensive income | **-** | (1,545) |
| Income from investments – net | **20,211** | 19,540 |
| Income from investment property | **6,427** | 9,490 |
| Net cash generated from investing activities | **26,551** | 27,294 |
| **Cash flows from financing activity** | | |
| Dividend paid | **(28,875)** | (23,100) |
| Net cash used in financing activity | **(28,875)** | (23,100) |
| **Net change in cash and cash equivalents** | **7,478** | 1,147 |
| Cash and cash equivalents, beginning of period | **110,004** | 90,974 |
| **Cash and cash equivalents, end of period** | **117,482** | 92,121 |

The notes from 1 to 13 form an integral part of these condensed interim financial statements.

## 1 Legal status and activities

Dubai National Insurance & Reinsurance (P.S.C.) (the "Company") is a public shareholding company incorporated in Dubai on 6 January 1992 with an overseas branch in Beirut, Lebanon.

The Company is engaged in insurance and reinsurance of all classes of business in accordance with the provisions of the UAE Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organisation of the Insurance Operations relating to insurance companies and insurance agents.

The registered address of the Company is Dubai National Insurance Building, Floor 7 & 9, Port Saeed, P.O. Box 1806, Dubai, UAE.

The overseas branch in Beirut is in the process of being wound up. Its license as required by local regulations has been terminated and it will shut down once it meets all its obligations, as published in the official gazette in April 2004. The branch has no operations and the total expenses and assets of the branch are not material to these condensed interim financial statements. Hence, these condensed interim financial statements do not separately disclose the expenses, assets, liabilities and cash flows for the discontinued operations of the branch.

## 2 General information and basis of preparation

These condensed interim financial statements are for the nine months period ended 30 September 2017 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. These condensed interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2016. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

## 3 Significant accounting policies

These condensed interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended 31 December 2016 with the exception of commission earned and paid. Commission earned and paid is now initially deferred and recognised as income or expense over the policy period (refer note 13). Certain amendments to accounting standards and annual improvements, as disclosed in the Company's most recent annual financial statements for the year ended 31 December 2016, are applicable on the Company but do not have any material impact on these condensed interim financial statements.

### Critical accounting estimates and judgments in applying accounting policies

The Company makes estimates and assumption that affect the reported amounts of assets and liabilities within the next financial year. Estimates and 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. Actual results may substantially be different.

*Outstanding claims and technical provisions*

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

## 3 Significant accounting policies (continued)

### Critical accounting estimates and judgments in applying accounting policies (continued)

*Classification of investment property*

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

*Provision for doubtful debts*

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

*Fair value of unquoted securities*

Fair value of unquoted securities has been determined by the management based on Earnings Multiple and Net Assets Value Techniques using observable market data of comparable public entities, certain discount factors and unobservable financial data of these non-public investees. Actual results may substantially be different. Further information on using the estimates is mentioned in note 6.

## 4 Statutory deposits

| | **(Unaudited) 30 September 2017 AED'000** | (Audited) 31 December 2016 AED'000 |
|---|---|---|
| Held with a local bank in Dubai | **10,000** | 10,000 |

Statutory deposits held with a local bank in Dubai, UAE represents deposits held under a lien in favour of the Ministry of Economy and Planning in accordance with Article 42 of Federal Law No. (6) of 2007 on Establishment of the Insurance Authority and Organisation 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.

## 5 Investment property

| | **(Unaudited) 30 September 2017** | (Audited) 31 December 2016 |
|---|---|---|
| **Within UAE:** | **AED'000** | AED'000 |
| Cost at the beginning of the period/ year | **105,721** | 105,721 |
| Accumulated depreciation | **(27,512)** | (26,126) |
| Written down value at the end of the period/ year | **78,209** | 79,595 |

## 6 Financial assets at fair value through other comprehensive income

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Note | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| | | AED'000 | AED'000 | AED'000 | AED'000 |
| **30 September 2017 (Unaudited)** | | | | | |
| Investment in quoted securities | (a) | 305,424 | - | - | 305,424 |
| Investment in unquoted securities* | (b) | - | - | 69,066 | 69,066 |
| | | **305,424** | **-** | **69,066** | **374,490** |
| 31 December 2016 (Audited) | | | | | |
| Investment in quoted securities | (a) | 311,413 | - | - | 311,413 |
| Investment in unquoted securities* | (b) | - | - | 60,903 | 60,903 |
| | | 311,413 | - | 60,903 | 372,316 |

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

(b) The Company holds investments in unquoted securities of three entities as at 30 September 2017 (31 December 2016: three entities). These investments are fair valued based on Earnings Multiple and Net Asset Value Techniques using observable market data of comparable public entities, certain discount factors and unobservable financial data of these non-public investees. Unobservable financial data used in determining the fair values of these unquoted securities has been extracted from their latest available audited financial statements for the year ended 31 December 2016 (31 December 2016: financial statements for the year ended 31 December 2015).

Management believes the fair values of these unquoted investments would not be significantly different if the financial data of these non-public investees as at 30 September 2017 could be used based on its availability. All the unquoted securities fall under level 3 of fair value hierarchy therefore use of estimate is significant.

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

## 7 Related parties

Details of related party balances are as follows:

| | (Unaudited) 30 September 2017 AED'000 | (Audited) 31 December 2016 AED'000 |
|---|---|---|
| **Due from related parties** | | |
| *Related parties due to common directorship* | | |
| Diamond Lease L.L.C. | 7,235 | 3,901 |
| Al Habtoor Theatre LLC | 4,791 | 3,344 |
| Habtoor Grand Resort & Spa LLC | - | 236 |
| Dubai National Investment Co. LLC | 277 | 1,856 |
| Al Habtoor Motors Co. LLC | 1,345 | - |
| Other Habtoor Group companies | 4,524 | 4,049 |
| | 18,172 | 13,386 |
| **Due to related parties** | | |
| *Related parties due to common directorship* | | |
| Al Habtoor Motors Co. L.L.C. | - | 10,038 |
| Other Habtoor Group companies | 74 | 17 |
| | 74 | 10,055 |

### Related party transactions

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 IAS 24. These transactions are carried out at terms mutually agreed between the parties.

Significant transactions with related parties are summarised below:

| | (Unaudited) Nine months period ended 30 September 2017 AED'000 | (Unaudited) Nine months period ended 30 September 2016 AED'000 |
|---|---|---|
| Premiums written | 59,791 | 53,286 |
| Claims paid | 10,509 | 6,770 |
| Commission paid | 5,356 | 3,876 |
| Agency/ Non-agency repairs | 29,901 | 31,728 |

## 8 Cash and cash equivalents

| | (Unaudited) 30 September 2017 AED'000 | (Audited) 31 December 2016 AED'000 |
|---|---|---|
| Cash in hand and at banks | **117,482** | 110,004 |

(a) Cash in hand and at banks includes AED Nil (31 December 2016: AED 0.5 million) converted from Lebanese Lira (LL).

(b) Cash at banks includes short term deposits with local banks carrying interest ranging from 1.50% - 2.25% (31 December 2016: 0.6% - 2.13%).

## 9 Earnings per share

### Basic and diluted

| | (Unaudited) Nine months period ended 30 September 2017 | (Unaudited - Restated) Nine months period ended 30 September 2016 | (Unaudited) Three months period ended 30 September 2017 | (Unaudited - Restated) Three months period ended 30 September 2016 |
|---|---|---|---|---|
| **Earnings (AED'000):** | | | | |
| Net profit for the period | **42,002** | 41,704 | **10,960** | 9,496 |
| **Number of shares:** | | | | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | **115,500,000** | 115,500,000 | **115,500,000** | 115,500,000 |
| **Earnings per share (AED):** | | | | |
| Basic and diluted | **0.36** | 0.36 | **0.09** | 0.08 |

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

## 10 Segment information

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

Underwriting segment is further classified into General Insurance and Life and 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.

## 10 Segment information (continued)

| | Unaudited - Nine months period ended 30 September 2017 AED'000 | | | Unaudited Restated - Nine months period ended 30 September 2016 AED'000 | | |
|---|---|---|---|---|---|---|
| | Underwriting | Investments | Total | Underwriting | Investments | Total |
| Segment revenue | 258,486 | 32,179 | 290,665 | 210,908 | 31,960 | 242,868 |
| Segment result | 34,697 | 25,252 | 59,949 | 31,128 | 27,642 | 58,770 |
| Unallocated: | | | | | | |
| -Other income | | | 26 | | | 52 |
| -Admin expenses | | | (17,973) | | | (17,118) |
| Net profit for the period | | | 42,002 | | | 41,704 |

| | Unaudited - 30 September 2017 AED'000 | | | Restated - 31 December 2016 AED'000 | | |
|---|---|---|---|---|---|---|
| | Underwriting | Investments | Total | Underwriting | Investments | Total |
| Segment assets | 295,109 | 452,699 | 747,808 | 207,063 | 451,911 | 658,974 |
| Unallocated assets | | | 127,482 | | | 120,004 |
| Total assets | | | 875,290 | | | 778,978 |
| Segment / Total liabilities | 390,382 | 1,558 | 391,940 | 308,955 | 1,974 | 310,929 |

## 11 Commitments and contingencies

In the normal course of business, the Company's bankers have issued guarantees in favour of third parties amounting to AED 0.3 million (31 December 2016: AED 0.3 million).

The Company is subject to litigation in the normal course of its 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.

## 12 Dividend

The Board proposed cash dividend of 25% of paid up capital amounting to AED 28.875 million, i.e. AED 0.25 per share, for the year ended 31 December 2016 which was approved at the Annual General Meeting held on 7 March 2017 and distributed in March 2017.

During the comparative period, the Board proposed cash dividend of 20% of paid up capital amounting to AED 23.1 million i.e. AED 0.20 per share, for the year ended 31 December 2015 which was approved at the Annual General Meeting held on 7 March 2016 and distributed in March 2016.

## 13 Comparatives

From 1 January 2017 the Company has changed its accounting policy with respect to commission earned and paid. Previously, the Company used to recognise commission income and commission expense at the time the policies were written. Now, the Company initially defers the commission earned and paid and recognises commission income and expense over the tenure of the policies. As a result of the retrospective application of the change in accounting policy, the comparative financial information has been restated. In addition to the above, in respect of medical policies, the Company is now offsetting the loadings attributable to the Company which form a part of the 'gross written premiums' against the 'commission payable' while working out the deferred acquisition costs pertaining to medical lines of business. This is to be in line with the consistent approach followed by the Company in respect of income recognition. Accordingly, comparative financial information has also been reclassified.

**Condensed interim statement of financial position:**

| *As at 31 December 2016:* | Previously reported AED'000 | Adjustment AED'000 | Restated AED'000 | Reclassification AED'000 | Reclassified AED'000 |
|---|---|---|---|---|---|
| Other receivables | 3,884 | 14,700 | 18,584 | (2,329) | 16,255 |
| Other payables | 23,120 | 13,384 | 36,504 | (2,329) | 34,175 |
| Retained earnings | 33,563 | 1,316 | 34,879 | - | 34,879 |

| *As at 31 December 2015:* | Previously reported AED'000 | Adjustment AED'000 | Restated AED'000 | Reclassification AED'000 | Reclassified AED'000 |
|---|---|---|---|---|---|
| Other receivables | 3,747 | 11,039 | 14,786 | (1,596) | 13,190 |
| Other payables | 27,289 | 11,677 | 38,966 | (1,596) | 37,370 |
| Retained earnings | 16,456 | (638) | 15,818 | - | 15,818 |

**Condensed interim income statement:**

| *Nine months period ended 30 September 2016:* | Previously reported AED'000 | Adjustment AED'000 | Restated AED'000 |
|---|---|---|---|
| Commission earned | 19,960 | (2,771) | 17,189 |
| Commission paid | (22,032) | 4,000 | (18,032) |

| *Three months period ended 30 September 2016:* | Previously reported AED'000 | Adjustment AED'000 | Restated AED'000 |
|---|---|---|---|
| Commission earned | 8,867 | (2,921) | 5,946 |
| Commission paid | (6,870) | 323 | (6,547) |