Dubai Insurance Company (PSC)

Condensed consolidated interim financial statements
(Unaudited)

For the period ended 30 September 2019

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Review report of the Independent Auditor
To the Shareholders of Dubai Insurance Company PSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Insurance Company (PSC) (the "Company") and its subsidiary (collectively referred to as the "Group"), as of 30 September 2019 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the nine month period then ended. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated 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.

Other matter

The financial statements for the year ended 31 December 2018 and the condensed consolidated interim financial statements for the period ended 30 September 2018 were audited by another auditor who expressed an unmodified opinion and an unqualified conclusion on those statements on 10 February 2019 and 5 November 2018 respectively.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated 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, 10 November 2019

Condensed consolidated interim statement of financial position
As at 30 September 2019

	Notes	(Unaudited) 30 September 2019 AED'000	(Audited) 31 December 2018 AED'000
ASSETS			
Property and equipment		**47,246**	47,189
Investment property		**36,088**	20,032
Advance for investment property		**-**	14,154
Financial instruments	6	**416,523**	400,826
Reinsurance assets		**789,132**	478,625
Insurance receivables		**262,540**	247,737
Prepayments and other receivables		**22,594**	31,113
Statutory deposits		**10,000**	10,000
Cash and cash equivalents	7	**126,730**	77,385
TOTAL ASSETS		**1,710,853**	1,327,061
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**100,000**	100,000
Statutory reserve	10	**50,000**	50,000
General reserve	10	**20,000**	13,000
Retained earnings		**180,368**	159,978
Cumulative changes in fair value of investments		**182,243**	163,068
Total equity		**532,611**	486,046
Liabilities			
Bank loan	8	**4,789**	10,845
Employees' end of service benefits		**4,591**	3,837
Insurance contract liabilities		**855,034**	550,919
Amounts held under reinsurance treaties		**47,635**	40,016
Reinsurance balances payable		**156,532**	150,524
Insurance and other payables		**109,661**	84,874
Total liabilities		**1,178,242**	841,015
TOTAL EQUITY AND LIABILITIES		**1,710,853**	1,327,061

The condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 10 November 2019.

Buti Obaid Almulla
Chairman

Abdellatif Abuqurah
Chief Executive Officer

The notes from 1 to 15 form part of these condensed consolidated interim financial statements.

Condensed consolidated interim income statement
For the period ended 30 September 2019

	(Unaudited) Nine months period ended 30 September 2019 AED'000	(Unaudited) Nine months period ended 30 September 2018 AED'000	(Unaudited) Three months period ended 30 September 2019 AED'000	(Unaudited) Three months period ended 30 September 2018 AED'000
UNDERWRITING INCOME				
Gross premium	**745,674**	388,791	**217,349**	71,786
Movement in provision for unearned premium	**(283,305)**	(44,692)	**(55,414)**	27,521
Insurance premium revenue	**462,369**	344,099	**161,935**	99,307
Reinsurance share of premium	**(634,854)**	(287,752)	**(196,612)**	(72,652)
Movement in provision for reinsurance share of unearned premium	**278,913**	48,720	**56,221**	(8,823)
	(355,941)	(239,032)	**(140,391)**	(81,475)
Net insurance premium revenue	**106,428**	105,067	**21,544**	17,832
Reinsurance commission income	**69,440**	30,725	**21,619**	26,540
Other underwriting income	**115**	7	**-**	-
Gross underwriting income	**175,983**	135,799	**43,163**	44,372
UNDERWRITING EXPENSES				
Claims incurred	**299,928**	324,578	**114,289**	118,920
Reinsurers' share of claims incurred	**(252,124)**	(264,637)	**(107,873)**	(110,280)
Net claims incurred	**47,804**	59,941	**6,416**	8,640
Commission expenses	**39,079**	22,314	**11,349**	18,654
Excess of loss reinsurance premium	**97**	1,291	**97**	612
General and administration expenses relating to underwriting activities	**23,227**	16,635	**6,459**	5,135
Other expenses	**18,992**	9,337	**4,329**	5,036
Total underwriting expenses	**129,199**	109,518	**28,650**	38,077
NET UNDERWRITING INCOME	**46,784**	26,281	**14,513**	6,295
INVESTMENT INCOME				
Realised gain on sale of investments	**830**	224	**81**	1,095
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(73)**	(1,066)	**39**	-
Other investment income	**16,917**	16,180	**1,344**	798
Other investment costs	**(249)**	(809)	**(62)**	(157)
	17,425	14,529	**1,402**	1,736
OTHER INCOME AND EXPENSES				
General and administration expenses not allocated	**(7,062)**	(5,450)	**(1,930)**	(1,691)
Other income/(expense)	**243**	15	**2**	(19)
	(6,819)	(5,435)	**(1,928)**	(1,710)
PROFIT FOR THE PERIOD	**57,390**	35,375	**13,987**	6,321
Basic and diluted earnings per share (AED)	**0.574**	0.354	**0.14**	0.063

The notes from 1 to 15 form part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive income
For the period ended 30 September 2019

	(Unaudited) Nine months period ended 30 September 2019 AED'000	(Unaudited) Nine months period ended 30 September 2018 AED'000	**(Unaudited) Three months period ended 30 September 2019 AED'000**	(Unaudited) Three months period ended 30 September 2018 AED'000
Profit for the period	**57,390**	35,375	**13,987**	6,321
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Net unrealised gain/(loss) on financial assets at fair value through other comprehensive income	**19,175**	(187)	**8,594**	(3,627)
Total comprehensive income for the period	**76,565**	35,188	**22,581**	2,694

The notes from 1 to 15 form part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity
For the period ended 30 September 2019

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Retained earnings AED'000	Cumulative changes in fair value of investments AED'000	Total equity AED'000
Balance at 1 January 2019 (Audited)	**100,000**	**50,000**	**13,000**	**159,978**	**163,068**	**486,046**
Profit for the period	-	-	-	57,390	-	57,390
Other comprehensive income	-	-	-	-	19,175	19,175
Total comprehensive income for the period				57,390	19,175	76,565
Transfer to general reserve (note 10)	-	-	7,000	(7,000)	-	-
Cash dividend declared and paid (note 11)	-	-	-	(30,000)	-	(30,000)
Balance at 30 September 2019 (Unaudited)	**100,000**	**50,000**	**20,000**	**180,368**	**182,243**	**532,611**
Balance at 1 January 2018 (Restated) (Audited)	100,000	50,000	13,000	146,211	169,361	478,572
Profit for the period	-	-	-	35,375	-	35,375
Other comprehensive loss	-	-	-	-	(187)	(187)
Total comprehensive income/(loss) for the period	-	-	-	35,375	(187)	35,188
Cash dividend declared and paid (note 11)	-	-	-	(25,000)	-	(25,000)
Balance at 30 September 2018 (Unaudited)	100,000	50,000	13,000	156,586	169,174	488,760

The notes from 1 to 15 form an integral part of these consolidated interim financial statements.

Condensed consolidated interim statement of cash flows
For the period ended 30 September 2019

	Notes	(Unaudited) Nine months period ended 30 September 2019 AED'000	(Unaudited) Nine months period ended 30 September 2018 AED'000
OPERATING ACTIVITIES			
Profit for the period		**57,390**	35,375
Adjustments for:			
Depreciation on property and equipment		**935**	942
Provision for employees' end of service benefits		**994**	362
Gain on sale of investments in debt instruments at amortised cost		**(830)**	(224)
		58,489	36,455
Changes in operating assets and liabilities:			
Reinsurance assets		**(310,507)**	(98,955)
Insurance receivables		**(14,803)**	(105,476)
Prepayments and other assets		**8,519**	(18,636)
Insurance contract liabilities		**304,116**	94,506
Amounts held under reinsurance treaties		**7,619**	13,472
Reinsurance balances payable		**6,007**	56,805
Insurance and other payables		**24,787**	21,912
Cash generated from operations		**84,227**	83
Employees' end of service benefits paid		**(240)**	(159)
Net cash generated from/(used in) operating activities		**83,987**	(76)
INVESTING ACTIVITIES			
Change in investments held at amortised cost		**6,500**	43,812
Purchase of other financial instruments		**(2,188)**	16,593
Advance for investment property		**-**	(8,961)
Purchase of property and equipment		**(996)**	(1,377)
Purchase of investment property- net of advances		**(1,902)**	-
Net cash generated from investing activities		**1,414**	50,067
FINANCING ACTIVITIES			
Dividend paid	11	**(30,000)**	(25,000)
Bank loan		**(6,056)**	(28,111)
Net cash used in financing activities		**(36,056)**	(53,111)
Net change in cash and cash equivalents		**49,345**	(3,120)
Cash and cash equivalents, beginning of period		**77,385**	28,068
Cash and cash equivalents, end of period	7	**126,730**	24,948

1 Legal status and activities

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 Federal Law No.2 of 2015, concerning Commercial Companies has come into effect from 28 June 2015, replacing the existing Federal Law No.8 of 1984. 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 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. The shares of the Company are listed on the Dubai Financial Market.

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

2 Basis of preparation

The condensed consolidated interim financial statements are for the nine months period ended 30 September 2019 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Group. 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 Group for the year ended 31 December 2018. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

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%

The condensed consolidated interim financial statements comprise the financial statements of the Group and its subsidiary as at 30 September 2019.

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; and
- 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 Significant accounting policies

These condensed consolidated 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 2018.

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 2018, are applicable on the Company but do not have any material impact on these condensed consolidated interim financial statements.

Interim reporting

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2018 except for the changes in the accounting policies implemented by management from 1 January 2019.

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 calculations), is an appropriate basis for predicting future events.

Impairment losses on insurance receivables

The Group reviews its insurance receivables on a regular basis to assess whether a provision for impairment should be recorded in the consolidated statement of income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about the probability of default and probable losses in the event of default, the value of the underlying security, and realisation costs.

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.

3 Significant accounting policies (continued)

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

Classification of investments

Management decides on acquisition of an investment whether it should be classified as of fair value through profit or loss, at fair value through OCI or at amortised cost.

Operating lease commitments

The Group has entered into commercial property leases on its investment property. The Group, as a lessor, has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for them as operating leases.

Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's length market transactions;
- current fair value of another instrument that is substantially the same;

the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or other valuation models.

Provision for legal cases

Considerable judgement by management is required in the estimation for legal cases arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possible significant, degrees of judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities.

4 Property and equipment

Included in property and equipment is land situated in the Emirate of Dubai, United Arab Emirates with a carrying value of AED 44,173 thousand (2018: 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.

5 Investment property

Investment properties represent the Company's investments in freehold land and building situated in the Emirate of Dubai, United Arab Emirates. During the period, the Company acquired investment property at a cost of AED 15,625 thousand. Advance amounting to AED 14,154 thousand was paid against the purchase price of this asset as at 31 December 2018.

6 Financial instruments

	Carrying value		Fair value	
	(Unaudited) 30 September 2019 AED'000	(Audited) 31 December 2018 AED'000	**(Unaudited) 30 September 2019 AED'000**	(Audited) 31 December 2018 AED'000
Financial instruments				
At fair value through profit or loss (note 6.1)	**50,430**	50,215	**50,430**	50,216
At fair value through other comprehensive income (note 6.2)	**331,857**	309,874	**331,857**	309,874
Investments held at amortised cost (note 6.3)	**34,236**	40,737	**34,680**	38,400
	416,523	400,826	**416,967**	398,490

6.1 Financial assets at fair values through profit or loss

	(Unaudited) 30 September 2019 AED'000	(Audited) 31 December 2018 AED'000
a) Shares – quoted	**3,911**	3,983
b) Designated upon initial recognition		
Bank deposits with maturity over six months - unquoted	**46,519**	46,232
	50,430	50,215

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

6.2 Financial assets at fair value through other comprehensive income (OCI)

	(Unaudited) 30 September 2019 AED'000	(Audited) 31 December 2018 AED'000
Shares – quoted (within UAE)	**300,037**	279,690
Shares – unquoted (Outside UAE)	**22,302**	20,666
Shares – unquoted (within UAE)	**9,518**	9,518
	331,857	309,874

The fair value changes amounting to AED 19,175 thousand (2018: AED 187 thousand) have been recognised in the condensed consolidated interim statement of comprehensive income for the nine months period ended.

6 Financial instruments (continued)

6.3 Debt instruments at amortised cost

	(Unaudited) 30 September 2019 AED'000	(Audited) 31 December 2018 AED'000
Amortised cost		
Debt securities (within UAE)	**10,693**	13,337
Debt securities (outside UAE)	**23,543**	27,400
	34,236	40,737

Debt securities amounting to AED 34,236 thousand (2018: AED 40,737 thousand) are pledged against bank loan (note 8). The investments carry interest at an effective rate of 3.35% per annum (2018: 4.40% per annum). The maturity profile of these debt instruments is shown below.

	30 September 2019 (Unaudited)		
	Less than 5 years AED'000	**More than 5 years AED'000**	**Total AED'000**
Debt securities (within UAE)	**9,285**	**1,408**	**10,693**
Debt securities (outside UAE)	**19,532**	**4,011**	**23,543**
	28,817	**5,419**	**34,236**

	31 December 2018 (Audited)		
	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
Debt securities (within UAE)	10,582	2,755	13,337
Debt securities (outside UAE)	13,712	13,688	27,400
	24,294	16,443	40,737

7 Cash and cash equivalents

	(Unaudited) 30 September 2019 AED'000	(Unaudited) 30 September 2018 AED'000	(Audited) 31 December 2018 AED'000
Bank balances	**126,680**	24,933	77,358
Cash on hand	**50**	15	27
	126,730	24,948	77,385

Above balance represents the cash and cash equivalents in United Arab Emirates, Europe & GCC.

8 Bank loan

	(Unaudited) 30 September 2019 AED'000	(Audited) 31 December 2018 AED'000
Loan I	**4,107**	9,781
Loan II	**682**	1,064
	4,789	10,845

Loan I
In 2015, the Group entered into credit facility agreements with an international bank. The loan facilities are secured against investments in debt instruments held at amortised cost amounting to AED 13,028 thousand (31 December 2018: AED 19,444 thousand) (note 6.3) used for the Group's investment operations and carries interest at 1 month USD LIBOR plus 0.5% per annum. The tenure of the loans are directly linked to the maturity period of the debt instruments which are financed by the loan. The debt instruments have maturity periods of 1 to 3 years. The net decrease in carrying amount during the period is due to repayment of loan AED 5,674 thousand by cash and cash equivalents.

Loan
In 2015, the Group entered into credit facility agreements with a local bank. The loan facilities are secured against investments in debt instruments held at amortised cost amounting to AED 21,209 thousand (31 December 2018: AED 21,293 thousand) (note 6.3) used for the Group's investment operations and carries interest at 3 months USD LIBOR plus 0.85% per annum. The tenures of the loans are directly linked to the maturity period of the debt instruments which are financed by the loan. The debt instruments have maturity periods of 1 to 11 years. The net decrease in carrying amount during the year is due to repayment of loan AED 382 thousand by cash and cash equivalents.

9 Share capital

	(Unaudited) 30 September 2019 AED'000	(Audited) 31 December 2018 AED'000
Issued and fully paid 100,000,000 shares of AED 1 each (2018: 100,000,000 share of AED 1 each)	**100,000**	100,000

10 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 ended 30 September 2019. 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. During the period, based on the recommendation of the Board of Directors and approval of the shareholders at the Annual General Meeting held on 14 March 2019, AED 7,000 thousand (2018: nil) was transferred to the general reserve from retained earnings.

11 Dividends

	(Unaudited) 30 September 2019 AED'000	(Audited) 31 December 2018 AED'000
Cash dividend for 2018 of AED 0.30 per share (declared and paid)	**30,000**	-
Cash dividend for 2017 of AED 0.25 per share (declared and paid)	**-**	25,000
	30,000	25,000
Proposed for approval at Annual General Meeting: (2018: Cash dividend of AED 0.30 per share)	**-**	30,000

12 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the period, net of directors' fees, by the weighted average number of shares outstanding during the period as follows:

	(Unaudited) Nine months period ended 30 September 2019	(Unaudited) Nine months period ended 30 September 2018	(Unaudited) Three months period ended 30 September 2019	(Unaudited) Three months period ended 30 September 2018
Profit for the period (AED'000)	**57,390**	35,375	**13,987**	6,321
Weighted average number of shares outstanding during the period ('000)	**100,000**	100,000	**100,000**	100,000
Earnings per share (AED)	**0.574**	0.354	**0.14**	0.063

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

13 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 and medical insurance.
- 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. Operating segment information is presented on the following page.

13 Segmental information (continued)

	General insurance		Medical and life insurance		Total	
For the nine months period ended	**(Unaudited) 30 September 2019 AED'000**	(Unaudited) 30 September 2018 AED'000	**(Unaudited) 30 September 2019 AED'000**	(Unaudited) 30 September 2018 AED'000	**(Unaudited) 30 September 2019 AED'000**	(Unaudited) 30 September 2018 AED'000
UNDERWRITING INCOME						
Insurance premium revenue	**279,214**	175,542	**183,155**	168,557	**462,369**	344,099
Reinsurers' share of premium	**(230,574)**	(120,006)	**(125,367)**	(119,026)	**(355,941)**	(239,032)
Net insurance premium revenue	**48,640**	55,536	**57,788**	49,531	**106,428**	105,067
Reinsurance commission income	**69,402**	30,523	**38**	202	**69,440**	30,725
Other underwriting income	**-**	7	**115**	-	**115**	7
	118,042	86,066	**57,941**	49,733	**175,983**	135,799
UNDERWRITING EXPENSES						
Claims incurred	**159,142**	205,033	**140,786**	119,545	**299,928**	324,578
Reinsurers' share of claims incurred	**(121,624)**	(166,696)	**(130,500)**	(97,941)	**(252,124)**	(264,637)
Net claims incurred	**37,518**	38,337	**10,286**	21,604	**47,804**	59,941
Commission expenses	**21,526**	16,513	**17,553**	5,801	**39,079**	22,314
Excess of loss reinsurance premium	**97**	1,291	**-**	-	**97**	1,291
General and administration expenses relating to underwriting activities	**12,630**	8,455	**10,597**	8,180	**23,227**	16,635
Other expenses	**680**	3,153	**18,312**	6,184	**18,992**	9,337
	72,451	67,749	**56,748**	41,769	**129,199**	109,518
NET UNDERWRITING INCOME	**45,591**	18,317	**1,193**	7,964	**46,784**	26,281
TOTAL INVESTMENT INCOME					**17,425**	14,529
Unallocated general and administrative expenses					**(6,819)**	(5,435)
PROFIT FOR THE PERIOD					**57,390**	35,375

14 Other investment income

Other investment income includes dividend income amounting to AED 242 and AED 13,788 for the three-month and nine-month periods ended 30 September 2019, respectively (30 September 2018: AED 106 and AED 13,721). 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 2019 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 2019.

15 Contingencies and commitments

At 30 September 2019, the Company 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 10,372 thousand (31 December 2018: AED 10,477 thousand).

Capital commitments

The Group's capital commitment on investment property is payable as follows:

	(Unaudited) 30 September 2019 AED'000	(Audited) 31 December 2018 AED'000
Less than 1 year	-	1,472
Between one and two years	-	-
	-	1,472