

**Dubai Insurance Company  
(Public Shareholding Company)**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2017**

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

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Dubai Insurance Company (PSC) (the “Company”) and its subsidiary (collectively referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as at 30 June 2017 and the related interim condensed consolidated statements of income and comprehensive income for the three-month and six-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and explanatory information. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### ***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young



Thodla Hari Gopal  
Partner  
Registration No. 689

26 July 2017

Dubai, United Arab Emirates

# Dubai Insurance Company (PSC)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 30 June 2017 (Unaudited)

	Note	Three months ended 30 June		Six months ended 30 June	
		2017 AED '000	2016 AED '000	2017 AED '000	2016 AED '000
<b>UNDERWRITING INCOME</b>					
Gross premium		130,588	112,866	311,905	253,850
Movement in provision for unearned premium		(17,924)	(18,413)	(76,977)	(77,569)
Insurance premium revenue		112,664	94,453	234,928	176,281
Reinsurance share of premium		(85,714)	(90,371)	(219,991)	(195,013)
Movement in provision for reinsurance share of unearned premium		5,822	16,191	51,668	67,279
		(79,892)	(74,180)	(168,323)	(127,734)
Net insurance premium revenue		32,772	20,273	66,605	48,547
Reinsurance commission income		9,565	10,309	21,339	19,435
Other income/(expense)		55	399	58	1,294
<b>Total underwriting income</b>		<b>42,392</b>	<b>30,981</b>	<b>88,002</b>	<b>69,276</b>
<b>UNDERWRITING EXPENSES</b>					
Claims incurred		106,154	113,626	199,546	251,901
Reinsurers' share of claims incurred		(87,150)	(98,761)	(165,711)	(224,817)
Net claims incurred		19,004	14,865	33,835	27,084
Commission expenses		8,859	7,508	19,218	17,015
Excess of loss reinsurance premium		1,025	158	1,234	316
General and administrative expenses relating to underwriting activities		5,034	4,419	9,746	8,812
Other expenses		4,148	205	8,647	2,857
<b>Total underwriting expenses</b>		<b>38,070</b>	<b>27,155</b>	<b>72,680</b>	<b>56,084</b>
<b>NET UNDERWRITING INCOME</b>		<b>4,322</b>	<b>3,826</b>	<b>15,322</b>	<b>13,192</b>
<b>INVESTMENT INCOME</b>					
Realised (loss)/ gain on sale of investments		(7)	79	5	73
Fair value gain/ (loss) on financial assets at fair value through profit or loss		174	(102)	(867)	25
Other investment income		9,767	3,364	15,359	18,050
Other investment costs		(306)	(243)	(544)	(485)
		9,628	3,098	13,953	17,663
<b>OTHER INCOME AND EXPENSES</b>					
General and administrative expenses not allocated		(1,645)	(1,429)	(3,137)	(2,868)
Other income/(expenses)		(106)	51	(12)	52
		(1,751)	(1,378)	(3,149)	(2,816)
<b>PROFIT FOR THE PERIOD</b>		<b>12,199</b>	<b>5,546</b>	<b>26,126</b>	<b>28,039</b>
Basic and diluted earnings per share (AED)	3	0.122	0.055	0.261	0.280

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

Dubai Insurance Company (PSC)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2017 (Unaudited)

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2017 AED '000</i>	<i>2016 AED '000</i>	<i>2017 AED '000</i>	<i>2016 AED '000</i>
Profit for the period	12,199	5,546	26,126	28,039
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Other comprehensive income that could not be reclassified to profit or loss in subsequent periods:</i>				
Net unrealised loss on financial assets at fair value through other comprehensive income	(12,015)	(6,105)	(23,589)	(2,056)
<b>Other comprehensive loss for the period</b>	<b>(12,015)</b>	<b>(6,105)</b>	<b>(23,589)</b>	<b>(2,056)</b>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD</b>	<b>184</b>	<b>(559)</b>	<b>2,537</b>	<b>25,983</b>

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


Dubai Insurance Company (PSC)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017 (Unaudited)

	<i>Notes</i>	<i>30 June 2017 AED'000</i>	<i>31 December 2016 AED'000 Audited</i>
<b>ASSETS</b>			
Property and equipment	4	46,916	47,042
Investment property	5	1,670	1,670
Advance for investment properties	6	13,695	7,562
Financial instruments	7	451,639	495,296
Reinsurance assets		467,024	412,120
Insurance receivables		226,368	139,954
Prepayments and other receivables		18,668	9,349
Statutory deposits		10,000	10,000
Cash and cash equivalents	8	32,352	32,311
<b>TOTAL ASSETS</b>		<b>1,268,332</b>	<b>1,155,304</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	100,000	100,000
Statutory reserve	11	50,000	50,000
General reserve	11	13,000	13,000
Retained earnings		131,937	130,811
Cumulative changes in fair value of investments	11	167,207	190,796
<b>Total equity</b>		<b>462,144</b>	<b>484,607</b>
<b>Liabilities</b>			
Bank loan	9	44,007	43,161
Employees' end of service benefits		3,153	2,987
Insurance contract liabilities		568,882	475,956
Amounts held under reinsurance treaties		29,445	31,320
Reinsurance balances payable		113,357	63,583
Insurance and other payables		47,344	53,690
<b>Total liabilities</b>		<b>806,188</b>	<b>670,697</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,268,332</b>	<b>1,155,304</b>

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 26 July 2017.

  
 Buti Obaid Almulla  
 Chairman

  
 Abdellatif Abuqurah  
 Chief Executive Officer

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

## Dubai Insurance Company (PSC)

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2017 (Unaudited)

	Share capital AED '000	Statutory reserve AED '000	General reserve AED '000	Retained earnings AED '000	Proposed dividends AED '000	Cumulative changes in fair value of investments AED '000	Total AED '000
Balance at 1 January 2017	100,000	50,000	13,000	130,811	-	190,796	484,607
Profit for the period	-	-	-	26,126	-	-	26,126
Other comprehensive income	-	-	-	-	-	(23,589)	(23,589)
Total comprehensive income for the period	-	-	-	26,126	-	(23,589)	2,537
Cash dividend declared and paid (Note 12)	-	-	-	(25,000)	-	-	(25,000)
<b>Balance at 30 June 2017</b>	<b>100,000</b>	<b>50,000</b>	<b>13,000</b>	<b>131,937</b>	<b>-</b>	<b>167,207</b>	<b>462,144</b>
Balance at 1 January 2016	100,000	50,000	13,000	120,963	-	195,896	479,859
Profit for the period	-	-	-	28,039	-	-	28,039
Other comprehensive income	-	-	-	-	-	(2,056)	(2,056)
Total comprehensive income for the period	-	-	-	28,039	-	(2,056)	25,983
Cash dividend declared and paid (Note 12)	-	-	-	(25,000)	-	-	(25,000)
Balance at 30 June 2016	100,000	50,000	13,000	124,002	-	193,840	480,842

# Dubai Insurance Company (PSC)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2017 (Unaudited)

	Note	Six months ended 30 June	
		2017 AED '000	2016 AED '000
<b>OPERATING ACTIVITIES</b>			
Profit for the period		26,126	28,039
Adjustments for:			
Depreciation on property and equipment		795	751
Provision for employees' end of service benefits		209	225
Gain on sale of investments in debt instruments at amortised cost		6	(73)
		<u>27,136</u>	<u>28,942</u>
Changes in operating assets and liabilities:			
Reinsurance assets		(54,904)	(150,364)
Insurance receivables		(86,414)	(60,518)
Prepayments and other assets		(9,319)	(6,416)
Insurance contract liabilities		92,926	163,941
Amounts held under reinsurance treaties		(1,875)	2,107
Reinsurance balances payable		49,774	39,098
Insurance and other payables		(6,346)	10,973
		<u>10,978</u>	<u>27,763</u>
Cash generated from operations		10,978	27,763
Employees' end of service paid		(43)	(184)
		<u>10,935</u>	<u>27,579</u>
<b>INVESTING ACTIVITIES</b>			
Investments held at amortised cost		(911)	2,346
Financial investments at fair value through profit or loss		20,920	(2,176)
Financial investments at fair value through other comprehensive income		53	(1,837)
Advance for investment property		(6,133)	(1,512)
Purchase of property and equipment		(669)	(579)
		<u>13,260</u>	<u>(3,758)</u>
Net cash from/ (used in) investing activities			
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(25,000)	(25,000)
Net movement in bank loan		846	18
		<u>(24,154)</u>	<u>(24,982)</u>
Net cash used in financing activities			
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>41</b>	<b>(1,161)</b>
Cash and cash equivalents at 1 January		<u>32,311</u>	<u>40,805</u>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>8</b>	<u><u>32,352</u></u>	<u><u>39,644</u></u>

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

# Dubai Insurance Company (PSC)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017 (Unaudited)

### 1 CORPORATE INFORMATION

Dubai Insurance Company (PSC) (the “Company”) is a public shareholding Company registered under the Federal Law No. 8 of 1984 (as amended) and the UAE Federal Law No. (6) of 2007 relating to commercial companies in the UAE. The 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 and individual life risk (collectively referred to as life assurance). The Company also invests its funds in investment securities and properties. The registered address of the Company is P.O. Box 3027, Dubai, United Arab Emirates. The Company operates in United Arab Emirates and most of the insurance policies are issued in the United Arab Emirates. The shares of the Company are listed on the Dubai Financial Market.

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

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting (“IAS 34”).

##### **Interim reporting**

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2016.

##### **Changes in accounting estimates**

The accounting policies are consistent with those used in the previous year. The accounting estimates used in the preparation of these financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2016.

##### **New standards, interpretations and amendments**

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in these interim condensed consolidated financial statements. Annual Improvements 2012-2014 cycle which became effective from 1 January 2017 also did not have an impact on the financial position or performance of the Group during the period.

These condensed consolidated financial statements do not include all disclosures and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2016. In addition, results for the three and six months periods ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

#### 2.2 BASIS OF CONSOLIDATION

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

<i><u>Subsidiary</u></i>	<i><u>Principal activity</u></i>	<i><u>Country of incorporation</u></i>	<i><u>Ownership</u></i>
Vattaun Limited	Investment	British Virgin Island	100%

##### **Basis of consolidation**

The interim condensed consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 30 June 2017.



## Dubai Insurance Company (PSC)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017 (Unaudited)

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

### 2.2 BASIS OF CONSOLIDATION (continued)

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

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

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

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

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

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

## 3 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share 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:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
Profit for the period (AED'000)	<u>12,199</u>	<u>5,546</u>	<u>26,126</u>	<u>28,039</u>
Weighted average number of shares outstanding during the period ('000)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Earnings per share (AED)	<u>0.122</u>	<u>0.055</u>	<u>0.261</u>	<u>0.280</u>

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

## 4 PROPERTY AND EQUIPMENT

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

## 5 INVESTMENT PROPERTY

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

# Dubai Insurance Company (PSC)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017 (Unaudited)

### 6 ADVANCE FOR INVESTMENT PROPERTIES

This represents advance given for an investment property within United Arab Emirates, which is 41% of the total cost of the property and the remaining 59% of the total cost is capital commitment as mentioned in Note 15.

### 7 FINANCIAL INSTRUMENTS

	<i>Carrying value</i>		<i>Fair value</i>	
	<i>30 June 2017 AED'000 (Unaudited)</i>	<i>31 December 2016 AED'000 (Audited)</i>	<i>30 June 2017 AED'000 (Unaudited)</i>	<i>31 December 2016 AED'000 (Audited)</i>
<i>Financial instruments</i>				
At fair value through profit or loss (Note 7.1)	64,318	85,239	64,318	85,239
At fair value through other comprehensive income (Note 7.2)	302,534	326,177	302,534	326,177
Investments held at amortised cost (Note 7.3)	84,787	83,880	84,860	84,663
	<b>451,639</b>	<b>495,296</b>	<b>451,712</b>	<b>496,079</b>

#### 7.1 FINANCIAL ASSETS AT FAIR VALUES THROUGH PROFIT OR LOSS

	<i>30 June 2017 AED'000</i>	<i>31 December 2016 AED'000 (Audited)</i>
a) <i>Shares - quoted</i>	3,299	4,167
b) <i>Designated upon initial recognition</i>		
Bank deposits with maturity over three months - unquoted	61,019	81,072
	<b>64,318</b>	<b>85,239</b>

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

#### 7.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)

	<i>30 June 2017 AED'000</i>	<i>31 December 2016 AED'000 (Audited)</i>
Shares – quoted (within UAE)	283,277	306,395
Shares – unquoted (Outside UAE)	9,057	9,582
Shares – unquoted (within UAE)	10,200	10,200
	<b>302,534</b>	<b>326,177</b>

The fair value changes amounting to AED 23,589 thousand (31 December 2016: AED 5,100 thousand) have been recognised in the consolidated statement of comprehensive income.

# Dubai Insurance Company (PSC)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017 (Unaudited)

### 7 FINANCIAL INSTRUMENTS (continued)

#### 7.3 DEBT INSTRUMENTS AT AMORTISED COST

	<i>30 June 2017 AED'000</i>	<i>31 December 2016 AED'000 (Audited)</i>
<i>Amortised cost</i>		
Debt securities (within UAE)	14,001	11,479
Debt securities (outside UAE)	70,786	72,401
	<u>84,787</u>	<u>83,880</u>

Debt securities amounting to AED 84,787 thousand (2016: AED 83,880 thousand) are pledged against bank loan (Note 9). The investments carry interest at an effective rate of 4.75% per annum (2016: 4.60% per annum). The maturity profile of these debt instruments is shown below:

	<i>30 June 2017</i>		
	<i>Less than 5 years AED'000</i>	<i>More than 5 years AED'000</i>	<i>Total AED'000</i>
Debt securities (within UAE)	8,385	5,616	14,001
Debt securities (outside UAE)	40,725	30,061	70,786
	<u>49,110</u>	<u>35,677</u>	<u>84,787</u>
	<i>31 December 2016 (audited)</i>		
	<i>Less than 5 years AED'000</i>	<i>More than 5 years AED'000</i>	<i>Total AED'000</i>
Debt securities (within UAE)	5,850	5,629	11,479
Debt securities (outside UAE)	40,198	32,203	72,401
	<u>46,048</u>	<u>37,832</u>	<u>83,880</u>

### 8 CASH AND CASH EQUIVALENTS

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

	<i>30 June 2017 AED'000</i>	<i>30 June 2016 AED'000</i>	<i>31 December 2016 AED'000 (Audited)</i>
Bank balances and cash	<u>32,352</u>	<u>39,644</u>	<u>32,311</u>

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

## Dubai Insurance Company (PSC)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017 (Unaudited)

#### 9 BANK LOAN

	<i>30 June 2017 AED'000</i>	<i>31 December 2016 AED'000 (Audited)</i>
Loan I	18,453	18,443
Loan II	16,100	15,212
Loan III	9,454	9,506
	<u>44,007</u>	<u>43,161</u>

##### *Loan I*

In 2011, the Group entered into a credit facility agreement for the loan I with an international bank for USD 5 million (equivalent AED 18,453 thousand). The loan facility is secured against investments in debt instruments held at amortised cost amounting to AED 32,108 thousand (31 December 2016: AED 32,247 thousand) (Note 7.3) used for the Group's investment operations. The loan carries interest at 3 months USD LIBOR plus 1% per annum and the tenure of the loan is directly linked to the maturity period of the debt instruments which are financed by the loan. The debt instruments have maturity periods of 1 to 10 years.

##### *Loan II*

During previous year, the Group entered into credit facility agreements with an international bank for AED 16,100 thousand. The loan facilities are secured against investments in debt instruments held at amortised cost amounting to AED 25,325 thousand (31 December 2016: AED 24,223 thousand) 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 32 years.

##### *Loan III*

During previous year, the Group entered into credit facility agreements with a local bank for AED 9,454 thousand. The loan facilities are secured against investments in debt instruments held at amortised cost amounting to AED 27,354 thousand (31 December 2016: AED 27,410 thousand) used for the Group's investment operations and carries interest at 3 months USD LIBOR plus 1.1% 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 2 to 16 years.

#### 10 SHARE CAPITAL

	<i>30 June 2017 AED'000</i>	<i>31 December 2016 AED'000 (Audited)</i>
Issued and fully paid 100,000,000 shares of AED 1 each (2016: 100,000,000 share of AED 1 each)	<u>100,000</u>	<u>100,000</u>

## Dubai Insurance Company (PSC)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017 (Unaudited)

#### 11 RESERVES

##### NATURE AND PURPOSE OF RESERVES

###### • STATUTORY RESERVE

In accordance with the UAE Commercial Companies Law and the Group's Article of Association, the Group has resolved not to increase the statutory reserve above an amount equal to 50% of its paid up share capital. Accordingly, no transfers have been made during the three months period ended 30 June 2017. The reserve is not available for distribution except in the circumstances stipulated by the law.

###### • GENERAL RESERVE

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

###### • CUMULATIVE CHANGES IN FAIR VALUE OF INVESTMENTS

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

#### 12 PROPOSED AND PAID DIVIDENDS

	<i>30 June 2017 AED'000</i>	<i>31 December 2016 AED'000 (Audited)</i>
Cash dividend for 2016 of AED 0.25 per share (declared and paid)	<b>25,000</b>	-
Cash dividend for 2015 of AED 0.25 per share (declared and paid)	-	25,000
	<b>25,000</b>	25,000
Proposed for approval at Annual General Meeting: (2016: Cash dividend of AED 0.25 per share)	-	25,000
	-	25,000

#### 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 individual and group life and medical insurance.
- Investment comprises investment and cash management for the Group's own account.

# Dubai Insurance Company (PSC)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017 (Unaudited)

### 13 SEGMENTAL INFORMATION (continued)

Transactions between operating segments are conducted at estimated market rates on an arm's length basis. Operating segment information is presented below:

	<i>Three months ended 30 June</i>					
	<i>General insurance</i>		<i>Medical and Life assurance</i>		<i>Total</i>	
	<i>30 June 2017 AED'000</i>	<i>30 June 2016 AED'000</i>	<i>30 June 2017 AED'000</i>	<i>30 June 2016 AED'000</i>	<i>30 June 2017 AED'000</i>	<i>30 June 2016 AED'000</i>
<b>UNDERWRITING INCOME</b>						
Insurance premium revenue	51,019	46,334	61,645	48,119	112,664	94,453
Reinsurers' share of premium	(36,452)	(39,161)	(43,440)	(35,019)	(79,892)	(74,180)
Net insurance premium revenue	14,567	7,173	18,205	13,100	32,772	20,273
Reinsurance commission income	8,868	9,866	697	443	9,565	10,309
Other income	55	26	-	373	55	399
	<b>23,490</b>	<b>17,065</b>	<b>18,902</b>	<b>13,916</b>	<b>42,392</b>	<b>30,981</b>
<b>UNDERWRITING EXPENSES</b>						
Claims incurred	56,205	66,863	49,949	46,763	106,154	113,626
Reinsurers' share of claims incurred	(47,627)	(60,323)	(39,523)	(38,438)	(87,150)	(98,761)
Net claims incurred	8,578	6,540	10,426	8,325	19,004	14,865
Commission expenses	6,304	4,845	2,555	2,663	8,859	7,508
Excess of loss reinsurance premium	1,025	158	-	-	1,025	158
General and administration expenses relating to underwriting activities	2,435	2,536	2,599	1,883	5,034	4,419
Other expenses	93	50	4,055	155	4,148	205
	<b>18,435</b>	<b>14,129</b>	<b>19,635</b>	<b>13,026</b>	<b>38,070</b>	<b>27,155</b>
<b>NET UNDERWRITING INCOME</b>	<b>5,055</b>	<b>2,936</b>	<b>(733)</b>	<b>890</b>	<b>4,322</b>	<b>3,826</b>
<b>TOTAL INVESTMENT INCOME</b>					<b>9,628</b>	<b>3,098</b>
Unallocated other expenses					(1,751)	(1,378)
<b>PROFIT FOR THE PERIOD</b>					<b>12,199</b>	<b>5,546</b>

## Dubai Insurance Company (PSC)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017 (Unaudited)

#### 13 SEGMENTAL INFORMATION (continued)

	<i>Six months ended 30 June</i>					
	<i>General insurance</i>		<i>Medical and Life assurance</i>		<i>Total</i>	
	<i>30 June 2017 AED'000</i>	<i>30 June 2016 AED'000</i>	<i>30 June 2017 AED'000</i>	<i>30 June 2016 AED'000</i>	<i>30 June 2017 AED'000</i>	<i>30 June 2016 AED'000</i>
<b>UNDERWRITING INCOME</b>						
Insurance premium revenue	100,487	62,121	134,441	114,160	234,928	176,281
Reinsurers' share of premium	(74,715)	(47,183)	(93,608)	(80,551)	(168,323)	(127,734)
Net insurance premium revenue	25,772	14,938	40,833	33,609	66,605	48,547
Reinsurance commission income	20,023	18,172	1,316	1,263	21,339	19,435
Other income	58	50	-	1,244	58	1,294
	<b>45,853</b>	<b>33,160</b>	<b>42,149</b>	<b>36,116</b>	<b>88,002</b>	<b>69,276</b>
<b>UNDERWRITING EXPENSES</b>						
Claims incurred	97,507	162,561	102,039	89,340	199,546	251,901
Reinsurers' share of claims incurred	(83,179)	(152,091)	(82,532)	(72,726)	(165,711)	(224,817)
Net claims incurred	14,328	10,470	19,507	16,614	33,835	27,084
Commission expenses	13,112	8,359	6,106	8,656	19,218	17,015
Excess of loss reinsurance premium	1,234	316	-	-	1,234	316
General and administration expenses relating to underwriting activities	4,360	4,250	5,386	4,562	9,746	8,812
Other expenses	195	116	8,452	2,741	8,647	2,857
	<b>33,229</b>	<b>23,511</b>	<b>39,451</b>	<b>32,573</b>	<b>72,680</b>	<b>56,084</b>
<b>NET UNDERWRITING INCOME</b>	<b>12,624</b>	<b>9,649</b>	<b>2,698</b>	<b>3,543</b>	<b>15,322</b>	<b>13,192</b>
<b>TOTAL INVESTMENT INCOME</b>					<b>13,953</b>	<b>17,663</b>
Unallocated other expenses					(3,149)	(2,816)
<b>PROFIT FOR THE PERIOD</b>					<b>26,126</b>	<b>28,039</b>

#### 14 OTHER INVESTMENT INCOME

Dividend income amounted to AED 8,633 thousand and AED 12,878 thousand for the three month and six month periods ended 30 June 2017, respectively, and to AED 1,714 thousand and AED 14,605 thousand for the three month and six month periods ended 30 June 2016, respectively. Dividend income depends on market conditions, investment activities of the Group and declaration of profits by investee companies, which are of a seasonal nature. Accordingly, results for the period ended 30 June 2017 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 2017.

## Dubai Insurance Company (PSC)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017 (Unaudited)

#### 15 CONTINGENCIES AND COMMITMENTS

At 30 June 2017, 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 10,405 thousand (31 December 2016: AED 10,396 thousand).

##### *Legal claims*

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

##### *Capital commitments*

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

	<i>30 June 2017 AED'000</i>	<i>31 December 2016 AED'000 (Audited)</i>
Less than 1 year	14,933	7,200
Between one and two years	5,360	3,600
	<u>20,293</u>	<u>10,800</u>