

UNITED INSURANCE COMPANY P.S.C.

**Review report and interim financial information
for the three months period ended 31 March 2014**

UNITED INSURANCE COMPANY P.S.C.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The Board of Directors
United Insurance Company P.S.C.
Ras Al Khaimah - United Arab Emirates

Introduction

We have reviewed the accompanying condensed statement of financial position of **United Insurance Company P.S.C. (the “Company”)** - **Ras Al Khaimah, United Arab Emirates**, as at 31 March 2014 and the related condensed statements of income, comprehensive income, changes in equity and cash flows for the three-months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34: “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim financial information 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 financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34: “*Interim Financial Reporting*”.

Deloitte & Touche (M.E.)



Samir Madbak
Registration No. 386
14 May 2014

**Condensed statement of financial position
At 31 March 2014**

	Notes	31 March 2014 Unaudited AED	31 December 2013 Audited AED
ASSETS			
Non-current assets			
Property and equipment		1,601,602	1,692,612
Investment properties	4	53,010,000	53,010,000
Available-for-sale investments	5.1	44,606,570	33,780,393
Statutory deposit	6	6,000,000	6,000,000
Total non-current assets		105,218,172	94,483,005
Current assets			
Reinsurance contract assets	7	51,338,060	45,669,933
Insurance and other receivables	8	97,020,339	73,184,393
Investments held for trading	5.2	2,249,862	3,638,985
Bank balances and cash	9	97,249,241	98,726,093
Total current assets		247,857,502	221,219,404
Total assets		353,075,674	315,702,409
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	100,000,000	100,000,000
Statutory reserve		28,813,026	28,813,026
General reserve		2,969,044	2,969,044
Investments revaluation reserve		27,848,582	21,787,916
Accumulated losses		(30,655,819)	(14,326,758)
Total equity		128,974,833	139,243,228
Non-current liabilities			
End of service benefits		1,522,341	1,700,567
Current liabilities			
Insurance contract liabilities	7	153,166,932	119,143,259
Insurance and other payables		69,411,568	55,615,355
Total current liabilities		222,578,500	174,758,614
Total liabilities		224,100,841	176,459,181
Total equity and liabilities		353,075,674	315,702,409


Chairman


General Manager

The accompanying notes form an integral part of these condensed financial statements.

**Condensed statement of income (unaudited)
for the three months period ended 31 March 2014**

	Notes	2014 AED	2013 AED
Insurance premium revenue	11	54,696,847	31,937,228
Reinsurance premium ceded	11	(17,920,681)	(10,621,554)
Net insurance premium revenue	11	36,776,166	21,315,674
Gross claims incurred		(44,969,796)	(27,265,028)
Insurance claims recovered from re-insurers		4,008,322	7,611,796
Net claims incurred		(40,961,474)	(19,653,232)
Gross commission earned		7,750,618	5,957,314
Less: commission incurred		(8,102,897)	(4,002,720)
Net commission (incurred)/earned		(352,279)	1,954,594
Underwriting (loss)/profit		(4,537,587)	3,617,036
General and administrative expenses relating to underwriting activities		(6,951,452)	(4,686,346)
Sundry income		99,746	787,399
Net underwriting loss		(11,389,293)	(281,911)
Investment income		2,686,098	3,192,814
Finance costs		-	(33,967)
Unallocated general and administrative expenses		(365,866)	(243,694)
(Loss)/profit for the period		(9,069,061)	2,633,242
Basic (loss)/earnings per share	12	(0.091)	0.026

The accompanying notes form an integral part of these condensed financial statements.

**Condensed statement of comprehensive income (unaudited)
for the three months period ended 31 March 2014**

	Notes	2014 AED	2013 AED
(Loss)/profit for the period		(9,069,061)	2,633,242
Other comprehensive income		<hr/>	<hr/>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gain on revaluation of available-for-sale investments		6,060,666	5,161,554
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Transfer to condensed statement of income on sale of available-for-sale investments		-	(31,271)
Board of Directors' remuneration	19	(260,000)	-
		<hr/>	<hr/>
Total other comprehensive income for the period		5,800,666	5,130,283
Total comprehensive (loss)/income for the period		(3,268,395)	7,763,525
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these condensed financial statements.

**Condensed statement of changes in equity
for the three months period ended 31 March 2014**

	Share capital AED	Statutory reserve AED	General reserve AED	Investment revaluation reserve AED	Accumulated losses AED	Total AED
Balance at 31 December 2012 (Audited)	100,000,000	27,968,564	2,969,044	7,822,840	(21,926,920)	116,833,528
Profit for the period	-	-	-	-	2,633,242	2,633,242
Other comprehensive income for the period	-	-	-	5,130,283	-	5,130,283
Total comprehensive income for the period	-	-	-	5,130,283	2,633,242	7,763,525
Balance at 31 March 2013 (Unaudited)	100,000,000	27,968,564	2,969,044	12,953,123	(19,293,678)	124,597,053
Balance at 31 December 2013 (Audited)	100,000,000	28,813,026	2,969,044	21,787,916	(14,326,758)	139,243,228
Loss for the period	-	-	-	-	(9,069,061)	(9,069,061)
Other comprehensive income for the period	-	-	-	6,060,666	(260,000)	5,800,666
Total comprehensive income/(loss) for the period	-	-	-	6,060,666	(9,329,061)	(3,268,395)
Dividends (Note 19)	-	-	-	-	(7,000,000)	(7,000,000)
Balance at 31 March 2014 (Unaudited)	100,000,000	28,813,026	2,969,044	27,848,582	(30,655,819)	128,974,833

The accompanying notes form an integral part of these condensed financial statements.

**Condensed statement of cash flows (unaudited)
for the three months period ended 31 March 2014**

	2014 AED	2013 AED
Cash flows from operating activities		
(Loss)/profit for the period	(9,069,061)	2,633,242
Adjustments for:		
Investment income	(2,686,098)	(3,192,814)
Finance costs	-	33,967
Depreciation of property and equipment	161,968	136,331
Provision for employees' end of service benefits	85,774	107,859
Allowance for doubtful debts	-	56,152
Operating cash flows before changes in operating assets and liabilities	(11,507,417)	(225,263)
Increase in re-insurance contract assets	(5,668,127)	(6,661,684)
Increase in insurance contract liabilities	34,023,673	11,347,557
Increase in insurance and other receivables	(23,835,946)	(11,880,094)
Increase in insurance and other payables	13,796,213	3,316,866
Cash generated from/ (used in) operations	6,808,396	(4,102,618)
Interest paid	-	(33,967)
End of service benefits paid	(264,000)	(93,501)
Net cash generated by/(used in) operating activities	6,544,396	(4,230,086)
Cash flows from investing activities		
Increase in fixed deposits	(698,812)	(932,261)
Purchase of property and equipment	(70,958)	(58,745)
Proceeds from disposal of investments held for trading	1,323,939	1,463,850
Proceeds from disposal of available-for-sale investments	-	1,844,410
Purchase of available-for-sale investments	(4,765,511)	(2,515,634)
Interest received	246,228	201,016
Rental income received from investment properties- Net	658,484	994,003
Dividend received	1,846,570	858,172
Net cash (used in)/generated from investing activities	(1,460,060)	1,854,811
Cash flows from financing activities		
Repayment of bank loan	-	(1,753,232)
Dividends	(7,000,000)	-
Board of Directors' remuneration	(260,000)	-
Net cash used in financing activities	(7,260,000)	(1,753,232)
Net decrease in cash and cash equivalents	(2,175,664)	(4,128,507)
Cash and cash equivalents at the beginning of the period	79,662,839	17,636,598
Cash and cash equivalents at the end of the period (Note 13)	77,487,175	13,508,091

The accompanying notes form an integral part of these condensed financial statements.

**Notes to the condensed financial statements
for the three months period ended 31 March 2014**

1. General information

United Insurance Company P.S.C. – Ras Al Khaimah (the “Company”) is a public shareholding company, registered in the Emirate of Ras Al Khaimah by Emiri decree No. 13/76 issued by Ruler of Ras Al Khaimah on 15 June, 1976, which was amended by the Emiri decree No. 10/77 issued on 15 December, 1977. The Company is subject to the regulations of U.A.E. Federal Law No. 6 of 2007, concerning formation of Insurance Authority of U.A.E., and is registered in the Insurance Companies Register of Insurance Authority of U.A.E. under registration number 8.

The Company is domiciled in the United Arab Emirates and the address of the Company’s registered office is P. O. Box 1010, Ras Al Khaimah, United Arab Emirates.

The Company’s ordinary shares are listed on Abu Dhabi Securities Exchange, United Arab Emirates.

The principal activity of the Company is the writing of all classes of general insurance other than life assurance. The Company operates through its head office in Ras Al Khaimah and branch offices in Abu Dhabi, Dubai, and Sharjah.

2. Application of new and revised International Financial Reporting Standards (“IFRSs”)

2.1 New and revised IFRSs applied with no material effect on the condensed financial statements

The following new and revised IFRSs have been adopted in these condensed financial statements. The application of these revised and new IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

New and revised IFRSs	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> • Amendments to IAS 32 Financial Instruments: Presentation relating to application guidance on the offsetting of financial assets and financial liabilities. 	1 January 2014
<ul style="list-style-type: none"> • Amendments to IAS 36 recoverable amount disclosures The amendments restrict the requirements to disclose the recoverable amount of an asset or CGU to the period in which an impairment loss has been recognized or reversed. They also expand and clarify the disclosure requirements applicable when an asset or CGU’s recoverable amount has been determined on the basis of fair value less costs of disposal. 	1 January 2014
<ul style="list-style-type: none"> • Amendments to IAS 39 Financial Instruments: Recognition and Measurement, Novation of Derivatives and Continuation of Hedge Accounting The amendment allows the continuation of hedge accounting when a derivative is novated to a clearing counterparty and certain conditions are met. 	1 January 2014

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

2. Application of new and revised International Financial Reporting Standards (“IFRSs”) (continued)

2.1 New and revised IFRSs applied with no material effect on the condensed financial statements (continued)

New and revised IFRSs (continued)

**Effective for
annual periods
beginning on or after**

- IFRIC 21 – Levies:
Interpretation was developed to address the concerns about how to account for levies that are based on financial data of a period that is different from that in which the activity that give rise to the payment of the levy occurs. 1 January 2014
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Guidance on Investment Entities. 1 January 2014
On 31 October 2012, the IASB published a standard on investment entities, which amends IFRS 10, IFRS 12, and IAS 27 and introduces the concept of an investment entity in IFRSs. The amendments establish an exception to IFRS 10’s general consolidation principle for investment entities, requiring them to “measure particular subsidiaries at fair value through profit or loss, rather than consolidate them.” In addition, the amendments outline required disclosures for reporting entities that meet the definition of an investment entity.

2.2 New and revised International Financial Reporting Standards (IFRSs) in issue but not yet effective and not early adopted

The Company has not early applied the following new standards, amendments and interpretations that have been issued but not yet effective:

New and revised IFRSs

**Effective for
annual periods
beginning on or after**

- Amendments to IFRS 7 *Financial Instruments*: Disclosures relating to disclosures about the initial application of IFRS 9. When IFRS 9 is first applied
- IFRS 7 *Financial Instruments*: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. When IFRS 9 is first applied

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

**2. Application of new and revised International Financial Reporting Standards (“IFRSs”)
(continued)**

**2.2 New and revised International Financial Reporting Standards (IFRSs) in issue but not yet
effective and not early adopted (continued)**

New and revised IFRSs (continued)

**Effective for
annual periods
beginning on or after**

- IFRS 9 *Financial Instruments (2009)* issued in November 2009 introduces new requirements for the classification and measurement of financial assets. *IFRS 9 Financial Instruments (2010)* revised in October 2010 includes the requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

1 January 2018

IFRS 9 *Financial Instruments (2013)* was revised in November 2013 to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the own credit gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9.

IFRS 9 (2009) and IFRS 9 (2010) were superseded by IFRS 9 (2013) and IFRS 9 (2010) also superseded IFRS 9 (2009). The various standards also permit various transitional options. Accordingly, entities can effectively choose which parts of IFRS 9 they apply, meaning they can choose to apply: (1) the classification and measurement requirements for financial assets (2) the classification and measurement requirements for both financial assets and financial liabilities (3) the classification and measurement requirements and the hedge accounting requirements.

- Amendments to IAS 19 *Employee Benefits* - to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.
- Annual Improvements to IFRSs 2010 - 2012 Cycle
 - IFRS 2 Share Based Payments - definition of 'vesting condition'.
 - IFRS 3 Business Combinations - accounting for contingent consideration.
 - IFRS 8 Operating Segments - aggregation of segments, reconciliation of segment assets.
 - IAS 16 Property Plant and Equipment - proportionate restatement of accumulated depreciation on revaluation.
 - IAS 24 Related Party Disclosures - management entities.
 - IAS 38 Intangible Assets - proportionate restatement of accumulated depreciation on revaluation.

1 July 2014

1 July 2014

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

**2. Application of new and revised International Financial Reporting Standards (“IFRSs”)
(continued)**

**2.2 New and revised International Financial Reporting Standards (IFRSs) in issue but not yet
effective and not early adopted (continued)**

New and revised IFRSs (continued)

**Effective for
annual periods
beginning on or after**

- Annual Improvements to IFRSs 2011 - 2013 Cycle 1 July 2014
 - IFRS 1 First Time Adoption of International Financial Reporting Standards - meaning of effective IFRSs.
 - IFRS 3 Business Combinations - scope exception for joint ventures.
 - IFRS 13 Fair Value Measurement - scope of the portfolio exception.
 - IAS 40 Investment Property - interrelationship between IFRS 3 and IAS 40.

- IFRS 14 Regulatory Deferral Accounts 1 January 2016

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company’s financial statements for the period beginning 1 January 2015 or as and when they are applicable and except for IFRS 9 adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

3. Summary of significant accounting policies

3.1 Basis of preparation

These condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) No. 34, “*Interim Financial Reporting*” and also comply with the applicable requirements of the laws in the U.A.E.

The condensed financial statements are presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Company’s transactions are denominated.

These condensed financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and investment properties which are stated at fair value.

The accounting policies, critical accounting judgements and key sources of estimation used in the preparation of these condensed financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2013.

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

3. Summary of significant accounting policies (continued)

3.1 Basis of preparation (continued)

These condensed financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements as at and for the year ended 31 December 2013. In addition, results for the three months period ended 31 March 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2013.

4. Investment properties

Investment properties represent the fair value of the properties located in the U.A.E.

5. Investment in securities

5.1 Available-for-sale investments

Available-for-sale investments comprise the following:

	31 March 2014 Unaudited AED	31 December 2013 Audited AED
Within U.A.E.	42,305,721	31,465,139
Outside U.A.E.	2,300,849	2,315,254
	44,606,570	33,780,393

5.2 Investments held for trading

Investments held for trading comprise the following:

	31 March 2014 Unaudited AED	31 December 2013 Audited AED
Within U.A.E.	10,000	1,220,619
Outside U.A.E.	2,239,862	2,418,366
	2,249,862	3,638,985

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

6. Statutory deposit

Statutory deposit is maintained in accordance with the requirements of U.A.E. Federal Law No. 6 of 2007 concerning the formation of Insurance Authority of U.A.E. and is not available to finance the day to day operations of the Company.

7. Insurance contract liabilities and reinsurance contract assets

	31 March 2014 Unaudited AED	31 December 2013 Audited AED
Insurance contract liabilities:		
Claims reported unsettled	43,445,379	33,027,412
Claims incurred but not reported	4,887,307	5,307,648
Unearned premiums	104,834,246	80,808,199
	<hr/>	<hr/>
	153,166,932	119,143,259
	<hr/>	<hr/>
Recoverable from reinsurers		
Claims reported unsettled	17,976,266	23,286,998
Claims incurred but not reported	1,099,950	1,346,383
Unearned premiums	32,261,844	21,036,552
	<hr/>	<hr/>
	51,338,060	45,669,933
	<hr/>	<hr/>
Insurance contract liabilities - net		
Claims reported unsettled	25,469,113	9,740,414
Claims incurred but not reported	3,787,357	3,961,265
Unearned premiums	72,572,402	59,771,647
	<hr/>	<hr/>
	101,828,872	73,473,326
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

8. Insurance and other receivables

	31 March 2014 Unaudited AED	31 December 2013 Audited AED
Receivables arising from insurance and re-insurance contracts		
Due from policyholders	91,062,332	74,088,116
Allowance for doubtful debts	(18,931,527)	(18,931,527)
	<hr/>	<hr/>
	72,130,805	55,156,589
Due from insurance companies	8,855,513	7,502,998
Due from re-insurance companies	11,015,532	7,796,063
Other receivables		
Advance payments	457,995	462,175
Prepayments and others	4,560,494	2,266,568
	<hr/>	<hr/>
	97,020,339	73,184,393
	<hr/> <hr/>	<hr/> <hr/>

9. Bank balances and cash

	31 March 2014 Unaudited AED	31 December 2013 Audited AED
Cash on hand	16,500	16,500
Bank balances		
Current accounts	11,225,999	19,207,345
Call accounts	36,209,430	30,421,289
Fixed deposits	49,797,312	49,080,959
	<hr/>	<hr/>
	97,249,241	98,726,093
	<hr/> <hr/>	<hr/> <hr/>

Bank balances are maintained with banks in U.A.E. The annual interest rate on fixed deposits ranges from 0.7% to 2.0% (31 December 2013: ranges from 0.7% to 3.8%).

10. Share capital

At 31 March 2014, the issued and fully paid share capital comprised 100,000,000 shares of AED 1 each (31 December 2013: 100,000,000 shares of AED 1 each).

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

11. Insurance premium revenue

	Three months period ended 31 March	
	2014	2013
	Unaudited	Unaudited
	AED	AED
Insurance premium revenue		
Gross premium written	78,722,894	43,901,717
Change in unearned premium	(24,026,047)	(11,964,489)
	54,696,847	31,937,228
Reinsurance premium ceded		
Reinsurance premium ceded	(29,145,973)	(16,717,576)
Change in unearned premium	11,225,292	6,096,022
	(17,920,681)	(10,621,554)
Net insurance premium revenue	36,776,166	21,315,674

12. Basic (loss)/earnings per share

	Three months period ended 31 March	
	2014	2013
	Unaudited	Unaudited
	AED	AED
(Loss)/profit for the period (in AED)	(9,069,061)	2,633,242
Number of shares	100,000,000	100,000,000
Basic (loss)/earnings per share (in AED)	(0.091)	0.026

Basic (loss)/earnings per share have been calculated by dividing the (loss)/profit for the period by the number of shares outstanding at the end of the reporting period.

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

13. Cash and cash equivalents

	31 March 2014 Unaudited AED	31 March 2013 Unaudited AED
Bank balances and cash	97,249,241	32,571,345
Fixed deposits with maturity greater than three months	(19,762,066)	(19,063,254)
	<hr/> 77,487,175 <hr/>	<hr/> 13,508,091 <hr/>

14. Contingent liabilities

	31 March 2014 Unaudited AED	31 December 2013 Audited AED
Letters of guarantee	5,296,833	6,441,553
	<hr/> 5,296,833 <hr/>	<hr/> 6,441,553 <hr/>

15. Related party transactions

Related parties include the Company's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

At the reporting date, due from/to related parties were as follows:

	31 March 2014 Unaudited AED	31 December 2013 Audited AED
Due from policyholders	12,041,258	7,099,531
	<hr/> 12,041,258 <hr/>	<hr/> 7,099,531 <hr/>
Due to policyholders	56,822	56,822
	<hr/> 56,822 <hr/>	<hr/> 56,822 <hr/>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received and no expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

15. Related party transactions (continued)

Transactions:

During the period, the Company entered into the following transactions with related parties:

	Three months period ended 31 March	
	2014	2013
	Unaudited	Unaudited
	AED	AED
Gross premium	8,617,492	5,657,865
Claims incurred	2,611,440	1,194,837
Remuneration of key management personnel	285,000	309,370
Board of Directors' remuneration	260,000	-

Premiums are charged to related parties at rates agreed with management.

16. Segment information

For management purposes, the Company is organised into two business segments, underwriting and investments.

The underwriting segment comprises fire, marine, motor, medical, general accident and miscellaneous risks.

Investment comprises investments held for trading, AFS investments, investment properties and fixed deposits. These segments are the basis on which the Company reports its primary segment information to the Chief Operating Decision Maker.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3 to the annual audited financial statements of the Company.

Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)

16. Segment information

	Three months period ended 31 March 2014			Three months period ended 31 March 2013		
	Underwriting	Investments	Total	Underwriting	Investments	Total
	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Segment revenue - Gross	78,722,894	-	78,722,894	43,901,717	-	43,901,717
Segment result	(11,389,293)	2,686,098	(8,703,195)	(281,911)	3,158,847	2,876,936
Unallocated costs (net)			(365,866)			(243,694)
(Loss)/ profit for the period			(9,069,061)			2,633,242
	As at 31 March 2014			As at 31 December 2013		
	Underwriting	Investments	Total	Underwriting	Investments	Total
	Unaudited AED	Unaudited AED	Unaudited AED	Audited AED	Audited AED	Audited AED
Segment assets	154,358,399	149,663,744	304,022,143	124,854,326	139,510,337	264,364,663
Unallocated assets			49,053,531			51,337,746
Total assets			353,075,674			315,702,409
Segment liabilities	222,578,500	-	222,578,500	174,758,614	-	174,758,614
Unallocated liabilities			1,522,341			1,700,567
Total liabilities			224,100,841			176,459,181

There are no transactions between the business segments.

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

16. Segment information (continued)

Revenue from underwriting departments

The following is an analysis of the Company's revenues classified by major underwriting departments:

	Three months period ended 31 March	
	2014	2013
	Unaudited	Unaudited
	AED	AED
Motor	45,368,654	17,214,012
Marine	996,392	942,392
Medical	16,247,042	16,818,423
Fire	6,350,567	4,858,679
Engineering, general accidents and others	9,760,239	4,068,211
	78,722,894	43,901,717

17. Seasonality of results

Investment income includes dividend income of AED 1,846,570 (31 March 2013: AED 858,172), which is of a seasonal nature.

18. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values:

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2013.

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

18. Fair value of financial instruments (continued)

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 March 2014 (Unaudited) AED	31 December 2013 (Audited) AED				
Available for sale						
Quoted investments	44,606,570	33,780,393	Level 1	Quoted bid prices in an active market.	None	N/A
Held for trading						
Unquoted investments	2,249,862	3,638,985	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Investment Properties	53,010,000	53,010,000	Level 3	Discounted Cash Flows model.	None	N/A

There were no transfers between each of level during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table. There are no financial assets that are measured at fair value using Level 3.

19. Dividends and Board of Directors' remuneration

During the period, the Annual General Meeting held on 20 March 2014, the shareholders approved a cash dividend distribution of 7% amounting to AED 7 million (AED 7 Fils per share) for the year ended 31 December 2013 (for the year ended 31 December 2012: Nil) and also approved the remuneration for the Board of Directors of AED 260,000 (for the year ended 31 December 2012: Nil).

**Notes to the condensed financial statements
for the three months period ended 31 March 2014 (continued)**

20. Approval of condensed financial statements

The condensed financial statements were approved by the Board of Directors and authorised for issue on 14 May 2014.