

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

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

31 MARCH 2017 (UNAUDITED)

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Dubai Insurance Company (PSC) (the "Company") and its subsidiary (collectively referred to as the "Group"), which comprise the consolidated interim statement of financial position as at 31 March 2017 and the related consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young



Ashraf Abu-Sharkh
Partner
Registration No. 690

3 May 2017

Dubai, United Arab Emirates

Dubai Insurance Company (PSC)

CONSOLIDATED INTERIM STATEMENT OF INCOME

For the period ended 31 March 2017 (Unaudited)

		Three months ended 31 March	
	Note	2017 AED'000	2016 AED'000
UNDERWRITING INCOME			
Gross premium		181,317	140,984
Movement in provision for unearned premium		(59,053)	(59,156)
Insurance premium revenue		122,264	81,828
Reinsurance share of premium		(134,277)	(104,642)
Movement in provision for reinsurance share of unearned premium		45,846	51,088
		(88,431)	(53,554)
Net insurance premium revenue		33,833	28,274
Reinsurance commission income		11,774	9,126
Other income		3	895
Total underwriting income		45,610	38,295
UNDERWRITING EXPENSES			
Claims incurred		93,392	138,275
Reinsurers' share of claims incurred		(78,561)	(126,056)
Net claims incurred		14,831	12,219
Commission expenses		10,359	9,507
Excess of loss reinsurance premium		209	158
General and administration expenses relating to underwriting activities		4,712	4,393
Other expenses		4,499	2,652
Total underwriting expenses		34,610	28,929
NET UNDERWRITING INCOME		11,000	9,366
INVESTMENT INCOME			
Realised gain/(loss) on sale of investments		12	(6)
Fair value (loss)/gain on financial assets at fair value through profit or loss		(1,041)	127
Other investment income		5,592	14,686
Other investment costs		(238)	(242)
		4,325	14,565
OTHER INCOME AND EXPENSES			
General and administration expenses not allocated		(1,492)	(1,439)
Other income		94	1
		(1,398)	(1,438)
PROFIT FOR THE PERIOD		13,927	22,493
Basic and diluted earnings per share (AED)	3	0.14	0.22

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

Dubai Insurance Company (PSC)

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2017 (Unaudited)

	<i>Three months ended 31 March</i>	
	<i>2017 AED'000</i>	<i>2016 AED'000</i>
Profit for the period	13,927	22,493
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that could not be reclassified to profit or loss in subsequent periods:</i>		
Net unrealized (loss)/ gain on financial assets at fair value through other comprehensive income	(11,574)	4,049
Other comprehensive income for the period	(11,574)	4,049
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,353	26,542

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

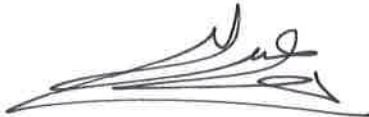
Dubai Insurance Company (PSC)

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2017 (Unaudited)

		31 March 2017 AED'000	31 December 2016 AED'000 Audited
	Notes		
ASSETS			
Property and equipment	4	47,007	47,042
Investment property	5	1,670	1,670
Advance for investment property	6	10,685	7,562
Financial instruments	7	478,071	495,296
Reinsurance assets		446,797	412,120
Insurance receivables		199,060	139,954
Prepayments and other receivables		17,003	9,349
Statutory deposits		10,000	10,000
Cash and cash equivalents	8	12,904	32,311
TOTAL ASSETS		1,223,197	1,155,304
EQUITY AND LIABILITIES			
Equity			
Share capital	10	100,000	100,000
Statutory reserve	11	50,000	50,000
General reserve	11	13,000	13,000
Retained earnings		119,738	130,811
Cumulative changes in fair value of investments	11	179,222	190,796
Total equity		461,960	484,607
Liabilities			
Bank loan	9	45,806	43,161
Employees' end of service benefits		3,083	2,987
Insurance contract liabilities		525,794	475,956
Amounts held under reinsurance treaties		31,538	31,320
Reinsurance balances payable		106,641	63,583
Insurance and other payables		48,375	53,690
Total liabilities		761,237	670,697
TOTAL EQUITY AND LIABILITIES		1,223,197	1,155,304

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 3 May 2017.


Buti Obaid Almulla
Chairman


Abdellatif Abuqurah
Chief Executive Officer

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

Dubai Insurance Company (PSC)

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 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	-	-	-	13,927	-	-	13,927
Other comprehensive income	-	-	-	-	-	(11,574)	(11,574)
Total comprehensive income for the period	-	-	-	13,927	-	(11,574)	2,353
Cash dividend declared and paid (Note 12)	-	-	-	(25,000)	-	-	(25,000)
Balance at 31 March 2017	100,000	50,000	13,000	119,738	-	179,222	461,960
Balance at 1 January 2016	100,000	50,000	13,000	120,963	-	195,896	479,859
Profit for the period	-	-	-	22,493	-	-	22,493
Other comprehensive income	-	-	-	-	-	4,049	4,049
Total comprehensive income for the period	-	-	-	22,493	-	4,049	26,542
Cash dividend declared and paid (Note 12)	-	-	-	(25,000)	-	-	(25,000)
Balance at 31 March 2016	100,000	50,000	13,000	118,456	-	199,945	481,401

Dubai Insurance Company (PSC)

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the period ended 31 March 2017 (Unaudited)

	<i>Notes</i>	<i>Three month period ended 31 March</i>	
		<i>2017 AED'000</i>	<i>2016 AED'000</i>
OPERATING ACTIVITIES			
Profit for the period		13,927	22,493
Adjustments for:			
Depreciation on property and equipment		379	377
Provision for employees' end of service benefits		123	97
(Gain)/ loss on sale of investments in debt instruments at amortised cost		(12)	6
		<u>14,417</u>	<u>22,973</u>
Changes in operating assets and liabilities:			
Reinsurance assets		(34,677)	(110,857)
Insurance receivables		(59,106)	(40,051)
Prepayments and other assets		(7,654)	(15,785)
Insurance contract liabilities		49,838	118,143
Amounts held under reinsurance treaties		218	4,407
Reinsurance balances payable		43,058	25,511
Insurance and other payables		(5,315)	17,860
		<u>779</u>	<u>22,201</u>
Cash generated from operations		(27)	(170)
Employees' end of service paid		<u>752</u>	<u>22,031</u>
Net cash generated from operating activities			
INVESTING ACTIVITIES			
Investments held at amortised cost		(2,868)	203
Financial instruments		8,569	(2,277)
Advance for investment property		(3,123)	-
Purchase of property and equipment		(382)	(363)
		<u>2,196</u>	<u>(2,437)</u>
Net cash generated from/ (used in) investing activities			
FINANCING ACTIVITIES			
Dividend paid	12	(25,000)	(25,000)
Bank loan		2,645	(23)
		<u>(22,355)</u>	<u>(25,023)</u>
Net cash used in financing activities			
DECREASE IN CASH AND CASH EQUIVALENTS		(19,407)	(5,429)
Cash and cash equivalents at 1 January		32,311	40,805
CASH AND CASH EQUIVALENTS AT 31 MARCH	8	<u>12,904</u>	<u>35,376</u>

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

Dubai Insurance Company (PSC)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 31 March 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 months ended 31 March 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.

<u>Subsidiary</u>	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>Ownership</u>
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 31 March 2017.

Dubai Insurance Company (PSC)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 31 March 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 31 March</i>	
	<i>2017</i>	<i>2016</i>
Profit for the period (AED'000)	13,927	22,493
Weighted average number of shares outstanding during the period ('000)	100,000	100,000
Earnings per share (AED)	0.14	0.22

No figures for diluted earnings per share are presented as 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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 31 March 2017 (Unaudited)

6 ADVANCE FOR INVESTMENT PROPERTY

This represents advance given for an investment property within United Arab Emirates, which is 25% of the total cost of the property and the remaining 75% of the total cost is capital commitment as mentioned in Note 15.

7 FINANCIAL INSTRUMENTS

	<i>Carrying value</i>		<i>Fair value</i>	
	<i>31 March 2017</i>	<i>31 December 2016</i>	<i>31 March 2017</i>	<i>31 December 2016</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Financial instruments</i>				
At fair value through profit or loss (Note 7.1)	76,774	85,239	76,774	85,239
At fair value through other comprehensive income (Note 7.2)	314,549	326,177	314,549	326,177
Investments held at amortised cost (Note 7.3)	86,748	83,880	86,930	84,663
	<u>478,071</u>	<u>495,296</u>	<u>478,253</u>	<u>496,079</u>

7.1 FINANCIAL ASSETS AT FAIR VALUES THROUGH PROFIT OR LOSS

	<i>31 March 2017</i>	<i>31 December 2016</i>
	<i>AED'000</i>	<i>AED'000</i>
		<i>(Audited)</i>
<i>a) Shares - quoted</i>	3,126	4,167
<i>b) Designated upon initial recognition</i>		
Bank deposits with maturity over three months - unquoted	73,648	81,072
	<u>76,774</u>	<u>85,239</u>

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>31 March 2017</i>	<i>31 December 2016</i>
	<i>AED'000</i>	<i>AED'000</i>
		<i>(Audited)</i>
Shares – quoted (within UAE)	295,293	306,395
Shares – unquoted (Outside UAE)	9,056	9,582
Shares – unquoted (within UAE)	10,200	10,200
	<u>314,549</u>	<u>326,177</u>

The fair value changes amounting to AED 11,574 thousand (2016: AED 5,100 thousand) have been recognised in the consolidated statement of comprehensive income.

Dubai Insurance Company (PSC)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 31 March 2017 (Unaudited)

7 FINANCIAL INSTRUMENTS (continued)

7.3 DEBT INSTRUMENTS AT AMORTISED COST

	31 March 2017 AED'000	31 December 2016 AED'000 (Audited)
<i>Amortised cost</i>		
Debt securities (within UAE)	12,665	11,479
Debt securities (outside UAE)	74,083	72,401
	86,748	83,880

Debt securities amounting to AED 86,748 thousand (2016: AED 83,880 thousand) are pledged against bank loan (Note 9). The investments carry interest at an effective rate of 5.05% per annum (2016: 4.60% per annum). The maturity profile of these debt instruments is shown below:

	31 March 2017		
	<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)	7,101	5,564	12,665
Debt securities (outside UAE)	43,450	30,633	74,083
	50,551	36,197	86,748

	31 December 2016 (audited)		
	<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
	46,048	37,832	83,880

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:

	31 March 2017 AED'000	31 December 2016 AED'000 (Audited)
Bank balances and cash	12,904	32,311
	12,904	32,311

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

Dubai Insurance Company (PSC)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 31 March 2017 (Unaudited)

9 BANK LOAN

	31 March 2017 AED'000	31 December 2016 AED'000 (Audited)
Loan I	18,446	18,443
Loan II	17,802	15,212
Loan III	9,558	9,506
	45,806	43,161

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 18,446 thousand). The loan facility is secured against investments in debt instruments held at amortised cost amounting to AED 32,602 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 2 to 10 years.

Loan II

During previous year, the Group entered into credit facility agreements with an international bank for AED 17,802 thousand. The loan facilities are secured against investments in debt instruments held at amortised cost amounting to AED 26,727 thousand (31 December 2016: AED 24,223 thousand) (Note 7.3) 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 33 years.

Loan III

During previous year, the Group entered into credit facility agreements with a local bank for AED 9,558 thousand. The loan facilities are secured against investments in debt instruments held at amortised cost amounting to AED 27,419 thousand (31 December 2016: AED 27,410 thousand) (Note 7.3) 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 3 to 17 years.

10 SHARE CAPITAL

	31 March 2017 AED'000	31 December 2016 AED'000 (Audited)
Issued and fully paid 100,000,000 shares of AED 1 each (2015: 100,000,000 share of AED 1 each)	100,000	100,000

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 31 March 2017. The reserve is not available for distribution except in the circumstances stipulated by the law.

Dubai Insurance Company (PSC)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 31 March 2017 (Unaudited)

11 RESERVES (continued)

NATURE AND PURPOSE OF RESERVES (continued)

• 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>31 March 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)	25,000	-
Cash dividend for 2015 of AED 0.25 per share (declared and paid)	-	25,000
	<u>25,000</u>	<u>25,000</u>
Proposed for approval at Annual General Meeting: (2016: Cash dividend of AED 0.25 per share)	-	25,000
	<u>-</u>	<u>25,000</u>

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.

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

	<i>General insurance</i>		<i>Medical and Life assurance</i>		<i>Total</i>	
	<i>31 March 2017 AED'000</i>	<i>31 March 2016 AED'000</i>	<i>31 March 2017 AED'000</i>	<i>31 March 2016 AED'000</i>	<i>31 March 2017 AED'000</i>	<i>31 March 2016 AED'000</i>
Three months ended 31 March						
UNDERWRITING INCOME						
Insurance premium revenue	49,468	15,787	72,796	66,041	122,264	81,828
Reinsurers' share of premium	(38,263)	(8,022)	(50,168)	(45,532)	(88,431)	(53,554)
Net insurance premium revenue	11,205	7,765	22,628	20,509	33,833	28,274
Reinsurance commission income	11,155	8,306	619	820	11,774	9,126
Other income	3	24	-	871	3	895
	<u>22,363</u>	<u>16,095</u>	<u>23,247</u>	<u>22,200</u>	<u>45,610</u>	<u>38,295</u>

Dubai Insurance Company (PSC)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 31 March 2017 (Unaudited)

13 SEGMENTAL INFORMATION (continued)

	<i>General insurance</i>		<i>Medical and Life assurance</i>		<i>Total</i>	
	<i>31 March 2017 AED'000</i>	<i>31 March 2016 AED'000</i>	<i>31 March 2017 AED'000</i>	<i>31 March 2016 AED'000</i>	<i>31 March 2017 AED'000</i>	<i>31 March 2016 AED'000</i>
Three months ended 31 March						
UNDERWRITING EXPENSES						
Claims incurred	41,302	95,698	52,090	42,577	93,392	138,275
Reinsurers' share of claims incurred	(35,552)	(91,768)	(43,009)	(34,288)	(78,561)	(126,056)
Net claims incurred	5,750	3,930	9,081	8,289	14,831	12,219
Commission expenses	6,808	3,514	3,551	5,993	10,359	9,507
Excess of loss reinsurance premium	209	158	-	-	209	158
General and administration expenses relating to underwriting activities	1,925	1,714	2,787	2,679	4,712	4,393
Other expenses	102	66	4,397	2,586	4,499	2,652
	14,794	9,382	19,816	19,547	34,610	28,929
NET UNDERWRITING INCOME	7,569	6,713	3,431	2,653	11,000	9,366
TOTAL INVESTMENT INCOME					4,325	14,565
Unallocated other expenses					(1,398)	(1,438)
PROFIT FOR THE PERIOD					13,927	22,493

14 OTHER INVESTMENT INCOME

Dividend income amounted to AED 4,245 thousand and AED 12,891 thousand for the three-month periods ended 31 March 2017 and 31 March 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 31 March 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.

15 CONTINGENCIES AND COMMITMENTS

At 31 March 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>31 March 2017 AED'000</i>	<i>31 December 2016 AED'000 (Audited)</i>
Less than 1 year	13,595	7,200
Between one and two years	9,458	3,600
	23,053	10,800