**OMAN INSURANCE COMPANY P.S.C.
AND SUBSIDIARIES**

**Review report and consolidated interim financial information
for the nine months period ended 30 September 2017**

OMAN INSUARNCE COMPANY P.S.C. AND SUBSIDIARIES

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REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Board of Directors
Oman Insurance Company P.S.C.
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Oman Insurance Company P.S.C. (the "Company") and its Subsidiaries (together referred to as the "Group") as at 30 September 2017 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine months period then ended. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Accounting Standard (IAS) 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 consildated interim financial information is not prepared, in all material respects in accordance with International Accounting Standard 34, "*Interim Financial Reporting*".

Deloitte & Touche (M.E.)

Signed by:
Musa Ramahi
Registration Number 872
14 November 2017
Dubai, United Arab Emirates

Condensed consolidated statement of financial position
At 30 September 2017

	Notes	30 September 2017 (unaudited) AED'000	31 December 2016 (audited) AED'000
ASSETS			
Property and equipment		**16,561**	21,255
Intangible assets		**78,581**	78,197
Investment properties		**511,364**	511,364
Goodwill		**15,154**	15,365
Deferred tax assets		**4,886**	9,126
Financial investments	5	**1,856,346**	1,847,946
Statutory deposits		**156,774**	121,715
Re-insurance contract assets	6	**2,743,768**	2,407,487
Deferred acquisition costs		**155,884**	128,630
Insurance receivables	7	**1,580,390**	1,531,259
Prepayments and other receivables		**130,007**	118,214
Bank balances and cash		**448,831**	465,378
Total assets		**7,698,546**	7,255,936
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**461,872**	461,872
Reserves	9	**1,478,446**	1,477,337
Cumulative changes in fair value of securities		**(273,645)**	(332,402)
Foreign currency translation reserve		**(26,941)**	(27,100)
Retained earnings		**316,728**	352,729
Equity attributable to the Owners of the Company		**1,956,460**	1,932,436
Non-controlling interests		**23,494**	24,657
Total equity		**1,979,954**	1,957,093
Liabilities			
Insurance contract liabilities	6	**4,410,271**	3,956,799
End of service benefits		**35,921**	32,769
Bank borrowings	10	**190,740**	367,732
Deferred commission income		**119,514**	95,633
Re-insurance deposits retained		**74,196**	67,322
Insurance payables	11	**820,036**	680,223
Other payables		**67,914**	98,365
Total liabilities		**5,718,592**	5,298,843
Total equity and liabilities		**7,698,546**	7,255,936

Abdul Aziz Abdulla Al Ghurair
Chairman

Christos Adamantiadis
Chief Executive Officer

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

Condensed consolidated income statement (unaudited)
for the nine months period ended 30 September 2017

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	**2017**	2016
	AED '000	AED '000	**AED '000**	AED '000
Gross insurance premium	**717,622**	752,892	**2,872,848**	2,779,225
Less: Insurance premium ceded to reinsurers	**(431,416)**	(434,096)	**(1,709,043)**	(1,707,141)
Net retained premium	**286,206**	318,796	**1,163,805**	1,072,084
Net change in unearned premium	**79,633**	11,561	**(88,238)**	(81,764)
Net earned insurance premium	**365,839**	330,357	**1,075,567**	990,320
Gross claims settled	**(560,435)**	(604,104)	**(1,780,319)**	(1,626,467)
Insurance claims recovered from reinsurers	**304,006**	381,067	**1,019,513**	868,052
Net claims settled	**(256,429)**	(223,037)	**(760,806)**	(758,415)
Net change in outstanding claims and additional reserves	**(4,286)**	(5,313)	**(18,867)**	38,047
Net claims incurred	**(260,715)**	(228,350)	**(779,673)**	(720,368)
Reinsurance commission income	**77,893**	80,771	**241,903**	246,281
Commission expenses	**(96,087)**	(87,415)	**(280,589)**	(258,201)
Other income relating to underwriting activities	**11,130**	10,424	**32,842**	34,266
Net commission and other (expenses)/income	**(7,064)**	3,780	**(5,844)**	22,346
General and administrative expenses relating to underwriting activities	**(75,219)**	(71,032)	**(223,788)**	(213,257)
Net underwriting profit	**22,841**	34,755	**66,262**	79,041

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

Condensed consolidated income statement (unaudited)
for the nine months period ended 30 September 2017 (continued)

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	**2017**	2016
	AED '000	AED '000	**AED '000**	AED '000
Net underwriting profit	**22,841**	34,755	**66,262**	79,041
Net investment income	**15,823**	18,734	**58,875**	57,931
Finance cost	**(581)**	(894)	**(1,914)**	(1,565)
Allowance for doubtful debts	**(2,647)**	(22,651)	**(15,030)**	(29,244)
Other expenses - net	**(5,082)**	(8,768)	**(23,081)**	(24,914)
Profit before tax	**30,354**	21,176	**85,112**	81,249
Income tax expenses	**(536)**	(1,115)	**(3,828)**	(2,687)
Profit for the period	**29,818**	20,061	**81,284**	78,562
Attributable to:				
Owners of the Company	**31,235**	24,216	**82,516**	81,819
Non-controlling interests	**(1,417)**	(4,155)	**(1,232)**	(3,257)
	29,818	20,061	**81,284**	78,562
Basic earnings per share (AED) (Note 12)	**0.07**	0.05	**0.18**	0.18

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

Condensed consolidated statement of comprehensive income (unaudited)
for the nine months period ended 30 September 2017 (continued)

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	**2017**	2016
	AED '000	AED '000	**AED '000**	AED '000
Profit for the period	**29,818**	20,061	**81,284**	78,562
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to profit or loss:				
Net fair value (gains)/losses on revaluation of investments designated at FVTOCI	**6,724**	(23,071)	**(12,464)**	(33,364)
Items that may be reclassified subsequently to profit or loss:				
Exchange (losses)/gains on translating foreign operations	**(1,409)**	1,869	**228**	2,783
Total other comprehensive income/(loss) for the period	**5,315**	(21,202)	**(12,236)**	(30,581)
Total comprehensive income/(loss) for the period	**35,133**	(1,141)	**69,048**	47,981
Attributable to:				
Owners of the Company	**37,117**	4,018	**70,211**	52,007
Non-controlling interests	**(1,984)**	(5,159)	**(1,163)**	(4,026)
	35,133	(1,141)	**69,048**	47,981

Condensed consolidated statement of changes in equity for the nine months period ended 30 September 2017

	Share capital AED '000	Reserves AED '000	Cumulative changes in fair value of securities AED '000	Foreign currency translation reserve AED '000	Retained earnings AED '000	Equity attributable to the Owners of the Company AED '000	Non-controlling interests AED '000	Total AED '000
Balance at 1 January 2016 (audited)	461,872	1,456,956	(387,941)	(24,158)	376,362	1,883,091	31,777	1,914,868
Profit for the period	-	-	-	-	81,819	81,819	(3,257)	78,562
Other comprehensive loss for the period	-	-	(33,364)	3,552	-	(29,812)	(769)	(30,581)
Total comprehensive income for the period	-	-	(33,364)	3,552	81,819	52,007	(4,026)	47,981
Cash dividend (Note 24)	-	-	-	-	(46,187)	(46,187)	-	(46,187)
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	25,456	-	(25,456)	-	-	-
Balance at 30 September 2016 - (unaudited)	461,872	1,456,956	(395,849)	(20,606)	386,538	1,888,911	27,751	1,916,662
Balance at 31 December 2016 (audited)	461,872	1,477,337	(332,402)	(27,100)	352,729	1,932,436	24,657	1,957,093
Profit for the period	-	-	-	-	82,516	82,516	(1,232)	81,284
Other comprehensive loss for the period	-	-	(12,464)	159	-	(12,305)	69	(12,236)
Total comprehensive income for the period	-	-	(12,464)	159	82,516	70,211	(1,163)	69,048
Cash dividend (Note 24)	-	-	-	-	(46,187)	(46,187)	-	(46,187)
Transfer to contingency reserve	-	1,109	-	-	(1,109)	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	71,221	-	(71,221)	-	-	-
Balance at 30 September 2017 (unaudited)	**461,872**	**1,478,446**	**(273,645)**	**(26,941)**	**316,728**	**1,956,460**	**23,494**	**1,979,954**

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

Condensed consolidated statement of cash flows (unaudited)
for the nine months period ended 30 September 2017

	Nine months period ended 30 September 2017 AED'000	2016 AED'000
Cash flows from operating activities		
Profit before tax	**85,112**	81,249
Adjustments for:		
Depreciation and amortisation	**14,347**	14,161
Fair value on investment properties	-	(746)
Unrealised gains on financial investments at FVTPL	**(42,877)**	(18,982)
Provision for end of service benefits	**7,000**	5,672
Allowance for doubtful debts	**15,030**	29,244
Dividends income from financial investments at FVTPL and FVTOCI	**(18,355)**	(21,899)
Interest income from financial assets	**(43,601)**	(56,936)
Amortisation of financial assets	**2,655**	8,154
Realised losses on sale of financial investments at FVTPL	**271**	6,031
Realised (gains)/losses on sale of financial investments at amortised cost	**(8,849)**	4,703
Finance costs	**1,914**	1,565
Other investment expenses	**18,375**	13,074
Rental income from investment properties	**(6,693)**	(6,557)
Loss on write off of property and equipment	**(140)**	-
Unrealised gain on fair valuation of derivatives	-	(2,269)
Operating cash flows before changes in operating assets and liabilities	**24,189**	56,464
Increase in reinsurance contract assets	**(336,281)**	(727,149)
Increase in insurance and other receivables	**(70,517)**	(403,713)
Increase in deferred acquisition costs	**(27,254)**	(11,180)
Increase in insurance contract liabilities	**437,524**	770,866
Increase in insurance and other payables	**108,713**	103,143
Increase in reinsurance deposits retained	**6,874**	729
Increase in deferred commission income	**23,881**	15,161
Net cash generated from/(used in) operations	**167,129**	(195,679)
End of service benefits paid	**(3,848)**	(3,325)
Finance costs paid	**(1,914)**	(1,565)
Net cash generated from/(used in) operating activities	**161,367**	(200,569)

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

Condensed consolidated statement of cash flows (unaudited) for the nine months period ended 30 September 2017 (continued)

	Nine months period ended 30 September 2017 AED'000	2016 AED'000
Cash flows from investing activities		
Purchases of financial investments at FVTOCI	**(113,559)**	(163,625)
Proceeds from sale of financial investments at FVTOCI	**253,779**	70,911
Purchases of financial investments at FVTPL	**(89,892)**	(117,694)
Proceeds from sale of financial investments at FVTPL	**130,882**	133,324
Increase/(decrease) in unit linked liabilities	**15,948**	(23,107)
Purchase of financial investments designated at amortised cost	**(781,177)**	(82,075)
Proceeds from sale of financial investments at amortised cost	**627,903**	102,977
Dividends income from financial investments at FVTPL and FVTOCI	**17,987**	20,391
Interest income from deposits and financial investments at FVTPL and amortised cost	**39,025**	47,403
Purchase of property and equipment	**(1,743)**	(2,500)
Purchase of intangible assets	**(7,598)**	(9,570)
Rental income from investment properties	**6,200**	6,231
Other investment expenses	**(17,726)**	(12,342)
Decrease in term deposits maturing after 3 months	**33,212**	17,630
Increase in statutory deposits	**(35,059)**	(17,511)
Net cash generated from/(used in) investing activities	**78,182**	(29,557)
Cash flows from financing activities		
Dividends paid	**(46,187)**	(46,187)
(Decrease)/increase in bank borrowings	**(176,992)**	352,662
Net cash (used in)/generated from financing activities	**(223,179)**	306,475
Net increase in cash and cash equivalents	**16,370**	76,349
Cash and cash equivalents at beginning of the period	**295,390**	179,435
Effects of exchange rate changes on the balances of cash held in foreign currency	**295**	3,274
Cash and cash equivalents at end of the period (Note 13)	**312,055**	259,058

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

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017

1. General information

Oman Insurance Company P.S.C., (the "Company") which was established by an Amiri Decree issued by His Highness, The Ruler of Dubai, as a public shareholding company. The Company is subject to the regulations of U.A.E. Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of its Operations and is registered in the Insurance Companies Register of Insurance Authority of the U.A.E. under registration number 9. The Company is a subsidiary of Mashreq Bank (PSC) incorporated in the Emirate of Dubai. The Company's registered head office is at P.O. Box 5209, Dubai, United Arab Emirates. The Group comprises Oman Insurance Company P.S.C and its subsidiaries. The Company's ordinary shares are listed on the Dubai Financial Market, United Arab Emirates.

The licensed activities of the Company are issuing short term and long term insurance contracts and trading in securities. The insurance contracts are issued in connection with property, motor, aviation and marine risks (collectively known as general insurance) and individual life (participating and non-participating), group life, personal accident, medical and investment linked products.

The Company also operates in Sultanate of Oman, State of Qatar, and Republic of Turkey.

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 consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2017, have been adopted in these condensed consolidated financial statements. The application of these revised 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.

- Amendments to IAS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses.
- Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.
- Financial improvements to IFRS Standards 2014 – 2016 Cycle – Amendments to IFRS 12 *Disclosure of Interest in Other Entities*.

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28.	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IFRS 12 for annual periods beginning on or after 1 January 2017

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

2 Application of new and revised International Financial Reporting Standards ("IFRSs") (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and • the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018
Finalised version of IFRS 9 (IFRS 9 Financial Instruments (2014)) was issued in July 2014 incorporating requirements for impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model. A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 4: Insurance Contracts which introduces the overlay approach and deferral approach towards implementing IFRS 9 before implementing the replacement standard that the IASB Board is developing for IFRS 4.	When IFRS 9 is first applied or 1 January 2021 under deferral approach.
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

Amendments to IFRS 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

2 Application of new and revised International Financial Reporting Standards ("IFRSs") (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 16 *Leases* IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
IFRS 17 *Insurance contracts*. The standard requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.	1 January 2021
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for finalised version of IFRS 9 and IFRS 17, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

The application of finalised version of IFRS 9 and IFRS 17 may have significant impact on amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards as the Group is in the process of performing a detailed review.

3. Summary of significant accounting policies

3.1 Basis of preparation

These condensed consolidated 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 consolidated financial statements are presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Group's transactions are denominated and all values are rounded to the nearest thousand (AED '000) except when otherwise indicated.

3. Summary of significant accounting policies (continued)

3.1 Basis of preparation (continued)

These condensed consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and investment properties.

The Group presents its condensed consolidated statement of financial position broadly in order of liquidity.

These condensed consolidated financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2016. In addition, results for the nine months period ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

3.2 Significant accounting policies

The accounting policies, presentation and methods in these condensed consolidated financial statements are consistent with those used in the annual audited consolidated financial statements for the year ended 31 December 2016.

As required by the Securities and Commodities Authority ("SCA") notification dated 12 October 2008, accounting policies relating to investment properties, property and equipment and financial assets have been disclosed in these condensed consolidated financial statements (Notes 3.4 to 3.6).

3.3 Basis of consolidation

The condensed consolidated financial statements of Oman Insurance P.S.C. and Subsidiaries (the "Group") incorporate the financial statements of the Company and the entities controlled by the Company (its Subsidiaries).

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

3. Summary of significant accounting policies (continued)

3.3 Basis of consolidation (continued)

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated income statement and condensed consolidated statement of other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the period of retirement or disposal.

3. Summary of significant accounting policies (continued)

3.4 Investment properties (continued)

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation or commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use. Fair value is determined by open market values based on valuations performed by independent surveyors and consultants or broker's quotes.

3.5 Property and equipment

Capital work in progress is stated at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Other property and equipment are stated at cost less accumulated depreciation and any identified impairment losses.

Depreciation is charged so as to write off the cost of assets, other than capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The useful lives considered in the calculation of depreciation for the assets are as follows:

	Years
Furniture and equipments	3 - 5
Motor vehicles	5

3.6 Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL), which are initially measured at fair value. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

3.6.1 Classification of financial assets

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32 *Financial Instruments: Presentation*) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

3. Summary of significant accounting policies (continued)

3.6 Financial assets (continued)

3.6.2 Financial assets at amortised cost and the effective interest method

Debt instruments are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs (except if they are designated as at FVTPL – see below). They are subsequently measured at amortised cost using the effective interest method less any impairment (see Note 3.6.8 below), with interest income recognised on an effective yield basis in investment income.

Subsequent to initial recognition, the Group is required to reclassify debt instruments from amortised cost to FVTPL if the objective of the business model changes so that the amortised cost criteria are no longer met.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

3.6.3 Cash and cash equivalents

Cash and cash equivalents, which include cash on hand and deposits held with banks with original maturities of three months or less, are classified as financial assets at amortised cost.

3.6.4 Insurance receivables, other receivables and statutory deposits

Insurance receivables, other receivables and statutory deposits are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short- term receivables when the recognition of interest would be immaterial.

3. Summary of significant accounting policies (continued)

3.6 Financial assets (continued)

3.6.5 Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair value of securities reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 *Revenue*, unless the dividends clearly represent a recovery of part of the cost of the investment.

3.6.6 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition (see above).

Investment linked components of insurance contracts are classified as at FVTPL. Any gains or losses arising on remeasurement of these assets and equivalent movements in reserves attributable to policyholders are offset within the same line in the consolidated income statement.

Debt instruments that do not meet the amortised cost criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

3. Summary of significant accounting policies (continued)

3.6 Financial assets (continued)

3.6.6 Financial assets at fair value through profit or loss (FVTPL) (continued)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 *Revenue*.

3.6.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore,

- for financial assets that are classified as at FVTPL, the foreign exchange component is recognised in profit or loss; and
- for financial assets that designated as at FVTOCI, any foreign exchange component is recognised in other comprehensive income.

For foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in profit or loss.

3.6.8 Impairment of financial assets

Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as insurance receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. Summary of significant accounting policies (continued)

3.6 Financial assets (continued)

3.6.8 Impairment of financial assets (continued)

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of insurance receivables, where the carrying amount is reduced through the use of an allowance account. When an insurance receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3.6.9 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

4. Critical accounting judgements and key sources of estimation of uncertainty

The preparation of condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

5. Financial investments

The Group's financial investments at the end of reporting period are detailed below.

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
At fair value through profit or loss	**296,524**	294,908
At fair value through other comprehensive income	**427,489**	580,173
Measured at amortised cost	**1,132,333**	972,865
	1,856,346	1,847,946

Financial investments measured at amortised cost include quoted bonds. These bonds carry interests at coupon rates of 1.813% to 7.875% per annum. The Group holds these investments with the objective of receiving the contractual cash flows over the instruments life. The fair value of these bonds at 30 September 2017 is AED 1,137,059 thousand (31 December 2016: AED 973,682 thousand).

The movements in investments are as follows:

	Fair value through profit or loss AED'000	Fair value through OCI AED'000	Amortised cost AED'000	Total AED'000
At 1 January 2016 (audited)	308,955	466,611	962,622	1,738,188
Purchases	135,638	217,288	161,040	513,966
Disposals	(159,569)	(121,378)	(148,567)	(429,514)
Amortisation	-	-	(2,230)	(2,230)
Changes in fair value	9,884	17,652	-	27,536
At 31 December 2016 (audited)	294,908	580,173	972,865	1,847,946
Purchases	89,892	113,559	781,177	984,628
Disposals	(131,153)	(253,779)	(619,054)	(1,003,986)
Amortisation	-	-	(2,655)	(2,655)
Changes in fair value	42,877	(12,464)	-	30,413
At 30 September 2017 (unaudited)	**296,524**	**427,489**	**1,132,333**	**1,856,346**

5.1 Reclassification of financial investments measured at FVTPL

On 28 March 2013, management revisited the Group's business model for managing the financial investments and changed its business model for managing investments in debt instruments. Accordingly, the Group reclassified AED 352,391 thousand from FVTPL to amortised cost from 1 April 2013. The business model has been changed from realizing the fair value by disposing of the investment to hold the asset until its maturity so as to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

5. Financial investments (continued)

5.1 Reclassification of financial investments measured at FVTPL (continued)

These bonds carry effective interests at the rates of 2% to 9% per annum at the date of reclassification. The interest income recognized on these investments for the period ended 30 September 2017 is AED 2,623 thousand (30 September 2016: AED 3,657 thousand).

The fair value gain/(loss) recognised in profit or loss during the period would have been increased by AED 275 thousand (30 September 2016: AED 1,964 thousand) if these financial assets had not been reclassified.

6. Insurance contract liabilities and re-insurance contract assets

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Insurance contract liabilities		
Outstanding claims	**2,080,259**	1,867,591
Additional reserve - IBNR	**337,068**	317,739
Life assurance fund	**214,878**	235,138
Unearned premium	**1,496,416**	1,271,277
Unit linked liabilities	**271,499**	255,551
Unallocated loss adjustment expenses reserve	**10,151**	9,503
	4,410,271	3,956,799
Recoverable from re-insurers		
Outstanding claims	**1,685,627**	1,483,302
Additional reserve - IBNR	**216,930**	205,477
Unearned premiums	**841,211**	718,708
	2,743,768	2,407,487
Insurance contract liabilities – net		
Outstanding claims	**394,632**	384,289
Additional reserve - IBNR	**120,138**	112,262
Life assurance fund	**214,878**	235,138
Unearned premiums	**655,205**	552,569
Unit linked liabilities	**271,499**	255,551
Unallocated loss adjustment expenses reserve	**10,151**	9,503
	1,666,503	1,549,312

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

7. Insurance receivables

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Due from policyholders and brokers	**972,974**	941,003
Less: allowance for doubtful debts	**(94,441)**	(79,412)
Net due from policyholders and brokers	**878,533**	861,591
Due from insurance/reinsurance companies	**740,205**	707,944
Less: allowance for doubtful debts	**(38,348)**	(38,276)
Net due from insurance/reinsurance companies	**701,857**	669,668
Total insurance receivables	**1,580,390**	1,531,259

7.1 Insurance receivables by location

Inside UAE	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Due from policyholders and brokers	**780,008**	736,388
Less: allowance for doubtful debts	**(74,206)**	(62,013)
Net due from policyholders and brokers	**705,802**	674,375
Due from insurance/reinsurance companies	**528,119**	555,687
Less: allowance for doubtful debts	**(38,276)**	(38,276)
Net due from insurance/reinsurance companies	**489,843**	517,411
Total insurance receivables inside UAE	**1,195,645**	1,191,786

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

7. Insurance receivables (continued)

7.1 Insurance receivables by location (continued)

Outside UAE

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Due from policyholders and brokers	**192,966**	204,615
Less: allowance for doubtful debts	**(20,235)**	(17,399)
Net due from policyholders and brokers	**172,731**	187,216
Due from insurance/reinsurance companies	**212,086**	152,257
Less: allowance for doubtful debts	**(72)**	-
Net due from insurance/reinsurance companies	**212,014**	152,257
Total insurance receivables outside UAE	**384,745**	339,473

Notes to the condensed consolidated financial statements
for the nine months period ended 30 September 2017 (continued)

7. Insurance receivables (continued)

7.2 Ageing of insurance receivables

30 September 2017 (Unaudited)

			Past Due by Number of Days					
	Not yet due AED'000	<30 days AED'000	30-90 days AED'000	91-180 days AED'000	181-270 days AED'000	271-360 days AED'000	>360 days AED'000	Total AED'000
Due from policyholders	195,371	150,291	257,182	57,659	41,049	66,424	6,674	**774,650**
Due from insurance companies	-	8,981	16,771	30,980	50,774	107,410	15,032	**229,948**
Due from reinsurance companies	-	202,799	127,444	32,666	51,817	39,779	17,404	**471,909**
Due from brokers	57,054	26,112	1,896	35	2,294	-	-	**87,391**
Other receivables	3	907	313	1,154	1,496	11,053	1,566	**16,492**
Insurance receivables - net	**252,428**	**389,090**	**403,606**	**122,494**	**147,430**	**224,666**	**40,676**	**1,580,390**

31 December 2016 (Audited)

			Past Due by Number of Days					
	Not yet due AED'000	<30 days AED'000	30-90 days AED'000	91-180 days AED'000	181-270 days AED'000	271-360 days AED'000	>360 days AED'000	Total AED'000
Due from policyholders	261,144	99,924	275,474	67,087	48,999	2,846	1,768	757,242
Due from insurance companies	8,742	68,909	57,634	20,429	13,716	80,202	826	250,458
Due from reinsurance companies	-	238,508	147,980	22,070	1,386	9,071	195	419,210
Due from brokers	35,532	32,739	21,551	1,660	938	-	-	92,420
Other receivables	2,501	2,321	169	163	325	6,273	177	11,929
Insurance receivables - net	307,919	442,401	502,808	111,409	65,364	98,392	2,966	1,531,259

Notes to the condensed consolidated financial statements
for the nine months period ended 30 September 2017 (continued)

7. Insurance receivables (continued)

7.2 Ageing of insurance receivables (continued)

7.2.1 Ageing of insurance receivables by location

Inside UAE

30 September 2017 (Unaudited)

			Past Due by Number of Days					
	Not yet due AED'000	<30 days AED'000	30-90 days AED'000	91-180 days AED'000	181-270 days AED'000	271-360 days AED'000	>360 days AED'000	Total AED'000
Due from policyholders	186,298	133,427	216,866	15,668	12,253	46,671	-	**611,183**
Due from insurance companies	-	8,951	16,564	30,250	48,744	102,981	12,160	**219,650**
Due from reinsurance companies	-	111,961	107,315	7,359	20,116	6,342	17,100	**270,193**
Due from Brokers	52,812	25,723	-	-	-	-	-	**78,535**
Other receivables	3	902	312	930	1,465	11,003	1,469	**16,084**
Insurance receivables - net	**239,113**	**280,964**	**341,057**	**54,207**	**82,578**	**166,997**	**30,729**	**1,195,645**

31 December 2016 (Audited)

			Past Due by Number of Days					
	Not yet due AED'000	<30 days AED'000	30-90 days AED'000	91-180 days AED'000	181-270 days AED'000	271-360 days AED'000	>360 days AED'000	Total AED'000
Due from policyholders	141,709	56,182	272,430	64,163	43,856	-	-	578,340
Due from insurance companies	5,510	68,614	56,776	19,911	13,079	75,962	-	239,852
Due from reinsurance companies	-	114,504	143,468	19,587	-	-	-	277,559
Due from Brokers	32,294	32,020	19,922	-	-	-	-	84,236
Other receivables	2,491	2,305	125	163	318	6,219	178	11,799
Insurance receivables - net	182,004	273,625	492,721	103,824	57,253	82,181	178	1,191,786

7. Insurance receivables (continued)

7.2 Ageing of insurance receivables (continued)

7.2.1 Ageing of insurance receivables by location (continued)

Outside UAE

30 September 2017 (Unaudited)

	Not yet due	<30 days	Past Due by Number of Days 30-90 days	91-180 days	181-270 days	271-360 days	>360 days	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Due from policyholders	9,073	16,864	40,316	41,991	28,796	19,753	6,674	163,467
Due from insurance companies	-	30	207	730	2,030	4,429	2,872	10,298
Due from reinsurance companies	-	90,838	20,129	25,307	31,701	33,437	304	201,716
Due from brokers	4,242	389	1,896	35	2,294	-	-	8,856
Other receivables	-	5	1	224	31	50	97	408
Insurance receivables - net	**13,315**	**108,126**	**62,549**	**68,287**	**64,852**	**57,669**	**9,947**	**384,745**

31 December 2016 (Audited)

	Not yet due	<30 days	Past Due by Number of Days 30-90 days	91-180 days	181-270 days	271-360 days	>360 days	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Due from policyholders	119,435	43,742	3,044	2,924	5,143	2,846	1,768	178,902
Due from insurance companies	3,232	295	858	518	637	4,239	826	10,605
Due from reinsurance companies	-	124,004	4,512	2,483	1,387	9,071	195	141,652
Due from brokers	3,238	719	1,629	1,660	938	-	-	8,184
Other receivables	10	16	44	-	6	54	-	130
Insurance receivables - net	125,915	168,776	10,087	7,585	8,111	16,210	2,789	339,473

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

7. Insurance receivables (continued)

7.3 Movement in the allowance for doubtful debts

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Balance at beginning of the period/year	**117,688**	106,903
Allowance made during the period/year	**15,030**	37,282
Foreign currency exchange differences	**71**	-
Amounts written off as uncollectible during the period/year	**-**	(26,497)
Balance at end of the period/year	**132,789**	117,688

The Group has provided for certain receivables based on estimated recoverable amounts, determined after review of credit quality of specific customers and past default experience. In determining the recoverability of an insurance receivable, the Group considers any change in the credit quality of the customer from the date credit was initially granted up to the reporting date. Accordingly, management believes that no further provision is required in excess of the allowance for doubtful debts that has been provided for.

8. Share capital

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Authorised, issued and fully paid 461,872,125 shares of AED 1 each (31 December 2016: 461,872,125 shares of AED 1 each)	**461,872**	461,872

Notes to the condensed consolidated financial statements
for the nine months period ended 30 September 2017 (continued)

9. Reserves

	Statutory reserve AED '000	Strategic reserve AED '000	General reserve AED '000	Contingency reserve AED '000	Total AED '000
Balance at 31 December 2015 (audited)	230,936	303,750	913,327	8,943	1,456,956
Balance at 30 September 2016 (unaudited)	230,936	303,750	913,327	8,943	1,456,956
Balance at 31 December 2016 (audited)	230,936	303,750	933,051	9,600	1,477,337
Balance at 30 September 2017 (unaudited)	**230,936**	**303,750**	**933,051**	**10,709**	**1,478,446**

10. Bank borrowings

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Short term loan	**190,740**	367,732

Short term loan was secured by assignment of certain quoted bonds in favour of the lending institution. The term loan carried a fixed interest rate of 1.62% per annum.

11. Insurance payables

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Payables – Inside UAE	**567,133**	530,533
Payables – Outside UAE	**252,903**	149,690
	820,036	680,223

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

11. Insurance payables (continued)

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Inside UAE		
Due to policyholders and brokers	**111,084**	118,520
Due to insurance/reinsurance companies	**377,032**	350,412
Premiums collected in advance	**245**	274
Other insurance payables	**78,772**	61,327
	567,133	530,533

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Outside UAE		
Due to policyholders and brokers	**100,253**	78,222
Due to insurance/reinsurance companies	**121,578**	44,562
Premiums collected in advance	**23,629**	18,238
Other insurance payables	**7,443**	8,668
	252,903	149,690

12. Basic earnings per share

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited)	2016 (unaudited)	**2017 (unaudited)**	2016 (unaudited)
Profit for the period attributable to the Owners of the Company (AED '000)	**31,235**	24,216	**82,516**	81,819
Weighted average number of shares	**461,872,125**	461,872,125	**461,872,125**	461,872,125
Basic earnings per share (AED)	**0.07**	0.05	**0.18**	0.18

Basic earnings per share are calculated by dividing the profit for the period attributable to the Owners of the Company by the number of shares outstanding at the end of the reporting period.

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

13. Cash and cash equivalents

	Nine months period ended 30 September 2017 (unaudited) AED '000	Nine months period ended 30 September 2016 (unaudited) AED '000
Deposits with banks maturing within 3 months	**89,351**	132,273
Bank balances and cash in hand	**222,704**	126,785
	312,055	259,058

14. Related party transactions

Related parties include the Group'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.

14.1 At the end of the reporting period, amounts due from/to related parties are included in the following accounts:

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Cash and bank balances	**114,049**	180,688
Bank borrowings	**190,740**	357,855
Statutory deposits	**45,312**	10,000
Net insurance receivable	**65,855**	38,213
Net insurance payable	**1,580**	1,519

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

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Premium	**9,873**	8,659	**94,374**	79,522
Claims	**18,661**	22,946	**45,584**	42,734
Finance cost	**881**	162	**2,950**	162
Interest income	**335**	90	**607**	326
Rental expense	**865**	601	**2,552**	2,969

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

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

14. Related party transactions (continued)

14.3 Compensation of key management personnel

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Directors' fees	**-**	-	**2,250**	2,250
Salaries and benefits	**619**	617	**2,596**	1,853
End of service benefits	**27**	27	**255**	146
Total compensation paid to key management personnel	**646**	644	**5,101**	4,249

15. Contingent liabilities

At 30 September 2017, the Group had contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business amounting to AED 93 million (31 December 2016: AED 105 million).

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 expect that the outcome of these court cases will have a material impact on the Group's consolidated financial performance or consolidated financial position.

16. Commitments

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
16.1 Purchase commitments		
Commitments in respect of uncalled subscription of certain shares held as investments	**13,911**	12,721
Capital commitments towards acquisitions of property and equipment and intangible assets	**3,588**	295

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

16. Commitments (continued)

16.2 Operating lease commitments

At the end of the reporting period, minimum lease commitments under non-cancellable operating lease agreements are as follows:

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Within one year	**7,021**	2,632
Second to fifth year	**3,543**	1,407

Notes to the condensed consolidated financial statements
for the nine months period ended 30 September 2017 (continued)

17. Locations of assets

As required by Securities and Commodities Authority notification dated 12 October 2008, the locations of assets are disclosed below:

	30 September 2017 (unaudited)			31 December 2016 (audited)		
	In U.A.E. AED '000	**In other countries AED '000**	**Total AED '000**	In U.A.E. AED '000	In other countries AED '000	Total AED '000
Property and equipment	**14,108**	**2,453**	**16,561**	18,837	2,418	21,255
Investment properties	**511,364**	**-**	**511,364**	511,364	-	511,364
Financial investments at FVTOCI	**168,076**	**259,413**	**427,489**	326,431	253,742	580,173
Financial investments at FVTPL	**9,313**	**287,211**	**296,524**	3,079	291,829	294,908
Financial investments at amortised cost	**856,595**	**275,738**	**1,132,333**	523,652	449,213	972,865
Bank balances and cash	**240,615**	**208,216**	**448,831**	275,877	189,501	465,378
	1,800,071	**1,033,031**	**2,833,102**	1,659,240	1,186,703	2,845,943

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

18. Segment information

For management purposes, the Group is organised into three business segments, general insurance, life insurance including medical and investments. The general insurance segment comprises property, motor, general accident, aviation and marine risks. The life insurance segment includes individual life (participating and non-participating), medical, group life and personal accident as well as investment linked products. Investment comprises investments (financial and non-financial), deposits with banks and cash management for the Group's own accounts.

These segments are the basis on which the Group reports its primary segment information to the Chief Operating Decision Maker.

Segmental information is presented below:

18.1 Segment premium and results by operating segments

	Nine months period ended 30 September (unaudited)					
	General insurance		Life assurance and medical		Total	
	2017 AED '000	2016 AED '000	2017 AED '000	2016 AED '000	2017 AED '000	2016 AED '000
Gross insurance premium	**1,516,554**	1,405,394	**1,356,294**	1,373,831	**2,872,848**	2,779,225
Net underwriting profit	**35,808**	61,271	**30,454**	17,770	**66,262**	79,041
Net investment income					**58,875**	57,931
Finance cost					**(1,914)**	(1,565)
Allowance for doubtful debts					**(15,030)**	(29,244)
Other expenses					**(23,081)**	(24,914)
Profit before tax					**85,112**	81,249
Income tax expenses					**(3,828)**	(2,687)
Profit for the period					**81,284**	78,562
Attributable to:						
Owners of the Company					**82,516**	81,819
Non-controlling interests					**(1,232)**	(3,257)
Profit for the period					**81,284**	78,562

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

18. Segment information (continued)

18.2 Segment results by geographical distribution

	Nine months period ended 30 September (unaudited)					
	GCC		Turkey		Total	
	2017 AED '000	2016 AED '000	**2017 AED '000**	2016 AED '000	**2017 AED '000**	2016 AED '000
Gross insurance premium	**2,699,763**	2,612,263	**173,085**	166,962	**2,872,848**	2,779,225
Net underwriting profit/(loss)	**68,414**	83,836	**(2,152)**	(4,795)	**66,262**	79,041
Net investment income	**51,196**	49,950	**7,679**	7,981	**58,875**	57,931
Finance costs	**(1,914)**	(1,565)	**-**	-	**(1,914)**	(1,565)
Allowance for doubtful debts	**(15,030)**	(28,700)	**-**	(544)	**(15,030)**	(29,244)
Other expenses	**(18,298)**	(17,853)	**(4,783)**	(7,061)	**(23,081)**	(24,914)
Profit/(loss) before tax	**84,368**	85,668	**744**	(4,419)	**85,112**	81,249
Income tax expense	**-**	-	**(3,828)**	(2,687)	**(3,828)**	(2,687)
Profit/(loss) for the period	**84,368**	85,668	**(3,084)**	(7,106)	**81,284**	78,562
Attributable to:						
Owners of the Company	**84,089**	85,446	**(1,573)**	(3,627)	**82,516**	81,819
Non-controlling interests	**279**	222	**(1,511)**	(3,479)	**(1,232)**	(3,257)
Profit/(loss) for the period	**84,368**	85,668	**(3,084)**	(7,106)	**81,284**	78,562

18. Segment information (continued)

18.3 Segment assets and liabilities by operating segments

	30 September 2017 (unaudited)			
	General insurance AED '000	Life assurance and medical AED '000	Investment AED '000	Total AED '000
Segment assets	2,292,259	3,038,577	2,367,710	7,698,546
Segment liabilities	3,602,713	2,115,879	-	5,718,592
Capital expenditure	9,341	-	-	9,341
Depreciation	3,934	3,219	-	7,153

	31 December 2016 (audited)			
	General insurance AED '000	Life assurance and medical AED '000	Investment AED '000	Total AED '000
Segment assets	2,105,549	2,791,077	2,359,310	7,255,936
Segment liabilities	3,338,271	1,960,572	-	5,298,843
Capital expenditure	15,942	-	-	15,942
Depreciation	10,412	8,519	-	18,931

18. Segment information (continued)

18.4 Geographical information of segment assets and liabilities

	30 September 2017 (unaudited)		
	GCC AED '000	Turkey AED '000	Total AED '000
Segment assets	7,221,907	476,639	7,698,546
Segment liabilities	5,325,439	393,153	5,718,592
Capital expenditure	9,341	-	9,341
Depreciation	6,474	679	7,153

	31 December 2016 (audited)		
	GCC AED '000	Turkey AED '000	Total AED '000
Segment assets	6,852,450	403,486	7,255,936
Segment liabilities	4,970,089	328,754	5,298,843
Capital expenditure	15,942	-	15,942
Depreciation	18,020	911	18,931

19. Fair value measurements

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

19.1 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 condensed consolidated financial statements approximate their fair values except for financial investments measured at amortised cost of which fair value is determined based on the quoted market prices and disclosed in Note 5 of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

19. Fair value measurements (continued)

19.2 Fair value of financial and non-financial items carried at fair value

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

The fair values of assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2016.

19.2.2 Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined;

Financial assets	Fair value as at 30 September 2017 (unaudited) AED'000	Fair value as at 31 December 2016 (audited) AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Quoted equity investments – FVTOCI	**312,021**	314,075	Level 1	Quoted bid prices in an active market.	None.	NA
Unquoted equity investments – FVTOCI	**115,468**	266,098	Level 3	Net assets valuation method due to the unavailability of market and comparable financial information. Net assets values were determined based on the latest available audited/historical financial information.	Net assets value.	Higher the net assets value of the investees, higher the fair value.
Quoted debt instruments – FVTPL	**22,311**	37,549	Level 1	Quoted bid prices in an active market.	None.	NA
Unit linked investments – FVTPL	**274,213**	257,359	Level 3	Net assets values of the funds	Net assets value	Higher the net assets value, higher the fair value.

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

19. Fair value measurements (continued)

19.2 Fair value of financial and non-financial items carried at fair value (continued)

19.2.2 Fair value of the Group's financial assets that are measured at fair value on recurring basis (continued)

Financial assets	Fair value as at 30 September 2017 (unaudited) AED'000	31 December 2017 (audited) AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Quoted debt instruments – amortized costs	**1,121,218**	958,226	Level 1	Quoted bid prices in an active market.	None	NA
Unquoted debt instruments – amortized costs	**15,841**	15,456	Level 3	Net assets values of the funds.	Net assets value	Higher the net assets value, higher the fair value.

19.2.3 Reconciliation of level 3 fair value measurements

19.2.3.1 Reconciliation of unit linked investments – at fair value through profit or loss, movements in level 3 financial assets measured at fair values:

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Balance at the beginning of the period/year	**257,359**	292,065
Additions during the period/year	**89,892**	101,081
Disposals during the period/year	**(113,238)**	(139,542)
Fair value changes	**40,200**	3,755
Balance at the end of the period/year	**274,213**	257,359

Notes to the condensed consolidated financial statements
for the nine months period ended 30 September 2017 (continued)

19. Fair value measurements (continued)

19.2 Fair value of financial and non-financial items carried at fair value (continued)

19.2.3 Reconciliation of level 3 fair value measurements (continued)

19.2.3.2 Reconciliation of unquoted equity instruments – at fair value through other comprehensive income, movements in level 3 financial assets measured at fair values:

	30 September 2017 (unaudited) AED '000	31 December 2016 (audited) AED '000
Balance at beginning of the period/year	**266,098**	133,530
Additions during the period/year	**-**	106,165
Disposals during the period/year	**(153,675)**	(16,643)
Losses recognised in other comprehensive income	**3,045**	43,046
Balance at the end of the period/year	**115,468**	266,098

20. Capital risk management

The Group's objectives when managing capital are:

- to comply with the insurance capital requirements required by UAE Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of Its Operations;
- to protect its policy holders' interests;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for the Shareholders and benefits for other stakeholders; and
- to provide an adequate return to the Shareholders by pricing insurance contracts commensurately with the level of risk.

The solvency regulations identify the required solvency margin to be held in addition to insurance liabilities. The solvency margin must be maintained at all times throughout the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

20. Capital risk management (continued)

New Regulations to be enforced end of 2017:

The table below summarizes the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as per the Section 2 of the new Financial Regulations for the Insurance Companies which will be enforced at the end of 2017 as per the alignment period of the same regulations.

	30 September 2017 AED'000 Unaudited	31 December 2016 AED'000 Audited
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**982,739**	806,114
Minimum Guarantee Fund (MGF)	**377,986**	358,320
Own Funds		
Basic Own Funds	**1,397,484**	1,012,392
Ancillary Own Funds	**-**	-
Minimum Capital Requirement Surplus (over MCR)	**1,297,484**	912,392
Minimum Capital Requirement Surplus (over SCR)	**414,745**	206,278
Minimum Capital Requirement Surplus (over MGF)	**1,019,498**	654,072

The Company believes that the above surplus, calculated as per the prevalent Insurance Authority Regulations is not an accurate reflection of the actual solvency position of the Company.

Actual Regulation

Based on the actual regulatory requirements, the minimum regulatory capital required is AED 100 million (31 December 2016: AED 100 million) against which the paid up capital of the Company is AED 462 million (31 December 2016: AED 462 million).

21. Summary of the actuary's report on the technical provisions

This note provides a summary of the actuarial technical provisions calculated and certified by the Appointed Actuary.

The table below provides a summary of the gross of reinsurance technical provisions and related reinsurance assets.

INSURANCE ACTIVITY & TECHNICAL PROVISIONS CATEGORY	AS AT 30 SEPTEMBER 2017 (UNAUDITED) AED '000			AS AT 31 DECEMBER 2016 (AUDITED) AED '000		
	GROSS	**RI**	**NET**	GROSS	RI	NET
Personal Insurance and Fund Accumulation Operations						
Outstanding claims provisions (OS)	**96,649**	**(62,926)**	**33,723**	92,247	(60,554)	31,693
Provisions for unearned premiums (UPR)	**46,033**	**(19,922)**	**26,111**	37,739	(12,247)	25,492
Provisions for claims incurred but not reported (IBNR)	**32,688**	**(21,953)**	**10,735**	28,731	(18,908)	9,823
Unallocated loss adjustment expenses reserve (ULAE)	**429**	**-**	**429**	429	-	429
Mathematical Reserves:	**486,377**	**-**	**486,377**	490,689	-	490,689
Unit-Linked	***271,499***	**-**	***271,499***	*255,551*	-	*255,551*
Non Unit-Linked	***214,878***	**-**	***214,878***	*235,138*	-	*235,138*
Sub-Total	**662,176**	**(104,801)**	**557,375**	649,835	(91,709)	558,126
Property and Liability Insurance Operations						
Outstanding claims provisions (OS)	**1,983,610**	**(1,622,701)**	**360,909**	1,775,344	(1,422,748)	352,596
Provisions for unearned premiums (UPR)	**1,450,383**	**(821,289)**	**629,094**	1,233,538	(706,461)	527,077
Provisions for claims incurred but not reported (IBNR)	**304,380**	**(194,977)**	**109,403**	289,008	(186,569)	102,439
Unallocated loss adjustment expenses reserve (ULAE)	**9,722**	**-**	**9,722**	9,074	-	9,074
Sub-Total	**3,748,095**	**(2,638,967)**	**1,109,128**	3,306,964	(2,315,778)	991,186
Total	**4,410,271**	**(2,743,768)**	**1,666,503**	3,956,799	(2,407,487)	1,549,312

21. Summary of the actuary's report on the technical provisions (continued)

Personal insurance and fund accumulation operations

This category includes Individual Life, Group Life and Credit Life business. Technical provisions were calculated for the UAE and Oman operations separately. Generally acceptable actuarial techniques were implemented in the determination of the gross and net technical provisions figures.

Judgment is required in calculating the provisions and is exercised particularly through the choice of assumptions where discretion is permitted. In turn, the assumptions used are based where possible on recent experience investigations and market information where necessary. Technical provisions are most sensitive to assumptions regarding discount rates and mortality/morbidity rates. The discount rate assumption used where applicable is set to 3.00% which is within the range of assumptions used by market peers and is reasonable with regard to the actual earnings of the Company based on the year-to-date asset information and analysis after allowing for risk adjustment. The Company does not hold enough credible mortality experience to conduct a full mortality study as the size of the portfolio does not generate sufficient claims to make the experience statistically significant. A crude estimate of the expected net mortality cost indicated that the expected mortality rate used is materially higher than the realized mortality claims in recent years proving that the basis includes sufficient prudence margins.

Under the net premium method used, the premium taken into account in calculating technical provisions is determined actuarially, based on the valuation assumptions regarding discount rates, mortality and disability. The difference between this premium and the actual premium payable provides sufficient margin for expenses. An expense adequacy test has also been performed indicating that available implicit expense margins in the valuation basis is adequate to cover the total projected expenses for Individual Life, Group Life and Unit linked business. The valuation methodology does not allow for voluntary early termination of the life insurance contracts by the policyholder, hence no assumption is required for persistency. The technical provision determined with no lapse allowance is considered to be prudent.

Property and liability insurance operations

This category includes health and other general insurance lines of business (LOBs). Technical provisions were calculated separately for UAE and for Turkey operations. No discounting of technical provisions was employed.

Outstanding claims provisions are estimated based on known facts at the date of estimation. Case estimates are set by claims technicians and established case setting procedures. Ultimate claims are estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder and Bornhuetter-Ferguson methods. The main assumption underlying these techniques is that the past claims development experience can be used to project future claims development and hence ultimate claims. As such, these methods extrapolate the development of paid and incurred losses based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident period. IBNR claims are estimated by subtracting outstanding claims provisions from ultimate claims estimates.

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

21. Summary of the actuary's report on the technical provisions (continued)

Claim development is separately analysed for each LOB. The assumptions used in most non-life actuarial projection techniques, including future rates of claims inflation or loss ratio assumptions, are implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in the future, for example, to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures in order to arrive at a point estimate for the ultimate cost of claims that represents the likely outcome, from a range of possible outcomes, taking account of all the uncertainties involved.

22. Net premiums written

The tables below represents a breakdown of the premiums written by the Group for each category of insurance as defined by the Insurance Authority

22.1 Gross premiums - Direct Business

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Property and liability insurance operations	**588,723**	598,643	**2,303,797**	2,120,531
Insurance of persons & fund accumulation operations	**37,674**	33,614	**126,559**	240,464
Total	**626,397**	632,257	**2,430,356**	2,360,995

22.2 Gross Premiums - Reinsurance Assumed

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Property and liability insurance operations	**90,833**	113,336	**434,896**	389,783
Insurance of persons & fund accumulation operations	**392**	7,299	**7,596**	28,447
Total	**91,225**	120,635	**442,492**	418,230

Notes to the condensed consolidated financial statements for the nine months period ended 30 September 2017 (continued)

22. Net premiums written (continued)

22.3 Reinsurance premiums ceded

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Property and liability insurance operations	**418,740**	419,714	**1,655,170**	1,567,596
Insurance of persons & fund accumulation operations	**12,676**	14,382	**53,873**	139,545
Total	**431,416**	434,096	**1,709,043**	1,707,141

22.4 Net retained premium

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Property and liability insurance operations	**260,816**	292,265	**1,083,523**	942,718
Insurance of persons & fund accumulation operations	**25,390**	26,531	**80,282**	129,366
Total	**286,206**	318,796	**1,163,805**	1,072,084

Notes to the condensed consolidated financial statements
for the nine months period ended 30 September 2017 (continued)

23. Net claims paid

The tables below represents a breakdown of the claims settled by the Group for each category of insurance as defined by the Insurance Authority

23.1 Gross claims settled - Direct Business

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Property and liability insurance operations	**465,257**	534,529	**1,502,587**	1,394,295
Insurance of persons & fund accumulation operations	**30,819**	38,941	**97,543**	117,047
Total	**496,076**	573,470	**1,600,130**	1,511,342

23.2 Gross Claims Settled - Reinsurance Assumed

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Property and liability insurance operations	**53,803**	29,276	**156,826**	107,169
Insurance of persons & fund accumulation operations	**10,556**	1,358	**23,363**	7,956
Total	**64,359**	30,634	**180,189**	115,125

Notes to the condensed consolidated financial statements
for the nine months period ended 30 September 2017 (continued)

23. Net claims paid (continued)

23.3 Reinsurance share of claims settled

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Property and liability insurance operations	**285,738**	362,047	**966,506**	817,282
Insurance of persons & fund accumulation operations	**18,268**	19,020	**53,007**	50,770
Total	**304,006**	381,067	**1,019,513**	868,052

23.4 Net claims settled

	Three months period ended 30 September		Nine months period ended 30 September	
	2017 (unaudited) AED '000	2016 (unaudited) AED '000	**2017 (unaudited) AED '000**	2016 (unaudited) AED '000
Property and liability insurance operations	**233,322**	201,758	**692,907**	684,182
Insurance of persons & fund accumulation operations	**23,107**	21,279	**67,899**	74,233
Total	**256,429**	223,037	**760,806**	758,415

24. Dividends

At the Annual General Meeting held on 21 March 2017, the shareholders approved a cash dividend distribution of 10% amounting to AED 46,187 thousand (AED 10 fils per share) for 2016. A cash dividend of 10% amounting to AED 46,187 thousand (AED 10 fils per share) was declared in the Annual General Meeting held on 15 March 2016 for the year 2015.

25. Seasonality of results

Net investment income includes dividend income of AED 18,355 thousand for the nine months period ended 30 September 2017 (30 September 2016: AED 21,899 thousand), which is of a seasonal nature.

26. Approval of the condensed consolidated financial statements

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 14 November 2017.