Alliance Insurance (PSC)

Dubai - United Arab Emirates

Condensed Interim Financial Statements (Unaudited) For the period ended 30 September 2016

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Review report of the independent auditor To the shareholders of Alliance Insurance (PSC)

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Introduction

We have reviewed the accompanying condensed interim statement of financial position of Alliance Insurance (PSC) (the "Company") as at 30 September 2016 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows for the nine months' period then ended. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Grant Thornton

Farouk Mohamed Registration No. 86 Dubai, 9 November 2016 O P.O. BOX: 1620 3 O P.O. BOX: 1620 3 O DUBAHU.AE. TO PUBAHU.AE. TO

Condensed interim statement of financial position

As at 30 September 2016

	Notes	(Unaudited) 30 September 2016 AED	(Audited) 31 December 2015 AED
Assets			
Property and equipment		4,795,348	4,819,675
Investments at amortised cost	5	127,534,627	127,499,942
Investments carried at fair value through other comprehensive income	6	7,078,556	6,908,599
Investment property	7	189,926,000	189,926,000
Insurance balances receivable		4,908,151	2,817,722
Statutory deposits		10,000,000	10,000,000
Loans guaranteed by life insurance policies		41,541,402	40,011,400
Premiums and insurance balances receivable		50,780,202	50,303,088
Reinsurers' share of technical reserves		163,611,843	88,298,695
Other receivables and prepayments		12,922,931	11,401,251
Deposits	8	717,803,880	709,913,172
Cash and cash equivalents		26,385,278	24,155,062
Total assets		1,357,288,218	1,266,054,606
Shareholders' equity and liabilities Equity attributable to shareholders			
Retained earnings		38,804,204	40,737,104
Issued and paid up share capital		100,000,000	100,000,000
Statutory reserve		65,956,182	65,956,182
Regular reserve		56,366,982	56,366,982
General reserve		190,000,000	180,000,000
Cumulative change in fair value of investments carried at fair value through other comprehensive income (FVTOCI)		(3,727,360)	(3,897,317)
Total share capital and reserves		408,595,804	398,425,847
Total shareholders' equity		447,400,008	439,162,951
Liabilities			
Retirement benefit obligation		4,660,806	4,282,274
Accounts payable		13,496,955	4,026,125
		18,157,761	8,308,399
Insurance liabilities			
Insurance contract liabilities		81,353,221	95,262,593
Premiums collected in advance		7,737,051	7,684,808
		89,090,272	102,947,401
Technical provisions			
Unearned premium reserve		68,346,381	50,136,743
Deferred reinsurance commission reserve		3,557,198	3,328,568
Claims under settlement reserve		107,851,980	53,946,482
Incurred but not reported reserve		5,043,713	2,570,265
Mathematical reserve		617,840,905	605,653,797
Total technical provisions		802,640,177	715,635,855
Total liabilities		909,888,210	826,891,655
Total shareholders' equity and liabilities		1,357,288,218	1,266,054,606

These condensed interim financial statements have been signed on behalf of the Company on 9 November 2010 by

Sheikh Ahmed Bin Saeed Al Maktoum Chairman Saeed Mohammed Ali AlKamda Vice-Chairman Aimen Saba Azara Director and General Manage

The notes from 1 to 13 form an integral part of these condensed interim financial statements.

Condensed interim income statement For the period ended 30 September 2016

Three months ended		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
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30 September 2016 2015 2015					
2016					
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Cross premiums 20,259,771 49,421,060 234,309,842 246,470,313 Reinsurance share of gross premiums 22,1373,818 21,982,578 (135,942,889) (140,167,673) Net premiums 29,185,955 27,488,482 95,666,953 97,302,640 Net release of /(transfet to) unearned premium reserve 2,126,771 1,805,339 66,085,110 (273,304) Net premiums carned 1,900,568 1,863,833 10,303,846 10,574,791 Commissions carned 1,900,568 1,863,833 10,303,846 10,574,791 Commissions paid (2,494,441) (2,409,534) (9,599,598) (8,480,397) Movement in deferred acquisition cost 322,943 499,068 2,289,395 10,645 Gross claims paid (7,652,266) (8,790,670) (29,600,752) (31,656,197) Reinsurance share of insurance claims and loss adjustment expenses recovered from reinsurers 4,983,371 4,038,531 19,078,869 17,112,194 Net claims paid (2,668,895) (4,752,139) (10,521,885) (14,544,003) Movement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (1,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (2,941,355) (4,493,149) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (2,941,355) (4,493,149) Increase in mathematical reserve (2,561,699) (4,370,020) (9,605,979) (15,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,558,699) (75,955,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,404 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Income					
Reinsurance share of gross premiums (21,373,818) (21,982,578) (135,942,889) (149,167,673) Net premiums 29,185,953 27,438,482 98,366,953 97,302,640 Net release of /(transfer to) uncarned premium reserve 2,126,771 1,805,339 (6,088,101) (273,316) Net premiums earned 1,900,568 1,863,833 10,303,846 10,574,791 Commissions carned 1,900,568 1,863,833 10,303,846 10,574,791 Commissions paid (2,944,441) (2,409,534) (9,599,598) (8,480,197) Gross underwriting income 30,591,794 29,198,088 95,275,486 99,134,363 Gross claims paid (7,652,266) (8,790,670) (29,600,752) (31,656,197) Reinsurance share of insurance claims and loss adjustment expenses recovered from reinsurers 4,983,371 4,038,531 19,078,869 17,112,194 Novement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,599 1,511,89 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (5,591,4355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,203) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investment property 4,866,096 4,554,018 14,400,093 14,131,554 Income from investment property 4,866,096 4,554,018 14,400,093 14,131,554 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,054 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,1554 In		ABD	ALL	11.7.5	ALD
Net premiums	Gross premiums	50,559,771	49,421,060	234,309,842	246,470,313
Net release of /(transfer to) unearmed premium reserve	Reinsurance share of gross premiums	(21,373,818)	(21,982,578)	(135,942,889)	(149,167,673)
Net premiums earned 31,312,724 29,243,821 92,281,843 97,029,324 Commissions carned 1,900,568 1,863,833 10,303,846 10,574,791 Commissions paid (2,944,441) (2,400,534) (9,599,599) (8,480,397) Movement in deferred acquisition cost 322,943 499,968 22,289,395 10,645 Gross underwriting income 30,591,794 29,198,088 95,275,486 99,134,363 Gross claims paid (7,652,266) (8,790,670) (29,600,752) (31,656,197) Refinsurance share of insurance claims and loss adjustment expenses recovered from reinsurers 4,983,371 4,038,531 19,078,869 17,112,194 Net claims paid (2,668,895) (4,752,139) (10,521,883) (14,544,003) Movement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Remings and cancellations of life insurance policies (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (4,932,149) Increase in mathematical reserve (2,561,969) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investment property 4,866,906 4,554,018 14,400,693 14,311,954 Investment expenses (1,351,488) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 235,869 Cher gain 70,28,39 60,969,614 29,784,308 28,737,494 Income from investment property 4,866,906 4,554,018 14,400,693 14,311,954 Increase and administrative expenses (3,541,489) General and administrative expenses (5,607,630) (5,416,817) (17,022,694) (16,909,997) Bonuses and rebates (4,889,351) (4,982,51) (1,828,866) (2,144,254) Other operating expenses (5,607,630) (5,416,817) (17,022,694) (16,909,997)	Net premiums	29,185,953	27,438,482	98,366,953	97,302,640
Commissions carned 1,900,568 1,863,833 10,303,846 10,574,791 Commissions paid (2,944,441) (2,400,534) (9,599,598) (8,480,997) Movement in deferred acquisition cost 322,943 499,968 2,289,395 10,645 Gross underwriting income 30,591,794 29,198,088 95,275,486 99,134,363 Gross claims paid (7,652,266) (8,790,670) (29,600,752) (31,656,197) Reinsurance share of insurance claims and loss adjustment expenses recovered from reinsurers 4,983,371 4,038,531 19,078,869 17,112,194 Net claims paid (2,668,895) (4,752,139) (10,521,883) (14,544,003) Movement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (22,561,969) (4,370,020) (9,605,970)	Net release of /(transfer to) unearned premium reserve	2,126,771	1,805,339	(6,085,110)	(273,316)
Commissions paid C2,944,441 C2,409,534 C3,599,598 C8,480,397 Movement in deferred acquisition cost 322,943 499,668 2,289,395 10,645 C76 C8 C8 C8 C8 C8 C8 C8 C	Net premiums earned	31,312,724	29,243,821	92,281,843	97,029,324
Commissions paid C2,944,441 C2,409,534 C3,599,598 C8,480,397 Movement in deferred acquisition cost 322,943 499,668 2,289,395 10,645 C76 C8 C8 C8 C8 C8 C8 C8 C	Commissions earned	1,900,568	1.863.833	10,303,846	10,574,791
Movement in deferred acquisition cost 322,943 499,968 2,289,395 10,645					
Gross underwriting income 30,591,794 29,198,088 95,275,486 99,134,363 Gross claims paid (7,652,266) (8,790,670) (29,600,752) (31,656,197) Reinsurance share of insurance claims and loss adjustment expenses recovered from reinsurers 4,983,371 4,038,531 19,078,869 17,112,194 Net claims paid (2,668,895) (4,752,139) (10,521,883) (14,544,003) Movement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,955,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614				2,289,395	
Reinsurance share of insurance claims and loss adjustment expenses recovered from reinsurers 4,983,371 4,038,531 19,078,869 17,112,194 Net claims paid (2,668,895) (4,752,139) (10,521,883) (14,544,003) Movement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,75	-				
Reinsurance share of insurance claims and loss adjustment expenses recovered from reinsurers 4,983,371 4,038,531 19,078,869 17,112,194 Net claims paid (2,668,895) (4,752,139) (10,521,883) (14,544,003) Movement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,75					
Reinsurance share of insurance claims and loss adjustment expenses recovered from reinsurers 4,983,371 4,038,531 19,078,869 17,112,194 Net claims paid (2,668,895) (4,752,139) (10,521,883) (14,544,003) Movement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,75	Gross claims paid	(7,652,266)	(8,790,670)	(29,600,752)	(31,656,197)
Net claims paid (2,668,895) (4,752,139) (10,521,883) (14,544,003) Movement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 235,869					
Movement in outstanding claim, incurred but not reported claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 235,869 Other gain 702,839 693,790 2,045,884 2,419,826	expenses recovered from reinsurers	4,983,371	4,038,531	19,078,869	17,112,194
claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 235,869 Other gain 702,839 693,790 2,045,884 2,419,826 Total income 23,086,867	Net claims paid	(2,668,895)	(4,752,139)	(10,521,883)	(14,544,003)
claims reserve and unallocated loss adjustment reserves (73,727) 1,342,622 1,710,509 1,511,189 Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 235,869 Other gain 702,839 693,790 2,045,884 2,419,826 Total income 23,086,867	Movement in outstanding claim, incurred but not reported				
Net claims incurred (2,742,622) (3,409,517) (8,811,374) (13,032,814) Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 225,869 Other gain 702,839 693,790 2,045,884 2,419,826 Total income 23,086,867 20,922,316 67,286,829 65,609,056 General and administrative expenses (5,607,630) (5,41		(73 727)	1 342 622	1,710,509	1 511 180
Earnings and cancellations of life insurance policies (16,381,683) (14,236,633) (52,941,355) (44,932,149) Increase in mathematical reserve (2,561,969) (4,370,020) (9,605,970) (18,000,874) (25,619,69) (21,686,274) (22,016,170) (71,358,699) (75,965,837)					
Increase in mathematical reserve	Tet claims mearied	(2,742,022)	(3,107,317)	(0,022,071)	(13,032,011)
Gross underwriting expenses (21,686,274) (22,016,170) (71,358,699) (75,965,837) Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 235,869 Other gain 702,839 693,790 2,045,884 2,419,826 Total income 23,086,867 20,922,316 67,286,829 65,609,056 General and administrative expenses (5,607,630) (5,416,817) (17,022,694) (16,909,997) Bonuses and rebates (4,889,351) (5,056,281) (15,368,169) (13,522,396) Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100	Earnings and cancellations of life insurance policies	(16,381,683)	(14,236,633)	(52,941,355)	(44,932,149)
Net underwriting income 8,905,520 7,181,918 23,916,787 23,168,526 Income from investments 9,866,670 9,669,614 29,784,308 28,737,494 Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 235,869 Other gain 702,839 693,790 2,045,884 2,419,826 Total income 23,086,867 20,922,316 67,286,829 65,609,056 General and administrative expenses (5,607,630) (5,416,817) (17,022,694) (16,909,997) Bonuses and rebates (4,889,351) (5,056,281) (15,368,169) (13,522,396) Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409	Increase in mathematical reserve	(2,561,969)	(4,370,020)	(9,605,970)	(18,000,874)
Income from investments Income from investment property Investment expenses Invest	Gross underwriting expenses	(21,686,274)	(22,016,170)	(71,358,699)	(75,965,837)
Income from investments Income from investment property Investment expenses Invest	Not yandomyriting ingome	9 00E E20	7 191 019	23 016 787	23 168 526
Income from investment property 4,866,096 4,554,018 14,400,693 14,131,954 Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613) Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 235,869 Other gain 702,839 693,790 2,045,884 2,419,826 Total income 23,086,867 20,922,316 67,286,829 65,609,056 General and administrative expenses (5,607,630) (5,416,817) (17,022,694) (16,909,997) Bonuses and rebates (4,889,351) (5,056,281) (15,368,169) (13,522,396) Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409	Net underwriting income	6,903,320	7,101,910	23,710,767	25,100,520
Investment expenses (1,351,458) (1,290,775) (3,188,968) (3,084,613)	Income from investments	9,866,670	9,669,614	29,784,308	28,737,494
Gain on foreign currency exchange fluctuation 97,200 113,751 328,125 235,869 Other gain 702,839 693,790 2,045,884 2,419,826 Total income 23,086,867 20,922,316 67,286,829 65,609,056 General and administrative expenses (5,607,630) (5,416,817) (17,022,694) (16,909,997) Bonuses and rebates (4,889,351) (5,056,281) (15,368,169) (13,522,396) Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409	Income from investment property	4,866,096	4,554,018	14,400,693	14,131,954
Other gain 702,839 693,790 2,045,884 2,419,826 Total income 23,086,867 20,922,316 67,286,829 65,609,056 General and administrative expenses (5,607,630) (5,416,817) (17,022,694) (16,909,997) Bonuses and rebates (4,889,351) (5,056,281) (15,368,169) (13,522,396) Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409	Investment expenses	(1,351,458)	(1,290,775)	(3,188,968)	(3,084,613)
Total income 23,086,867 20,922,316 67,286,829 65,609,056 General and administrative expenses (5,607,630) (5,416,817) (17,022,694) (16,909,997) Bonuses and rebates (4,889,351) (5,056,281) (15,368,169) (13,522,396) Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409	Gain on foreign currency exchange fluctuation	97,200	113,751	328,125	235,869
General and administrative expenses (5,607,630) (5,416,817) (17,022,694) (16,909,997) Bonuses and rebates (4,889,351) (5,056,281) (15,368,169) (13,522,396) Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409	Other gain	702,839	693,790	2,045,884	2,419,826
Bonuses and rebates (4,889,351) (5,056,281) (15,368,169) (13,522,396) Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409	Total income	23,086,867	20,922,316	67,286,829	65,609,056
Bonuses and rebates (4,889,351) (5,056,281) (15,368,169) (13,522,396) Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409	General and administrative expenses	(5,607,630)	(5,416,817)	(17,022,694)	(16,909,997)
Other operating expenses (592,165) (498,251) (1,828,866) (2,144,254) Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409				(15,368,169)	(13,522,396)
Net profit for the period 11,997,721 9,950,967 33,067,100 33,032,409					
Basic and diluted earnings per share (note 9) 12.00 9.95 33.07 33.03					
Basic and diluted earnings per share (note 9) 12.00 9.95 33.07 33.03					
	Basic and diluted earnings per share (note 9)	12.00	9.95	33.07	33.03

Condensed interim statement of comprehensive income For the period ended 30 September 2016

	(Unaudited) Three months ended 30 September 2016 AED	(Unaudited) Three months ended 30 September 2015 AED	(Unaudited) Nine months ended 30 September 2016 AED	(Unaudited) Nine months ended 30 September 2015 AED
Net profit for the period	11,997,721	9,950,967	33,067,100	33,032,409
Other comprehensive income Items that will not be reclassified subsequently to profit or loss: Net unrealised gain /(loss) from investments at fair value through other comprehensive income	101,974	(1,835,531)	169,957	423,929
Total comprehensive income for the period	12,099,695	8,115,436	33,237,057	33,456,338

Condensed interim statement of changes in equity For the period ended 30 September 2016

						Owing	
	Retained Is earnings u AED	Retained Issued and paid earnings up share capital AED AED	Statutory reserve AED	Regular reserve AED	General reserve AED	change in fair value of investments carried at FVTOCI AED	Total shareholders' equity AED
Balance at 31 December 2014 (Audited)	46,138,085	100,000,000	61,555,797	51,966,597	165,000,000	(3,131,548)	421,528,931
Profit for the period	33,032,409	ı	,	ī			33,032,409
Other comprehensive income for the period	1	,	,	ı	1	423,929	423,929
Total comprehensive income for the period	33,032,409			1		423,929	33,456,338
Dividend (note 13)	(25,000,000)			,			(25,000,000)
Transfer to general reserve	(15,000,000)	1	1	1	15,000,000	,	ı
Transactions with owners	(40,000,000)		1	5	15,000,000		(25,000,000)
Balance at 30 September 2015 (Unaudited)	39,170,494	100,000,000	61,555,797	51,966,597	180,000,000	(2,707,619)	429,985,269
Balance at 31 December 2015 (Audited)	40,737,104	100,000,000	65,956,182	56,366,982	180,000,000	(3,897,317)	439,162,951
Profit for the period	33,067,100	,	,	t	ı		33,067,100
Other comprehensive income for the period		1	1		1	169,957	169,957
Total comprehensive income for the period	33,067,100		1	1	1	169,957	33,237,057
Dividend (note 13)	(25,000,000)	1	,	,	1	·	(25,000,000)
Transfer to general reserve	(10,000,000)	ı	1	ı	10,000,000	\$	1
Transactions with owners	(35,000,000)		1	t	10,000,000	g g	(25,000,000)
Balance at 30 September 2016 (Unaudited)	38,804,204	100,000,000	65,956,182	56,366,982	190,000,000	(3,727,360)	447,400,008

The notes from 1 to 13 form an integral part of these condensed interim financial statements.

Condensed interim statement of cash flows For the period ended 30 September 2016

Nine months ended 30 September		(Unaudited)	(Unaudited)
Cashflows from operating activities AED AED AED			,
Cashflows from operating activities Net profit for the period 33,067,100 33,032,409 AED AE			
Cashflows from operating activities NED AED			
Cashflows from operating activities Net profit for the period 33,067,100 33,032,409 33,067,100 33,032,409 34,007,100 33,032,409 34,007,100 33,067,100 33,032,409 32,0725 239,842 Depreciation 392,725 239,842 10,008,74 Profit on disposal of property and equipment (16,700) (16,700) (16,700) (20,674,560) (5,253,827) (10,600,674 (16,700) (5,253,827) (10,600,674 (16,700) (16,			
Net profit for the period 33,067,100 33,032,409 Adjustments 239,842 Depreciation 392,725 239,842 Depreciation 392,725 239,842 Depreciation 392,725 239,842 Increase in mathematical reserve 9,605,970 18,000,874 Profit on disposal of property and equipment (16,700) (16,700) Interest income from deposits (21,273,782) (20,674,560) (5,253,827) Dividend income on securities (407,896) (384,807) Income from debt securities (407,896) (384,807) Income from investment property (11,211,725) (11,047,341) Unwinding of discount on investments at amortised cost (34,685) (38,631) Provision for retirement benefit obligation 449,366 584,147 Net cash generated from operating activities before working capital changes (286,459) (1,963,284) Increase in insurance balances receivable, premiums and insurance balances receivable, and other receivables and prepayments (286,459) (1,963,284) Increase in insurance balances receivable, premiums and insurance (286,459) (42,124,904) Increase in insurance balances receivable, premiums and insurance (286,459) (42,124,904) Increase in insurance balances receivable, premiums and insurance (286,459) (42,124,904) Decrease/ (increase) in accounts payable, insurance contract liabilities and premiums collected in advance (9,658,348) (40,876,385) Increase in reinsurers' share of technical reserves (7,732,010) (42,124,904) Decrease/ (increase) in technical provisions (70,834) (689,928) Net cash used in operating activities (5,428,009) (3,400) Cash flows from investing activities (5,428,009) (3,600) Cash flows from investing activities (5,506,029) Droceeds from sale of property, machinery and equipment (16,700 - 10,700) Proceeds from sale of property, machinery and equipment (16,700 - 10,700) Proceeds from sale of property, machinery and equipment (16,700 - 10,700) Proceeds from sale of property a			
Net profit for the period 33,067,100 33,032,409 Adjustment: 392,725 239,842 Increase in mathematical reserve 9,605,970 18,000,874 Increase in mathematical reserve 9,605,970 18,000,874 Interest income from deposits (21,273,782) (20,674,560) Income from debt securities (5,746,596) (5,253,827) Dividend income on securities (407,896) (384,807) Interest on loans guaranteed by life insurance policies (22,213,49) (2,385,669) Income from investment property (11,211,725) (11,047,341) Unwinding of discount on investments at amortised cost (34,685) (38,631) Provision for retirement benefit obligation 449,366 584,147 Net cash generated from operating activities before working capital changes (2,522,428 12,072,437 Warking capital changes (2,523,428 12,072,437 Warking capital changes (2,533,48) (2,533,48) Unique	Cashflows from operating activities		
Adjustments		33,067,100	33,032,409
Depreciation 392,725 239,842 Increase in mathematical reserve 9,605,970 18,000,786 Increase in mathematical reserve 9,605,970 18,000,786 Increase in mathematical reserve 1(16,700) 16,000,786 Increase in income from deposits (21,273,782) (20,674,569) Increase in come from deposits (21,273,782) (20,674,569) Increase on securities (407,896) (5,253,827) Dividend income on securities (407,896) (384,807) Interest on loans guaranteed by life insurance policies (2,321,349) (2,385,669) Income from investment property (11,211,725) (11,047,341) Unwinding of discount on investments at amortised cost (34,685) (38,631) Provision for retirement benefit obligation 449,366 584,147 Net cash generated from operating activities before working capital changes (250,428 12,072,437 Warking capital changes: (286,459) (1,963,284) Increase in insurance balances receivable, premiums and insurance balances receivable, and other receivables and prepayments (286,459) (1,963,284) Increase in reinsurers' share of technical reserves (72,732,010) (42,124,904) Decrease in reinsurers' share of technical reserves (72,732,010) (42,124,904) Decrease in reinsurers' share of technical reserves (72,732,010) (42,124,904) Decrease in decrease in acounts payable, insurance contract liabilities and premiums collected in advance (9,658,348) 40,876,385 Increase / (decrease) in technical provisions (74,817,214 (8,174,106) Retirement benefit obligation paid (70,834) (689,928) Net cash used in operating activities (5,428,009) (3,400) Cash flows from investing activities (5,428,009) (3,400) Proceeds from sale of property, machinery and equipment (368,398) (879,037) Proceeds from sale of property, machinery and equipment (368,398) (879,037) Proceeds from sale of property, machinery and equipment (368,398) (879,037) Proceeds from sale of property, machinery a			
Increase in mathematical reserve		392,725	239,842
Profit on disposal of property and equipment Interest income from deposits (21,273,782) (20,674,560) Interest income from deposits (5,746,596) (5,253,827) Dividend income on securities (407,896) (384,807) Interest on loans guaranteed by life insurance policies Income from investment property (11,211,725) (11,447,341) Unwinding of discount on investments at amortised cost Provision for retirement benefit obligation Net cash generated from operating activities before working capital changes Net cash generated from operating activities before working capital changes Increase in insurance balances receivable, premiums and insurance balances receivable, and other receivables and prepayments Increase in insurance's share of technical reserves (72,732,010) (42,124,904) Decrease/ increase) in accounts payable, insurance contract liabilities and premiums collected in advance Increase / (decrease) in technical provisions Retirement benefit obligation paid (70,834) (689,928) Net cash used in operating activities Purchase of property and equipment Proceeds from sile of property, machinery and equipment Proceeds from sale of property, machinery and equipment Proceeds from investing activities Purchase of investments at amortised cost (30,090,000) Income received on deposits Income received from investment property Proceeds from invest		9,605,970	18,000,874
Interest income from deposits (21,273,782) (20,674,560) Income from debt securities (3,746,596) (5,253,827) Dividend income on securities (407,896) (384,897) Interest on loans guaranteed by life insurance policies (2,321,349) (2,385,669) Income from investment property (11,211,725) (11,477,341) Unwinding of discount on investments at amortised cost (34,685) (38,631) Provision for retirement benefit obligation (449,366 584,147) Net cash generated from operating activities before working capital changes (2,502,428 12,072,437) Warking capital changes: (2,502,428 12,072,437) Warking capital changes: (2,6459) (1,963,284) Increase in reinsurance balances receivable, premiums and insurance balances receivable, and other receivables and prepayments (2,6459) (1,963,284) Increase in reinsurers' share of technical reserves (72,732,010) (42,124,994) Decreases (increase) in accounts payable, insurance contract liabilities and premiums collected in advance (9,658,348) 40,876,385 Increase / (decrease) in technical provisions (70,834) (689,928) Net cash used in operating activities (5,428,009) (3,400) Cash flows from investing activities (5,428,009) (3,400) Cash flows from sale of property, machinery and equipment (3,68,398) (879,037) Proceeds from sale of property, machinery and equipment (16,700 79,347) Net decrease in loans guaranteed by life insurance policies 791,347 5,000,332 Purchase of investments at amortised cost (30,000,000) Income received from investments at amortised cost (30,000,000) Dividend income received during the period (2,925,575) (15,900,001) Net cash generated from investment property (2,519,5275) (12,750,160) Net cash generated from investment property (2,519,5275) (2,500,000) Net cash used in financing activity (25,000,000) (25,000,000) Net cash used in financing activities (25,000,000) (25,000,000) Ne		(16,700)	_
Income from debt securities			(20,674,560)
Dividend income on securities	•	•	
Interest on loans guaranteed by life insurance policies			, - ,
Income from investment property			
Unwinding of discount on investments at amortised cost 449,366 584,147 Provision for retirement benefit obligation 449,366 584,147 Net cash generated from operating activities before working capital changes 2,502,428 12,072,437 Working capital changes: Increase in insurance balances receivable, premiums and insurance balances receivable, and other receivables and prepayments (286,459) (1,963,284) Increase in reinsurers' share of technical reserves (72,732,010) (42,124,904) Decrease/(increase) in accounts payable, insurance contract liabilities and premiums collected in advance (9,658,348) 40,876,385 Increase / (decrease) in technical provisions 74,817,214 (8,689,928) Net cash used in operating activities (5,428,009) (3,400) Cash flows from investing activities Purchase of property and equipment (368,398) (879,037) Proceeds from sale of property, machinery and equipment 16,700 (30,000,000) Income received on deposits 16,308,650 16,506,029 Income received from investments at amortised cost 5,908,078 4,800,187 Dividend income received from investments at amortised cost 407,896 384,807 Dividend income received from investments at amortised cost 5,908,078 4,800,187 Dividend income received from investments at amortised cost 407,896 384,807 Dividend income received from investment property 12,519,527 12,750,160 Deposits (madde)/encashed during the period (2,925,575) 15,909,001 Income received from investment property 12,519,527 12,750,160 Net cash generated from investment property 12,519,527 12,750,160 Net cash generated from investment property 12,519,527 12,750,160 Net cash used in financing activity (25,000,000) (25,000,000) Increase/(decrease) in cash and cash equivalents 2,230,216 (621,921) Cash and cash equivalents at the beginning of the period 24,155,062 21,877,280			
Provision for retirement benefit obligation Net cash generated from operating activities before working capital changes Working capital changes: Increase in insurance balances receivable, premiums and insurance balances receivable, and other receivables and prepayments Increase in reinsurers' share of technical reserves Cash and premiums collected in advance Increase (decrease) in accounts payable, insurance contract liabilities and premiums collected in advance Increase (decrease) in technical provisions Retirement benefit obligation paid Cash flows from investing activities Cash flows from investing activities Purchase of property and equipment Net decrease in loans guaranteed by life insurance policies Purchase of investments at amortised cost Income received from investments at amortised cost Dividend income received August 16,308,650 Deposits (made)/encashed during the period Net cash guerated from investing activities Cash flows from investing activities 2,300,000 Deposits (made)/encashed during the period Retirement benefit obligation paid Retirement 16,700 Retirement			
Net cash generated from operating activities before working capital changes 2,502,428 12,072,437 Working capital changes:			,
Changes 2,502,428 12,072,437 12,072,	Provision for retirement benefit obligation	447,500	301,117
Working capital changes: Increase in insurance balances receivable, premiums and insurance balances receivable, and other receivables and prepayments Increase in reinsurers' share of technical reserves Increase (increase) in accounts payable, insurance contract liabilities and premiums collected in advance Increase / (decrease) in technical provisions Retirement benefit obligation paid Retirement b	Net cash generated from operating activities before working capital		
Increase in insurance balances receivable, premiums and insurance balances receivable, and other receivables and prepayments Increase in reinsurers' share of technical reserves Cercase/(increase) in accounts payable, insurance contract liabilities and premiums collected in advance Increase / (decrease) in technical provisions Retirement benefit obligation paid Cash flows from investing activities Purchase of property and equipment Proceeds from sale of property, machinery and equipment Net decrease in loans guaranteed by life insurance policies Purchases of investments at amortised cost Income received on deposits Income received from investments at amortised cost Deposits (made)/encashed during the period Net cash generated from investment property Net cash generated from investment property Cash flows from investment property Cash flows from investment property Cash generated from investment property Cash generated from investment property Dividends paid Net cash used in financing activity Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the beginning of the period Cash 5,000,000 Cash 5,000 Cash 6,000 Cash	changes	2,502,428	12,072,437
Increase in insurance balances receivable, premiums and insurance balances receivable, and other receivables and prepayments Increase in reinsurers' share of technical reserves Cercase/(increase) in accounts payable, insurance contract liabilities and premiums collected in advance Increase / (decrease) in technical provisions Retirement benefit obligation paid Cash flows from investing activities Purchase of property and equipment Proceeds from sale of property, machinery and equipment Net decrease in loans guaranteed by life insurance policies Purchases of investments at amortised cost Income received on deposits Income received from investments at amortised cost Deposits (made)/encashed during the period Net cash generated from investment property Net cash generated from investment property Cash flows from investment property Cash flows from investment property Cash generated from investment property Cash generated from investment property Dividends paid Net cash used in financing activity Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the beginning of the period Cash 5,000,000 Cash 5,000 Cash 6,000 Cash	Working capital changes:		
balances receivable, and other receivables and prepayments Increase in reinsurers' share of technical reserves Increase/(increase) in accounts payable, insurance contract liabilities and premiums collected in advance Increase / (decrease) in technical provisions Increase / (decrease) in technical provisions Retirement benefit obligation paid Net cash used in operating activities Increase of property and equipment Increase of property and equipment Increase of property, machinery and equipment Increase of property, machinery and equipment Increase of investments at amortised cost Income received on deposits Income received from investments at amortised cost Income received from investment property Income received from investment propert			
Increase in reinsurers' share of technical reserves		(286,459)	(1,963,284)
Decrease (increase) in accounts payable, insurance contract liabilities and premiums collected in advance		(72,732,010)	(42,124,904)
and premiums collected in advance Increase / (decrease) in technical provisions Retirement benefit obligation paid (70,834) (689,928) Net cash used in operating activities Cash flows from investing activities Purchase of property and equipment Proceeds from sale of property, machinery and equipment Net decrease in loans guaranteed by life insurance policies Purchases of investments at amortised cost Income received on deposits Income received from investments at amortised cost Income received from investment property Inco			
Increase / (decrease) in technical provisions 74,817,214 (8,174,106) Retirement benefit obligation paid (70,834) (689,928) Net cash used in operating activities (5,428,009) (3,400) Cash flows from investing activities Purchase of property and equipment 16,700 Proceeds from sale of property, machinery and equipment 16,700 Net decrease in loans guaranteed by life insurance policies 791,347 5,000,332 Purchases of investments at amortised cost (30,090,000) Income received on deposits 16,308,650 16,506,029 Income received from investments at amortised cost 5,908,078 4,800,187 Dividend income received 407,896 384,807 Deposits (made)/encashed during the period (2,925,575) 15,909,001 Income received from investment property 12,519,527 12,750,160 Net cash generated from investing activities 32,658,225 24,381,479 Cash flows from financing activity (25,000,000) (25,000,000) Increase/(decrease) in cash and cash equivalents 2,230,216 (621,921) Cash and cash equivalents at the beginning of the period 24,155,062 21,877,280		(9,658,348)	40,876,385
Retirement benefit obligation paid (70,834) (689,928) Net cash used in operating activities (5,428,009) (3,400) Cash flows from investing activities (368,398) (879,037) Purchase of property and equipment 16,700 - Net decrease in loans guaranteed by life insurance policies 791,347 5,000,332 Purchases of investments at amortised cost - (30,090,000) Income received on deposits 16,308,650 16,506,029 Income received from investments at amortised cost 5,908,078 4,800,187 Dividend income received 407,896 384,807 Deposits (made)/encashed during the period (2,925,575) 15,909,001 Income received from investment property 12,519,527 12,750,160 Net cash generated from investing activities 32,658,225 24,381,479 Cash flows from financing activity (25,000,000) (25,000,000) Net cash used in financing activity (25,000,000) (25,000,000) Increase/(decrease) in cash and cash equivalents 2,230,216 (621,921) Cash and cash equivalents at the beginning of the period			(8,174,106)
Net cash used in operating activities Cash flows from investing activities Purchase of property and equipment Proceeds from sale of property, machinery and equipment Net decrease in loans guaranteed by life insurance policies Purchases of investments at amortised cost Purchases of investments at amortised cost Income received on deposits Income received from investments at amortised cost Income received from investments at amortised cost Dividend income received 407,896 384,807 Deposits (made)/encashed during the period Income received from investment property Net cash generated from investing activities Cash flows from financing activity Dividends paid Net cash used in financing activity Increase/(decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period 24,155,062 21,877,280			
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Cash flows from financing activity Dividends paid Net cash used in financing activity (25,000,000)	Income received from investment property		
Dividends paid (25,000,000) (25,000,000) Net cash used in financing activity (25,000,000) (25,000,000) Increase/(decrease) in cash and cash equivalents 2,230,216 (621,921) Cash and cash equivalents at the beginning of the period 24,155,062 21,877,280	Net cash generated from investing activities	32,658,225	24,381,479
Dividends paid (25,000,000) (25,000,000) Net cash used in financing activity (25,000,000) (25,000,000) Increase/(decrease) in cash and cash equivalents 2,230,216 (621,921) Cash and cash equivalents at the beginning of the period 24,155,062 21,877,280	Cash flows from financing activity		
Net cash used in financing activity (25,000,000) (25,000,000) Increase/(decrease) in cash and cash equivalents 2,230,216 (621,921) Cash and cash equivalents at the beginning of the period 24,155,062 21,877,280		(25,000,000)	(25,000,000)
Cash and cash equivalents at the beginning of the period 24,155,062 21,877,280		(25,000,000)	(25,000,000)
Cash and cash equivalents at the beginning of the period 24,155,062 21,877,280	Increase/(decrease) in cash and cash equivalents	2,230.216	(621,921)
04.055.070			
Cash and cash equivalents at end of the period 26,385,278 21,255,359	Cash and cash equivalents at the beginning of the period	24,155,062	21,877,280
	Cash and cash equivalents at end of the period	26,385,278	21,255,359

The notes from 1 to 13 form an integral part of these condensed interim financial statements.

Notes to the condensed interim financial statements For the period ended 30 September 2016

1 Legal status and activities

Alliance Insurance (PSC) ("the Company") is a Public Shareholding Company ("PSC") which was originally established in Dubai on 1 July 1975 as a limited liability company under the name of Credit and Commerce Insurance Company. The Company was subsequently incorporated in Dubai on 6 January 1982 as a limited liability company under an Emiri Decree. The Company became a PSC in January 1995, in accordance with the United Arab Emirates (UAE) Federal Commercial Companies Law No. (8) of 1984 (now superseded by UAE Federal Law No. 2 of 2015). The Company's shares are listed on the Dubai Financial Market.

The Company underwrites all classes of general, life and health insurance business in accordance with the provisions of the UAE Federal Law No. 6 of 2007 relating to insurance companies and insurance agents.

The registered address of the Company is Warba Centre, P.O. Box 5501, Dubai, UAE.

2 General information and basis of preparation

These condensed interim financial statements are for the nine months' period ended 30 September 2016 and are presented in United Arab Emirate Dirham (AED), which is the functional currency of the Company. These condensed interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards (IFRS), and should be read in conjunction with the annual financial statements for the year ended 31 December 2015. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

3 Summary of significant accounting policies

These condensed interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended 31 December 2015. Certain amendments to accounting standards and annual improvements, as disclosed in the Company's most recent annual financial statements for the year ended 31 December 2015, are applicable on the Company but do not have any material impact on these condensed interim financial statements. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

4 Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The judgements, estimates and assumptions applied in the condensed interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's most recent annual financial statements for the year ended 31 December 2015 with the exception of the reserving methodology of medical IBNR (incurred but not reported) claim reserves. Medical IBNR claim reserves is now determined as 20% of the medical outstanding claim reserves.

Notes to the condensed interim financial statements (continued) For the period ended 30 September 2016

5	Investments at amortised cost		
		(Unaudited)	(Audited)
		30 September	31 December
		2016	2015
		AED	AED
Quo	ted bonds in the UAE	61,048,900	61,096,980
Unq	uoted bonds in the UAE	66,485,727	66,402,962
		127,534,627	127,499,942

The bonds carry interest at the rates ranging from 5.00% to 7.25% per annum and interest is receivable semi-annually. The Company holds these investments with the objective of receiving the contractual cash flows over the instrument's lives. The fair value of these quoted bonds at 30 September 2016 is AED 62.66 million (31 December 2015: AED 60 million) and are classified as Level 1 of the fair value hierarchy and other investments measured at amortised costs are classified as Level 3. There were no transfers between each level during the period.

6 Investments carried at fair value through other comprehensive income

	(Unaudited)	(Audited)
	30 September	31 December
	2016	2015
	AED	AED
Equity securities in the UAE market:		
Quoted	7,036,206	6,866,249
Unquoted	42,350	42,350
	7,078,556	6,908,599

7 Investment property

Investment property comprises two commercial buildings in Dubai, UAE.

Management estimates that there has been no change in the fair value of investment property. Investment property is classified as Level 3 in the fair value hierarchy as at 30 September 2016 (31 December 2015: Level 3).

8 Deposits

	(Unaudited)	(Audited)
	30 September	31 December
	2016	2015
	AED	AED
Short term deposits with banks in the UAE	462,756,575	459,831,000
Accrued interest	7,526,971	8,364,007
Total short term deposits (carried forward)	470,283,546	468,195,007

Notes to the condensed interim financial statements (continued) For the period ended 30 September 2016

8 Deposits (continued)

	(Unaudited) 30 September 2016 AED	(Audited) 31 December 2015 AED
Total short term deposits (brought forward)	470,283,546	468,195,007
Long term deposits with banks in the UAE Accrued interest Total long term deposits	240,355,000 7,165,334 247,520,334	240,355,000 1,363,165 241,718,165
Total deposits	717,803,880	709,913,172

Deposits comprise fixed deposits with banks bearing annual interest at rates ranging from 1.00% to 5.25% (31 December 2015: 1.00% to 5.25%).

9 Basic and diluted earnings per share

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Three months			Nine months
	ended	ended	ended	ended
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
Net profit for the period (AED)	11,997,721	9,950,967	33,067,100	33,032,409
Weighted average number of ordinary shares for the				
purpose of earnings per share	1,000,000	1,000,000	1,000,000	1,000,000
Basic and diluted earnings per				
share (AED)	12.00	9.95	33.07	33.03

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

10 Segment analysis

For management purposes, the Company is organised into two business segments, general insurance and life assurance. The general insurance segment comprises motor, marine, fire, engineering, medical, and general accident. The life assurance segment includes only long term life and group life. These segments are the basis on which the Company reports its primary segment information. No transactions were conducted between the segments.

Notes to the condensed interim financial statements (continued) For the period ended 30 September 2016

10

Segment analysis (continued)						
	Nine months	Nine months ended 30 September 2016 General	nber 2016	Nine months General	Nine months ended 30 September 2015 General	ber 2015
	Insurance	Assurance	Total	Insurance	Assurance	Total
	AED	AED	AED	AED	AED	AED
Net premiums earned	16,815,311	75,466,532	92,281,843	23,782,166	73,247,158	97,029,324
Net commission received/(paid)	8,574,924	(5,581,281)	2,993,643	6,647,856	(4,542,817)	2,105,039
Net claims incurred	(8,194,478)	(616,896)	(8,811,374)	(12,218,260)	(814,554)	(13,032,814)
Earning and cancellations of life insurance policies Increase in mathematical reserve		(52,941,355)	(52,941,355) $(9,605,970)$		(44,932,149) (18,000,874)	(44,932,149) (18,000,874)
Gross underwriting expenses	(8,194,478)	(63,164,221)	(71,358,699)	(12,218,260)	(63,747,577)	(75,965,837)
Net underwriting profit	17,195,757	6,721,030	23,916,787	18,211,762	4,956,764	23,168,526
Net income from investment property	4,163,826	7,047,899	11,211,725	3,994,681	7,052,660	11,047,341
Income from investment	9,375,593	20,408,715	29,784,308	9,012,302	19,725,192	28,737,494
Other income	1,959,862	414,147	2,374,009	2,344,843	310,852	2,655,695
Total income	32,695,038	34,591,791	67,286,829	33,563,588	32,045,468	65,609,056
General and administrative expenses	(10,638,074)	(6,384,620)	(17,022,694)	(10,367,258)	(6,542,739)	(16,909,997)
Bonuses and rebates		(15,368,169)	(15,368,169)	1	(13,522,396)	(13,522,396)
Other operating expenses	(1,545,615)	(283,251)	(1,828,866)	(1,897,517)	(246,737)	(2,144,254)
Profit for the period	20,511,349	12,555,751	33,067,100	21,298,813	11,733,596	33,032,409
Segment assets and liabilities	As at	As at 30 September 2016)16	As at	As at 31 December 2015	51
Segment assets	619,174,462	738,113,756	1,357,288,218	536,896,078	729,158,528	1,266,054,606
Segment liabilities	252,613,861	657,274,349	909,888,210	177,477,697	649,413,958	826,891,655

Notes to the condensed interim financial statements (continued) For the period ended 30 September 2016

11 Related parties

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

Balances with related parties

At the end of the reporting period, amounts due from/to related parties are as follows:

	(Unaudited) 30 September	(Audited) 31 December
	2016	2015
	AED	AED
Due from shareholders and directors	137,635	124,365
Due from companies controlled by shareholders	CO 4 550	4 722 000
and their families	694,558	1,732,920
	832,193	1,857,285

The above balances are included in premiums and insurance balances receivable.

Transactions with related parties

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

	ended	ended	(Unaudited) Nine months ended 30 September 2016 AED	ended
Premiums Claims paid	701,419	67,725	3,028,823	3,762,874
	746,681	174,215	1,034,757	490,778

Transactions are entered with related parties at rates agreed with management.

Compensation of key management personnel

(Unaudited) Three months ended	(Unaudited) Three months ended	(Unaudited) Nine months ended	(Unaudited) Nine months ended
30 September	30 September	30 September	30 September
2016	2015	2016	2015
AED	AED	AED	AED
370 080	320.076	1 106 304	1,034,697
	Three months ended 30 September 2016	Three months ended 30 September 2016 AED Three months ended 20 September 2015	Three months ended 30 September 2016 AED AED Nine months ended 30 September 2015 AED Nine months ended 30 September 2016 AED

Directors' remuneration is calculated in accordance with Article 55 of the Articles of Association of the Company.

Notes to the condensed interim financial statements (continued) For the period ended 30 September 2016

12 Contingences and commitments

	(Unaudited)	(Audited)
	30 September	31 December
	2016	2015
	AED	AED
Capital commitments	62,500	100,000
Letters of guarantees	11,264,170	11,270,000

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

13 Dividend

The Board of Directors proposed cash dividend of 25% which is AED 25 per share amounting to AED 25 million for the year ended 31 December 2015 which was approved at the Annual General Meeting held on 29 March 2016 and paid on 20 April 2016.