

Dubai Insurance Company (P.S.C.)

Condensed consolidated interim financial statements (Unaudited)

For the period ended 31 March 2020

**Review report of the Independent Auditor
To the Shareholders of Dubai Insurance Company (P.S.C.)**

Introduction


We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Insurance Company (P.S.C.) (the “Company”) and its subsidiary (collectively referred to as the “Group”), as of 31 March 2020 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three month period then ended. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.


Scope of review

We conducted our review in accordance with 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 consolidated 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, 13 May 2020



Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Condensed consolidated interim statement of financial position
As at 31 March 2020

		(Unaudited) 31 March 2020 AED'000	(Audited) 31 December 2019 AED'000
	Notes		
ASSETS			
Property and equipment		47,706	47,550
Investment property		38,291	36,507
Financial instruments	6	405,488	506,755
Reinsurance assets		830,273	694,417
Insurance receivables		263,456	202,740
Prepayments and other receivables		26,120	22,328
Statutory deposits		10,000	10,000
Cash and cash equivalents	7	129,662	88,917
TOTAL ASSETS		1,750,996	1,609,214
EQUITY AND LIABILITIES			
Equity			
Share capital	9	100,000	100,000
Statutory reserve	10	50,000	50,000
General reserve	10	50,000	20,000
Retained earnings		138,214	181,665
Cumulative changes in fair value of investments		105,793	189,409
Total equity		444,007	541,074
Liabilities			
Bank loan	8	2,791	2,970
Employees' end of service benefits		4,968	4,773
Insurance contract liabilities		901,123	752,670
Amounts held under reinsurance treaties		43,323	46,506
Reinsurance balances payable		204,550	142,520
Insurance and other payables		150,234	118,701
Total liabilities		1,306,989	1,068,140
TOTAL EQUITY AND LIABILITIES		1,750,996	1,609,214

The condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 13 May 2020.



Buti Obaid Almulla
Chairman



Abdellatif Abuqurah
Chief Executive Officer

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

Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Condensed consolidated interim income statement
For the period ended 31 March 2020

	Notes	(Unaudited) Three months period ended 31 March 2020 AED'000	(Unaudited) Three months period ended 31 March 2019 AED'000
UNDERWRITING INCOME			
Gross premium		337,978	300,478
Movement in provision for unearned premium		(115,983)	(157,408)
Insurance premium revenue		221,995	143,070
Reinsurers' share of premium		(290,015)	(254,278)
Movement in provision for reinsurance share of unearned premium		106,749	149,426
Reinsurers' share of premium revenue		(183,266)	(104,852)
Net insurance premium revenue		38,729	38,218
Reinsurance commission income		27,625	29,238
Other underwriting income		-	58
Gross underwriting income		66,354	67,514
UNDERWRITING EXPENSES			
Claims incurred		(139,376)	(86,034)
Reinsurers' share of claims incurred		128,408	70,383
Net claims incurred		(10,968)	(15,651)
Commission expenses		(12,368)	(14,984)
General and administration expenses relating to underwriting activities		(11,987)	(9,510)
Other expenses		(11,527)	(9,390)
Total underwriting expenses		(46,850)	(49,535)
NET UNDERWRITING INCOME		19,504	17,979
INVESTMENT INCOME			
Realised loss on sale of investments		-	(12)
Fair value loss on financial assets at fair value through profit or loss		(241)	(96)
Other investment income		6,755	9,480
Other investment costs		(29)	(106)
		6,485	9,266
OTHER INCOME AND EXPENSES			
General and administration expenses not allocated		(3,912)	(3,024)
Other income		72	189
		(3,840)	(2,835)
PROFIT FOR THE PERIOD		22,149	24,410
Basic and diluted earnings per share (AED)	12	0.22	0.24

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

Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Condensed consolidated interim statement of comprehensive income
For the period ended 31 March 2020

	Notes	(Unaudited) Three months period ended 31 March 2020 AED'000	(Unaudited) Three months period ended 31 March 2019 AED'000
Profit for the period		22,149	24,410
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net unrealised (loss)/gain on financial assets at fair value through other comprehensive income	6	<u>(83,616)</u>	4,051
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		<u>(61,467)</u>	<u>28,461</u>

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

Dubai Insurance Company (P.S.C.)
Condensed interim financial statements (Unaudited)

Condensed consolidated interim statement of changes in equity
For the period ended 31 March 2020

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Retained earnings AED'000	Cumulative changes in fair value of investments AED'000	Total AED'000
Balance at 1 January 2020 (Audited)	100,000	50,000	20,000	181,665	189,409	541,074
Profit for the period	-	-	-	22,149	-	22,149
Other comprehensive loss (note 6)	-	-	-	-	(83,616)	(83,616)
Total comprehensive income/(loss) for the period	-	-	-	22,149	(83,616)	(61,467)
Transfer to general reserve (note 10)	-	-	30,000	(30,000)	-	-
Cash dividend paid (note 11)	-	-	-	(35,000)	-	(35,000)
Directors' fee paid	-	-	-	(600)	-	(600)
Balance at 31 March 2020 (Unaudited)	100,000	50,000	50,000	138,214	105,793	444,007
Balance at 1 January 2019 (Audited)	100,000	50,000	13,000	159,978	163,068	486,046
Profit for the period	-	-	-	24,410	-	24,410
Other comprehensive income (note 6)	-	-	-	-	4,051	4,051
Total comprehensive income for the period	-	-	-	24,410	4,051	28,461
Transfer to general reserve (note 10)	-	-	7,000	(7,000)	-	-
Cash dividend declared (note 11)	-	-	-	(30,000)	-	(30,000)
Balance at 31 March 2019 (Unaudited)	100,000	50,000	20,000	147,388	167,119	484,507

The notes from 1 to 15 form an integral part of these condensed consolidated interim financial statements.

Dubai Insurance Company (P.S.C.)
Condensed interim financial statements (Unaudited)

Condensed consolidated interim statement of cash flows
For the period ended 31 March 2020

	Notes	(Unaudited) Three months period ended 31 March 2020 AED'000	(Unaudited) Three months period ended 31 March 2019 AED'000
OPERATING ACTIVITIES			
Profit for the period		22,149	24,410
<i>Adjustments for:</i>			
Depreciation on property and equipment		336	239
Provision for employees' end of service benefits		212	675
Loss on sale of investments in debt instruments at amortised cost		-	12
		22,697	25,336
<i>Changes in operating assets and liabilities:</i>			
Reinsurance assets		(135,856)	(126,331)
Insurance receivables		(60,716)	(16,456)
Prepayments and other assets		(3,792)	4,063
Insurance contract liabilities		148,453	118,981
Amounts held under reinsurance treaties		(3,183)	16,157
Reinsurance balances payable		62,030	8,829
Insurance and other payables		31,533	14,296
Cash generated from operations		61,166	44,875
Employees' end of service benefits paid		(17)	(214)
Net cash generated from operating activities		61,149	44,661
INVESTING ACTIVITIES			
Investments held at amortised cost		14	1,322
Other financial instruments		17,637	(4,736)
Purchase of property and equipment		(492)	(143)
Purchase of investment property		(1,784)	(1,632)
Net cash generated from/(used in) investing activities		15,375	(5,189)
FINANCING ACTIVITIES			
Dividend paid	11	(35,000)	-
Directors' fee paid		(600)	-
Bank loan		(179)	(1,853)
Net cash used in financing activities		(35,779)	(1,853)
Net change in cash and cash equivalents		40,745	37,619
Cash and cash equivalents, beginning of period		88,917	77,385
Cash and cash equivalents, end of period	7	129,662	115,004

The notes from 1 to 15 form an integral part of these condensed consolidated interim financial statements.

Dubai Insurance Company (P.S.C.)

Condensed consolidated interim financial statements (Unaudited)

Notes to the condensed consolidated interim financial statements

For the period ended 31 March 2020

1 Legal status and activities

Dubai Insurance Company (P.S.C.) (the “Company”) is a public shareholding Company registered under the Federal Law No. 8 of 1984 (as amended) and the UAE Federal Law No. (6) of 2007 relating to commercial companies in the UAE. The Federal Law No.2 of 2015, concerning Commercial Companies has come into effect from 28 June 2015, replacing the existing Federal Law No.8 of 1984. The Company mainly issues short term insurance contracts in connection with motor, marine, fire, engineering, general accident and medical risks (collectively known as general insurance) and group life assurance. The Company also invests its funds in investment securities and properties. The registered address of the Company is P.O. Box 3027, Dubai, United Arab Emirates. The Company operates in United Arab Emirates. The shares of the Company are listed on the Dubai Financial Market.

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

2 Basis of preparation

The condensed consolidated interim financial statements are for the three months period ended 31 March 2020 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Group. These condensed consolidated 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 IFRS and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2019. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

Basis of consolidation

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

Subsidiary	Principal activity	Country of incorporation	Ownership
Vattaun Limited	Investment	British Virgin Island	100%

The condensed consolidated interim financial statements comprise the financial statements of the Group and its subsidiary as at 31 March 2020.

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

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

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

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

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

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

Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Notes to the condensed consolidated interim financial statements
For the period ended 31 March 2020

3 Significant accounting policies

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2019, except for adoption of new standards effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the condensed interim financial statements of the Group.

Critical accounting estimates and judgments in applying accounting policies

The Group makes estimates and assumption that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may substantially be different.

Outstanding claims and technical provisions

The estimation of the ultimate liability (both technical and outstanding) arising from claims made under insurance contracts is the Group's most critical accounting estimate. These estimates are continually reviewed and updated, and adjustments resulting from this review are reflected in the income statement. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends (including actuarial calculations), is an appropriate basis for predicting future events.

Impairment losses on insurance receivables

The Group reviews its insurance receivables on a regular basis to assess whether an allowance for impairment should be recorded in the consolidated statement of income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about the probability of default and probable losses in the event of default, the value of the underlying security, and realisation costs.

In addition to specific allowance against individually significant insurance receivables, the Group also makes a collective impairment allowance against insurance receivables which, although not specifically identified as requiring a specific provision, have a greater risk of default than when originally granted. The amount of the provision is based on the historical loss pattern for insurance receivables within each grade and is adjusted to reflect current economic changes.

Classification of investment property

The Group makes judgement to determine whether a property qualifies as investment property and follows the guidance of IAS 40 'Investment Property' to consider whether any owner-occupied property is not significant and is classified accordingly as investment property.

Classification of investments

Management decides on acquisition of an investment whether it should be classified as of fair value through profit or loss, at fair value through other comprehensive income (OCI) or at amortised cost.

Operating lease commitments

The Group has entered into commercial property leases on its investment property. The Group, as a lessor, has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for them as operating leases.

Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Notes to the condensed consolidated interim financial statements
For the period ended 31 March 2020

3 Significant accounting policies (continued)

Critical accounting estimates and judgments in applying accounting policies (continued)

Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's length market transactions;
- current fair value of another instrument that is substantially the same; and
- the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or other valuation models.

Provision for legal cases

Considerable judgement by management is required in the estimation for legal cases arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possible significant, degrees of judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities.

4 Property and equipment

Included in property and equipment is land situated in the Emirate of Dubai, United Arab Emirates with a carrying value of AED 44,173 thousand (2019: AED 44,173 thousand). The Group's Board of Directors has resolved to construct the Group's head office on the land in the foreseeable future.

5 Investment property

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

6 Financial instruments

	Carrying value		Fair value	
	(Unaudited) 31 March 2020 AED'000	(Audited) 31 December 2019 AED'000	(Unaudited) 31 March 2020 AED'000	(Audited) 31 December 2019 AED'000
<i>Financial instruments</i>				
At fair value through profit or loss (note 6.1)	112,025	129,898	112,025	129,898
At fair value through other comprehensive income (note 6.2)	269,207	352,587	269,207	352,587
Investments held at amortised cost (note 6.3)	24,256	24,270	22,686	24,068
	<u>405,488</u>	<u>506,755</u>	<u>403,918</u>	<u>506,553</u>

Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Notes to the condensed consolidated interim financial statements
For the period ended 31 March 2020

6 Financial instruments (continued)

6.1 Financial assets at fair values through profit or loss

	(Unaudited) 31 March 2020 AED'000	(Audited) 31 December 2019 AED'000
a) Shares – quoted	3,639	3,880
b) Designated upon initial recognition		
Bank deposits with maturity over three months - unquoted	108,386	126,018
	<u>112,025</u>	<u>129,898</u>

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

6.2 Financial assets at fair value through other comprehensive income

	(Unaudited) 31 March 2020 AED'000	(Audited) 31 December 2019 AED'000
Shares – quoted (within UAE)	236,855	320,769
Shares – unquoted (Outside UAE)	24,324	23,790
Shares – unquoted (within UAE)	8,028	8,028
	<u>269,207</u>	<u>352,587</u>

The fair value loss amounting to AED 83,616 thousand (2019: gain of AED 4,051 thousand) has been recognised in the condensed consolidated interim statement of comprehensive income.

6.3 Debt instruments at amortised cost

	(Unaudited) 31 March 2020 AED'000	(Audited) 31 December 2019 AED'000
<i>Amortised cost</i>		
Debt securities (within UAE)	9,160	7,789
Debt securities (outside UAE)	15,096	16,481
	<u>24,256</u>	<u>24,270</u>

Debt securities amounting to AED 24,256 thousand (2019: AED 24,270 thousand) are pledged against bank loan (note 8). The investments carry interest at an effective rate of 3.49% per annum (2019: 4.67% per annum). The maturity profile of these debt instruments is shown below.

	31 March 2020 (Unaudited)		
	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
Debt securities (within UAE)	9,160	-	9,160
Debt securities (outside UAE)	12,059	3,037	15,096
	<u>21,219</u>	<u>3,037</u>	<u>24,256</u>

Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Notes to the condensed consolidated interim financial statements
For the period ended 31 March 2020

6 Financial instruments (continued)

6.3 Debt instruments at amortised cost (continued)

	31 December 2019 (Audited)		
	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
Debt securities (within UAE)	7,789	-	7,789
Debt securities (outside UAE)	13,445	3,036	16,481
	<u>21,234</u>	<u>3,036</u>	<u>24,270</u>

7 Cash and cash equivalents

	(Unaudited) 31 March 2020 AED'000	(Unaudited) 31 March 2019 AED'000	(Audited) 31 December 2019 AED'000
Bank balances	129,607	114,918	88,879
Cash on hand	55	86	38
	<u>129,662</u>	<u>115,004</u>	<u>88,917</u>

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

8 Bank loan

	(Unaudited) 31 March 2020 AED'000	(Audited) 31 December 2019 AED'000
Loan I	2,791	2,890
Loan II	-	80
	<u>2,791</u>	<u>2,970</u>

Loan I

In 2015, the Group entered into credit facility agreements with an international bank. The loan facilities are secured against investments in debt instruments held at amortised cost amounting to AED 13,007 thousand (31 December 2019: AED 13,021 thousand) (note 6.3) used for the Group's investment operations and carries interest at 1 month USD LIBOR plus 0.5% per annum. The tenure of the loans are directly linked to the maturity period of the debt instruments which are financed by the loan. The debt instruments have maturity periods of 1 to 31 years. The net decrease in carrying amount during the period is due to repayment of loan AED 99 thousand by cash and cash equivalent.

Loan II

In 2015, the Group entered into credit facility agreements with a local bank. The loan facilities are secured against investments in debt instruments held at amortised cost amounting to AED 11,249 thousand (31 December 2019: AED 11,249 thousand) (note 6.3) used for the Group's investment operations and carries interest at 3 months USD LIBOR plus 0.85% per annum. The tenure of the loans are directly linked to the maturity period of the debt instruments which are financed by the loan. The debt instruments have maturity periods of 1 to 11 years. The net decrease in carrying amount during the year is due to repayment of loan AED 80 thousand by cash and cash equivalents.

Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Notes to the condensed consolidated interim financial statements
For the period ended 31 March 2020

9 Share capital

	(Unaudited) 31 March 2020 AED'000	(Audited) 31 December 2019 AED'000
Issued and fully paid 100,000,000 shares of AED 1 each (2019: 100,000,000 share of AED 1 each)	<u>100,000</u>	<u>100,000</u>

10 Reserves

Statutory reserve

In accordance with the UAE Commercial Companies Law and the Group's Article of Association, the Group has resolved not to increase the statutory reserve above an amount equal to 50% of its paid up share capital. Accordingly, no transfers have been made during the three months period ended 31 March 2020. The reserve is not available for distribution except in the circumstances stipulated by the law.

General reserve

Transfers to the general reserve are made on the recommendation of the Board of Directors. This reserve may be used for such purposes as deemed appropriate by the Board of Directors. During the period, based on the recommendation of the Board of Directors and approval of the shareholders at the Annual General Meeting held on 4 March 2020, AED 30,000 thousand (2019: AED 7,000 thousand) was transferred to the general reserve from retained earnings.

11 Dividends

	(Unaudited) 31 March 2020 AED'000	(Audited) 31 December 2019 AED'000
Cash dividend for 2019 of AED 0.35 per share (declared and paid)	35,000	-
Cash dividend for 2018 of AED 0.30 per share (declared and paid)	-	30,000
	<u>35,000</u>	<u>30,000</u>

12 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the period, net of directors' fees, by the weighted average number of shares outstanding during the period as follows:

	(Unaudited) 31 March 2020 AED'000	(Unaudited) 31 March 2019 AED'000
Profit for the period (AED'000)	22,149	24,410
Weighted average number of shares outstanding during the period ('000)	100,000	100,000
Earnings per share (AED)	<u>0.22</u>	<u>0.24</u>

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

Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Notes to the condensed consolidated interim financial statements
For the period ended 31 March 2020

13 Segmental information

For management purposes, the Group is organised into business units based on its products and services and has three reportable operating segments as follows:

- The general insurance segment, comprises motor, marine, fire, engineering and general accident.
- The medical and life segment includes group life and medical insurance.
- Investment comprises investment and cash management for the Group's own account.

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

	General insurance		Medical and life assurance		Total	
	(Unaudited) 31 March 2020 AED'000	(Unaudited) 31 March 2019 AED'000	(Unaudited) 31 March 2020 AED'000	(Unaudited) 31 March 2019 AED'000	(Unaudited) 31 March 2020 AED'000	(Unaudited) 31 March 2019 AED'000
For the three months period ended						
UNDERWRITING INCOME						
Insurance premium revenue	142,644	74,731	79,351	68,339	221,995	143,070
Reinsurers' share of premium revenue	(131,036)	(66,272)	(52,230)	(38,580)	(183,266)	(104,852)
Net insurance premium revenue	11,608	8,459	27,121	29,759	38,729	38,218
Reinsurance commission income	27,614	29,224	11	14	27,625	29,238
Other underwriting income	-	-	-	58	-	58
	39,222	37,683	27,132	29,831	66,354	67,514
UNDERWRITING EXPENSES						
Claims incurred	(64,272)	(38,803)	(75,104)	(47,231)	(139,376)	(86,034)
Reinsurers' share of claims incurred	57,097	29,291	71,311	41,092	128,408	70,383
Net claims incurred	(7,175)	(9,512)	(3,793)	(6,139)	(10,968)	(15,651)
Commission expenses	(6,906)	(6,181)	(5,462)	(8,803)	(12,368)	(14,984)
General and administration expenses relating to underwriting activities	(7,228)	(4,776)	(4,759)	(4,734)	(11,987)	(9,510)
Other expenses	(512)	(127)	(11,015)	(9,263)	(11,527)	(9,390)
	(21,821)	(20,596)	(25,029)	(28,939)	(46,850)	(49,535)
NET UNDERWRITING INCOME	17,401	17,087	2,103	892	19,504	17,979
TOTAL INVESTMENT INCOME					6,485	9,266
Unallocated general and administrative expenses					(3,840)	(2,835)
PROFIT FOR THE PERIOD					22,149	24,410

Dubai Insurance Company (P.S.C.)
Condensed consolidated interim financial statements (Unaudited)

Notes to the condensed consolidated interim financial statements
For the period ended 31 March 2020

14 Contingencies and commitments

At 31 March 2020, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 10,309 thousand (31 December 2019: AED 10,309 thousand).

Capital commitments

The Group's short-term lease commitments are payable as follows:

	(Unaudited)	(Audited)
	31 March	31 December
	2020	2019
	AED'000	AED'000
Less than 1 year	<u>340</u>	<u>605</u>

15 Seasonality of results and events effecting the operations

The Group's investment income is dependent on market conditions, its investment activities and declaration of profits by investee companies, which are of a seasonal nature. Also, there was an outbreak of a global pandemic (Novel Coronavirus disease), causing significant financial and economic impact on major economies across the globe and affecting multiple industries. As at the date of approval of the financial statements, management is in the process of assessing the impact of the said event on its subsequent period's financial results including decline in its investments. Accordingly, results for the period ended 31 March 2020 are not comparable to those relating to the comparative period, and are not indicative of the results that might be expected for the year ending 31 December 2020.