دار التأمين
INSURANCE HOUSE
P.S.C - ش.م.ع

ANNUAL
REPORT 2014

H.H. Sheikh Khalifa Bin Zayed Al Nahyan

PRESIDENT OF THE UNITED ARAB EMIRATES

H.H. Sheikh Mohammed Bin Rashid Al Maktoum

VICE-PRESIDENT AND PRIME MINISTER OF THE UAE,
AND RULER OF DUBAI

H.H. Sheikh Mohammed Bin Zayed Al Nahyan

CROWN PRINCE OF ABU DHABI AND DEPUTY SUPREME COMMANDER OF THE UAE ARMED FORCES

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MISSION STATEMENT

To be alert to our clients' needs by providing out-of-the-box insurance solutions through experienced and dedicated staff.

VISION STATEMENT

Insurance House aspires to be a leader in its domain by providing superior insurance solutions to its clients in the UAE market.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I present to you the third Annual Report of Insurance House PSC (IH)

At the outset, I would like to take a moment to thank our founders, shareholders and all those who spare no effort to further develop and grow Insurance House into a successful enterprise that is focused on exceeding customers' expectations and maximizing shareholders' wealth.

For the financial year ended 31 December 2014, Insurance House has registered a Net Loss of AED 20.86 million, compared to a Net Profit of AED 9.56 million earned during the previous financial year ended 31 December 2013. This was primarily due to two factorssubstantially higher claims under Motor & Medical Insurance policies underwritten in 2013/ 2014 and the continued intense competition amongst insurance companies, driving premiums lower.

Gross Premiums Written (GPW) during the 12 month period ended 31 December 2014 totaled AED 97.93 million, compared to AED 99.13 million underwritten during the previous reporting period ended 31 December 2013. Net Earned Premiums aggregated to AED 70.70 million, reflecting a growth of nearly 7% over the previous reporting period. Net Earned Premiums as a percentage of GPW improved to 72.2% compared to 66.8% in the previous period. However, Net Underwriting Result for the 12 months ended 31 December 2014 was a Net Loss of AED 9.06 million compared to a Net Underwriting Profit of AED 11.38 million during the same period of the previous year.

We have initiated appropriate corrective measures to alter the product-mix, weed-out unprofitable businesses and/ or re-price them in line with known risk characteristics. Concurrently, we have also strengthened our claims management procedures to ensure that loss ratios fall in line-with or lower than our estimates for such product lines. The positive impact of these initiatives should be more clearly visible in 2015.

Since inception, Insurance House's Investment Strategy continues to be well thought out, clearly documented and professionally managed. Despite severe disruption to local and global equity markets towards the fag end of the year, income from investing activities during 2014 was maintained at a respectable level of AED 14.73 million, compared to AED 18.98 million logged during the previous year.

Total Assets as of 31 December 2014 grew to AED 259.12 million compared to AED 254.61 million as at the end of the previous financial year. Total Shareholders' Equity as of 31 December 2014 stood at AED 119.20 million.

General & Administrative expenses for the 12 month period ended 31 December 2014 were AED 26.52 million compared to AED 20.79 million during the previous reporting period. We believe this is reasonable for a full-fledged insurance operation covering our Abu Dhabi headquarters and 5 operational branches located in Dubai, Sharjah, Al Samha, Mussafah and Mahawi.

Despite tough market conditions, we remain optimistic of our profitable growth potential in the near future. Our strategy is to compete on the basis of innovative product offerings and superior service quality. Going forward, profits from core insurance activities will be driven by continuous fine tuning of our risk underwriting policies & capabilities and through enhanced claims management procedures.

On behalf of the Board of Directors,

Mohammed Abdulla Alqubaisi
Chairman

BOARD OF DIRECTORS

Mohammed Abdulla Alqubaisi
Chairman

Eisa Saif Rashid Al Qubaisi
Vice Chairman

Khaled Salem Al Muhairy
Board Member

Alia Abdulla Al Mazrouei
Board Member

Mohammed Wassim Khayata
Board Memeber

Hamid umer taylor
Board Member

T.K Raman
Board Member

Mohammed Othman
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of **Insurance House - P.S.C** - Public Shareholding Company - Abu Dhabi, which comprise the statement of financial position as at 31 December 2014 and the statement of comprehensive income, statement of changes in shareholders equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Insurance House - P.S.C** - Public Shareholding Company - Abu Dhabi as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other and Legal Regulatory Requirements

We also confirm that in our opinion, the financial statements include in all material respects, the applicable requirements of the UAE Commercial Companies Law of 1984 (as amended) and UAE Federal Law No. (6) of 2007 concerning insurance companies and agents; that proper books of account has been maintained by the company. We have obtained all the information and explanations which we required for the purpose of our audit, and to the best of our knowledge and belief, no violations of the U.A.E. Commercial Companies Law of 1984 (as amended) or the Articles of Association of the company and UAE Federal Law No. (6) of 2007 concerning insurance companies and agents have occurred during the year which would have had a material effect on the business of the company or on its financial position.

For Talal Abu Ghazaleh & Co. International

Firas Kilani

Licensed Auditor No. 632

4 February 2015

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

(Amounts are expressed in U.A.E Dirhams)

EXHIBIT A

ASSETS	NOTE	2014	2013
CURRENT ASSETS			
Cash and Cash Equivalents	4	**13,275,562**	24,942,876
Re-insurance contract assets	14 (a)	**10,749,446**	11,438,268
Insurance and other receivables	5	**57,135,590**	54,062,670
Other current assets	6	**5,612,157**	4,533,757
Investments designated at fair value through profit and loss (FVTPL)	7	**17,737,576**	30,743,344
Total Current Assets		**104,510,331**	**125,720,915**
NON- CURRENT ASSETS			
Investments designated at fair value through other comprehensive income (FVTOCI)	8	**18,918,297**	14,643,548
Investments designated at amortized cost	9 (a)	**127,787,859**	92,346,150
Investment in associate	10	**-**	13,917,944
Statutory deposit	11	**6,000,000**	6,000,000
Property and equipment	12	**1,898,516**	1,979,958
Total Non Current Assets		**154,604,672**	**128,887,600**
Total Assets		**259,115,003**	**254,608,515**

LIABILITIES & SHAREHOLDERS EQUITY

CURRENT LIABILITIES			
Borrowings from banks	13	**56,826,525**	46,121,250
Insurance contract liabilities	14 (b)	**62,242,279**	53,859,923
Insurance and other payables	15	**19,968,513**	13,951,177
Total Current Liabilities		**139,037,317**	113,932,350
NON- CURRENT LIABILITIES			
End of service benefits obligation		874,098	405,897
Total Non Current Liabilities		**874,098**	**405,897**

SHAREHOLDERS EQUITY

Share capital	16	**120,000,000**	120,000,000
Treasury shares	16	**(1,657,687)**	(794,961)
Statutory reserve		**1,710,148**	1,710,148
Investment revaluation reserve		**2,939,107**	3,392,353
Retained earnings		**(3,787,980)**	15,962,728
Net shareholders equity - Exhibit C		**119,203,588**	140,270,268
Total Liabilities And Shareholders Equity		**259,115,003**	254,608,515

Mohammed Abdulla Alqubaisi
Chairman

Mohammed Othman
Chief Executive Officer

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

STATEMENT OF **INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2014

(Amounts are expressed in U.A.E Dirhams)

EXHIBIT B

	Note	2014	2013
REVENUES			
Gross premiums written	23 (c)	97,933,427	99,125,409
Change in unearned premium provision		(12,948,919)	(15,649,515)
Premium Income Earned		84,984,508	83,475,894
Re-insurance premiums ceded		(27,048,045)	(28,707,997)
Change in re-insurance portion of unearned premium provision		12,763,003	11,438,268
Net re-insurance premiums ceded		(14,285,042)	(17,269,729)
Net Earned Premiums		70,699,466	66,206,165
Commission income		3,158,109	1,516,267
Claims recovered		27,156,929	26,408,912
Operating expenses	17	(110,076,584)	(82,755,614)
Net Underwriting (loss) / profit		(9,062,080)	11,375,730
General and administrative expenses	18	(26,524,696)	(20,794,582)
Other income	19	14,727,743	18,976,845
(Loss) / profit for the year - Exhibit D		(20,859,033)	9,557,993
(Loss) / earnings per ordinary share	20	(0.1738)	0.0796

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

(Amounts are expressed in U.A.E Dirhams)

CONT. EXHIBIT B

	NOTE	2014	2013
(Loss) / Profit for the year		**(20,859,033)**	9,557,993
Other comprehensive income:			
Gain arising during the year from sale of financial assets designated at fair value through other comprehensive income (FVTOCI)		**1,108,325**	371,927
Fair value (loss) / gain on investments designated at fair value through other comprehensive income (FVTOCI)	8 (a)	**(453,246)**	4,451,604
Other comprehensive gain for the year		**655,079**	4,823,531
Total Comprehensive (Loss) / profit for the year - Exhibit C		**(20,203,954)**	14,381,524

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

(Amounts are expressed in U.A.E Dirhams)

EXHIBIT C

	SHARE CAPITAL	TREASURY SHARES	STATUTORY RESERVE	INVESTMENT REVALUATION RESERVE	RETAINED EARNINGS / ACCUMULATED (LOSS)	TOTAL
Shareholders equity at 31 December 2012	120,000,000	-	754,349	(1,059,251)	6,988,607	126,683,705
Profit for the year - Exhibit B	-	-	-	-	9,557,993	9,557,993
Other comprehensive income for the year - Exhibit B	-	-	-	4,451,604	371,927	4,823,531
Shares buyback	-	(794,961)	-	-	-	(794,961)
Transferred to statutory reserve	-	-	955,799	-	(955,799)	-
Shareholders equity at 31 December 2013 - Exhibit A	120,000,000	(794,961)	1,710,148	3,392,353	15,962,728	140,270,268
(Loss) / profit for the year - Exhibit B	-	-	-	-	**(20,859,033)**	**(20,859,033)**
Other comprehensive income for the year - Exhibit B	-	-	-	**(453,246)**	**1,108,325**	**655,079**
Shares buyback	-	**(862,726)**	-	-	-	**(862,726)**
Shareholders Equity at 31 December 2014 - Exhibit A	**120,000,000**	**(1,657,687)**	**1,710,148**	**2,939,107**	**(3,787,980)**	**119,203,588**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

STATEMENT OF **CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2014

(Amounts are expressed in U.A.E Dirhams)

EXHIBIT D

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss) / profit for the year - Exhibit B	(20,859,033)	9,557,993
Adjustment to reconcile net income to net cash provided by operating activities		
Net movement in re-insurance contract assets	688,822	(5,167,087)
Net movement in insurance contract liabilities	8,382,356	12,268,494
Realized profit from sale of investments	655,079	371,927
Depreciation of property and equipment	1,009,449	826,022
Provision for doubtful debts written back	(525,703)	(1,529,992)
End of service benefits obligation	468,201	137,586
Interest income on fixed deposits and call account	(429,220)	(2,953,696)
Operating (Loss) / profit before working capital changes	(10,610,049)	13,511,247
Changes in the components of working capital:		
(Increase) in insurance and other receivables	(5,297,644)	(25,599,518)
(Increase) / decrease in other current assets	(1,078,400)	286,500
Increase in insurance and other payables	4,635,925	7,291,049
Net cash flows (used in) operating activities	(12,350,168)	(4,510,722)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in bank fixed deposits	-	86,500,003
Decrease in investments designated at fair value through profit and loss (FVTPL)	13,005,768	116,705,470
(Increase) in investments designated at fair value through other comprehensive income (FVTOCI)	(4,274,749)	(2,695,163)
(Increase) in investments designated at amortized cost	(35,441,709)	(92,346,150)
Decrease / (increase) in investment in associates	13,917,944	(13,917,944)
Purchase of property and equipment	(928,007)	(944,207)
Interest income on fixed deposits and call account	429,220	2,953,696
Net cash flows (used in)/ from investing activities	(13,291,533)	96,255,705
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease / (increase) in related parties - receivables	2,750,427	(1,975,854)
Shares buyback	(862,726)	619,118
Increase in borrowings from banks	10,705,275	(81,860,696)
Increase in related parties - payables	1,381,411	(794,961)
Net cash flows from / (used in) financing activities	13,974,387	(84,012,393)
NET CASH FLOWS (USED) DURING THE YEAR	(11,667,314)	7,732,590
Cash and cash equivalents at beginning of the year	24,942,876	17,210,286
CASH AND CASH EQUIVALENTS AT END OF THE YEAR - Note 4	13,275,562	24,942,876

NOTES TO FINANCIAL STATEMENTS

(Amounts are expressed in U.A.E Dirhams)

1. STATUS AND ACTIVITIES

a. **Insurance House P.S.C** is a public joint stock company registered and incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is engaged in providing all classes of Non-Life insurance solutions in accordance with UAE Federal Law No 6 of 2007. The company was established on 8 December 2010 and commenced its operations on 10 April 2011. The company performs its activities through its head office in Abu Dhabi and branches located in Al Samha, Dubai, Sharjah, Al Mussafah and Mahawi.

The range of products and services offered by the company include but not limited to Motor, Workmen's Compensation, Property, Business Interruption, Money, Engineering, Plant and Equipment, General Accident, Liability, Marine, Travel and Medical insurances.

b. The registered office of the company is P.O. Box 129921 Abu Dhabi, United Arab Emirates

c. The company's ordinary shares are listed in the Abu Dhabi Securities Exchange.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

a. In the current year, the Company has adopted the new and revised International Financial Reporting Standards (IFRSs) including the International Accounting Standards (IASs) and their interpretations that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2014.

b. At the date of authorization of these financial statements, the following Standards and Interpretations have been issued but not yet effective:

	Effective for annual periods beginning on or after
Amendments to IAS 19 Employee Benefits relating to defined benefit plans and employee contributions.	1 July 2014
Amendments to IAS 32 Financial Instruments: Presentation relating to offsetting financial assets and financial liabilities.	1 January 2014
Amendment to IAS 36 Impairment of Assets relating to recoverable amount disclosures for non-financial assets.	1 January 2014

	Effective for annual periods beginning on or after
Amendments to IFRS 7 Financial Instruments: Disclosures relating to transition to IFRS 9.	1 January 2015
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements relating to investment entities and exemption of consolidation of particular subsidiaries.	1 January 2014
IFRIC 21 Levies	1 January 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. *Financial Statements Preparation Framework*

The financial statements have been prepared in accordance with International Financial Reporting Standards.

b. *Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) and applicable requirements of UAE Federal Law No. 6 of 2007 concerning Insurance Companies and Agents.

c. *Basis of preparation*

The financial statements have been prepared on the historical cost basis, except for the measurement / revaluation of certain assets and financial instruments at a basis other than the historical cost. The significant accounting policies are set out below.

d. *Financial assets*

Financial assets are classified into the following specified categories: financial assets designated at fair value through other comprehensive income (FVTOCI), financial assets designated at fair value through profit or loss (FVTPL), financial assets designated at amortized cost, 'loans and receivables and cash and cash equivalents. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition or subsequent reclassification as the case may be.

i. *Cash and cash equivalents*

Cash comprises unrestricted cash in bank current and call accounts and fixed deposits less than three months from the date of placement. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

ii. *Insurance receivables*

Insurance receivables are stated at net realizable value. When an insurance receivable is 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 recognized in the statement of income.

iii. *Loans and receivables*

Loans and receivables includes insurance and other receivables. Insurance receivables that either have or do not have a fixed or determinable payments and are not quoted in an active market, and other receivables are stated at net realizable value. The carrying values are not materially different from their fair value.

e. *Related parties*

Related parties are considered to be related because they have the ability to exercise control over the company or to exercise significant influence or joint control over the company's financial and operating decisions. Further, parties are considered related to the company when the company has the ability to exercise control, significant influence, or joint control over the financial and operating decisions of those parties. Transactions with related parties, normally, comprise transfer of resources, services, or obligations between the parties. At the statement of financial position date, the related parties receivables and payables are stated at net realizable value.

f. *Financial assets designated at fair value through other comprehensive income (FVTOCI) and through profit and loss (FVTPL)*

At initial recognition, the company 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 investments are held for trading.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, these are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve.

Financial assets are classified as FVTPL when they are held for trading which means they have been acquired principally for the purpose of selling in the near future. Financial assets of FVTPL are stated at their fair value, subsequent gains and losses arising from changes in fair value are recognized in statement of income.

g. *Financial assets designated at amortized cost*

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition or subsequent reclassification as the case may be.

Financial assets designated at amortized cost include debt instruments with fixed or determinable payments and fixed maturity dates that the company has the positive intent and ability to hold to collect contractual cash flows representing periodic repayments of principal and / or interest.

Investments are measured at amortized cost using the effective interest method less impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant year by discounting estimated future cash inflows through the expected life of the financial asset.

h. *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each year. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the 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 financial assets designated at fair value through other comprehensive income (FVTOCI), if, in a subsequent year, the amount of the impairment loss decreases due to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investments at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of financial assets designated at fair value through other comprehensive income (FVTOCI), impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

i. *Investment in associate*

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control evidenced by the power to govern the financial and operating policies of that investee.

The company's investment in its associate is accounted for under the equity method of accounting, except when the investment is classified as held for sale, in which case it is recognized and measured at fair value less costs to sell. Under the equity method, investments in associates are carried in the statement of financial position at cost as adjusted for post-acquisition changes in the company's share of the net assets of the associate, less any impairment in the value of the investment. The statement of comprehensive income reflects the company's share of its associate results of operations. Losses of an associate in excess of the company's interest in that associate are not recognized, unless the company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included in the carrying amount of the investment and is assessed, annually, for impairment.

Intra-company profit and loss transactions are eliminated to the extent of the company's interest in the relevant associate.

j. *Property and equipment*

The property and equipment are carried in the statement of financial position at their cost less any accumulated depreciation and any accumulated impairment.

The depreciation charge for each year is recognized in the statement of comprehensive income. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the company over the estimated useful life of the assets as follows:

Office equipment and decoration	4 years
Computers and software	3 - 4 years
Motor vehicles	4 years

The depreciation charge for each year is recognized in the statement of comprehensive income. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with Note 3 (k).

On the subsequent derecognizing (sale or retirement) of the property and equipment, the resultant gain or loss, being the difference between the net disposal proceeds, if any, and the carrying amount, is included in the statement of comprehensive income.

k. *Impairment of tangible assets*

At each statement of financial position date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

l. *Financial liabilities*

Financial liabilities includes borrowings from banks, Insurance contract liabilities, Insurance and other payables. Insurance payables that have fixed or determinable payments that are not quoted in an active market and other payables are stated at cost. The carrying values are not materially different from their fair value.

m. *Borrowing costs*

Borrowing costs include interest on bank borrowings, amortization of discounts or premiums on borrowings, amortization of ancillary costs incurred in the arrangement of borrowings, and finance charges on finance leases.

Borrowing costs are expensed in the year in which they are incurred.

n. *End of service benefits obligation*

End of service benefits obligation for employees is accounted for in accordance with U.A.E. Labour Law.

o. *Treasury shares*

Treasury shares consist of the company's own shares that have been issued, subsequently repurchased by the company and not yet reissued or cancelled. These shares are accounted for using the cost method. Under the cost method the average cost of the share repurchased is shown as deduction from the total shareholder's equity. When these shares are reissued, gains are credited to a separate capital reserve in shareholders' equity, which is non -distributable. Any realized losses are charged directly to retained earnings. Gains realized on the sale of reissued shares are first used to offset any previously recorded losses in the order of retained earning and the capital reserve account. No cash dividend are paid on these shares.

p. *Statutory reserve*

Pursuant to the Company's Articles of Association, 10% of net profit for the year to be withheld annually and retained in the statutory reserve account. The deduction shall be suspended when the balance in this reserve account amounts to at least 50% of the company's capital and is not available for distribution for shareholders'.

q. *Revenue recognition*

Recognition and Measurement

Insurance contracts are classified into two main categories, depending on the duration of risk and whether or not the terms and constitutions are fixed.

These contracts are casualty and property insurance contracts.

Casualty Insurance contracts protect the company's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

For all these insurance contracts, premium are recognized as revenue (earned premiums) proportionally over the year of coverage. The portion of premium received on in force contracts that relates to unexpired risks at the financial position date is reported as the unearned premium liability.

Claims and loss adjustments expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to contracts holders or third parties damaged by the contracts holders.

Re-insurance contracts held

Contracts entered into by the company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements of reinsurance contracts are classified as re-insurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the company under which the contract holder is another insurer are included with insurance contracts. The benefits to which the company is entitled under its re-insurance contract held is recognized as re-insurance contract assets. The company assesses its re-insurance contract assets for impairment on a regular basis. If there is objective evidence that the re-insurance contract asset is impaired, the company reduces the carrying amount of the re-insurance contract assets to its recoverable amount and recognizes that impairment loss in the profit or loss. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

Insurance contract liabilities

Insurance contract liabilities towards outstanding claims are made for all claims intimated to the company and still unpaid at the end of the reporting year, in addition to claims incurred but not reported. The unearned premium considered in the insurance contract liabilities comprise the estimated proportion of the gross premiums written which relates to the periods of insurance subsequent to the financial position date and is estimated using the time proportionate method. The unearned premium calculated by the above method (after reducing the reinsurance share) complies with the minimum unearned premium amounts to be maintained pursuing the 25% and 40% method for marine and non - marine business respectively, as required by UAE Federal Law No. 6 of 2007, as amended, concerning insurance companies and agents. The unearned premium calculated by the time proportionate method accounts for the estimated acquisition costs incurred by the company to acquire policies and defers these over the life of the policy.

The re-insurers' portion towards the above outstanding claims, claims incurred but not reported and unearned premium is classified as re-insurance contract assets in the financial statements.

Salvage and subrogation reimbursements

Estimates of salvage and subrogation reimbursements are considered as an allowance in the measurement of the insurance liability for claims.

Receivables and payables related to insurance contracts

Receivables and payables are recognized when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the company reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in profit or loss.

Interest income

Interest income from bank call account, fixed deposits and bonds are accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

r. *Foreign currencies*

The financial statements are presented in the UAE Dirhams (AED) which is the company's functional currency. In preparing the financial statements, transactions in currencies other than the company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements shall be recognized in the statement of comprehensive income in the year in which they arise.

s. *Contingent liabilities*

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the financial statements.

t. *Critical accounting judgments and key sources of estimation uncertainty*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that year, or in the period of the revision and future periods if the revision affects both current and future periods.

i. *The ultimate liability arising from claims made under insurance contracts*

The estimation of ultimate liability arising from the claims made under insurance contracts is the company's most critical accounting estimate. There are sources of uncertainty that need to be considered in the estimate of the liability that the company will eventually pay for such claims. Estimates have to be made at the end of the reporting year both of the expected ultimate cost of claims reported as well as the expected ultimate cost of claims incurred but not reported ("IBNR"). Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the company and management estimates based on past claims settlement trends for the claims incurred but not reported. At the end of each reporting year, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

ii. *Liability adequacy test*

At the end of each reporting year, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities. The company makes use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investments income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the profit or loss.

iii. *Provision for doubtful debts*

Management has estimated the recoverability of trade receivables and has considered the provision required for doubtful receivables, on the basis of prior experience and current economic situations.

4. CASH AND CASH EQUIVALENTS

a. This item consists of the following:

	2014	2013
Cash at banks - current accounts	7,217,566	1,727,249
Cash at bank - call account	6,057,996	3,215,627
Bank fixed deposit	-	20,000,000
Total - Exhibit A & D	13,275,562	24,942,876

b. Cash at banks includes current accounts and call account balances amounting to AED 8,751,698 as of 31 December 2014 held with two financial institutions which are related parties (call account balances are interest bearing) (31 December 2013 : AED 4,307,964).

5. INSURANCE AND OTHER RECEIVABLES

a. This item consists of the following:

	2014	2013
Due from policy holders - Note 5 (b)	42,635,607	42,284,603
Claims receivables	14,601,621	9,584,981
Margin on letters of guarantee	291,000	361,000
Refundable deposits	23,000	23,000
Related parties - receivables - Note 22 (a)	274,185	3,024,612
Provision for doubtful debts - Note 5 (c)	(689,823)	(1,215,526)
Net - Exhibit A	57,135,590	54,062,670

b. The company in the normal course of business deals with various brokers in UAE. Five customers' balances amounting to AED 11,897,490 constitute 27.91% of the outstanding receivables as of 31 December 2014 (31 December 2013 : AED 15,202,413, 35.95%, five customers).

c. *Provision for doubtful debts:-*

This item consists of the following:	2014	2013
Beginning balance	(1,215,526)	(2,745,518)
Written back	525,703	1,529,992
Ending balance - Note 5 (a)	(689,823)	(1,215,526)

6. OTHER CURRENT ASSETS

This item consists of the following:	2014	2013
Accrued interest income	1,332,528	1,248,260
Prepaid expenses	4,279,629	3,285,497
Total - Exhibit A	5,612,157	4,533,757

7. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS

The company has chosen to designate the investments in quoted UAE shares at FVTPL and FVTOCI as per the accepted early adoption of IFRS 9 as it intends to hold the investments for short, medium to long-term period. The company has classified investments designated at fair value through profit and loss as follows :

EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE -THROUGH PROFIT AND LOSS (FVTPL)

Changes in investments designated at fair value through income statement (FVTPL) for the year as follows:

	2014	2013
Fair value at the beginning of the year	30,743,344	5,642,190
Additions during the year	21,531,137	30,108,001
Disposals during the year	(33,000,331)	(14,140,631)
(Decrease) / increase in fair value taken to income statement - Exhibit B	(1,536,574)	9,133,784
Fair value at the end of the year - Exhibit A	17,737,576	30,743,344

8. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH-OTHER COMPREHENSIVE INCOME(FVTOCI)

a. Changes in investments designated at fair value through other comprehensive income (FVTOCI) for the year as follows:

	2014	2013
Fair value at the beginning of the year	14,643,548	7,496,781
Additions during the year	8,651,798	2,695,163
Disposals during the year	(3,923,803)	-
(Decrease)/increase in fair value taken to other comprehensive income - Exhibit B	(453,246)	4,451,604
Fair value at the end of the year -Exhibit A	18,918,297	14,643,548

b. The investments mentioned above include investments in Finance House P.J.S.C shares amounting to AED 7,492,853 (fair value) as of 31 December 2014 (31 December 2013 : AED 7,655,048). Finance House P.J.S.C is considered as one of the major shareholders.

9. INVESTMENTS DESIGNATED AT AMORTIZED COST

a. This item consists of the following:

	2014	2013
Investments designated at amortized cost	127,787,859	92,346,150
Total - Exhibit A	127,787,859	92,346,150

b. The geographical distribution of investments designated at amortized cost with local and foreign companies are as follows:

	2014	2013
Within UAE	91,109,120	65,782,288
Outside UAE	36,678,739	26,563,862
Total - Exhibit A	127,787,859	92,346,150

c. Investments designated at amortized cost within UAE includes an amount of AED 16,700,000 as of 31 December 2014 held with a financial institution which is considered as a related party.

10. INVESTMENT IN ASSOCIATE

During 2013, the company invested AED 13,917,944 in CAPM Investments P.J.S and treated it as investment in associate. Additionally, a call option agreement was entered with the major share holder (FH) and income has been recorded in the books. In March 2014 there was a partial disposal pursuant to which the investment was reduced to AED 7,917,944. This amount has been reclassified as investments designated at fair value through other comprehensive income as the investee is no longer an associate.

11. STATUTORY DEPOSIT

In accordance with the requirement of Federal Law No. 6 of 2007, concerning Insurance Companies and Agents, the company maintains a bank deposit amounting to AED 6,000,000 as of 31 December 2014 and it cannot be utilized without the consent of the UAE Insurance Regulatory Authority.

12. PROPERTY AND EQUIPMENT

The details of cost, accumulated depreciation and respective carrying amounts of various categories of property and equipment are as follows:

COST	Office Equipment and Decorations	Computer and Software	Motor Vehicles	Total
At 1 January 2014	1,887,172	1,554,882	196,021	3.638,075
Additions	485,122	442,885	-	928,007
At 31 December 2014	**2,372,294**	**1,997,767**	**196,021**	**4,566,082**
ACCUMULATED DEPRECIATION				
At 1 January 2014	(698,199)	(880,831)	(79,087)	(1,658,117)
Charge for the year	(495,972)	(464,471)	(49,006)	(1,009,449)
At 31 December 2014	**(1,194,171)**	**(1,345,302)**	**(128,093)**	**(2,667,566)**
NET BOOK VALUE				
At 31 December 2013 - Exhibit A	1,188,973	674,051	116,934	1,979,958
At 31 December 2014 - Exhibit A	**1,178,123**	**652,465**	**67,928**	**1,898,516**

13. BORROWINGS FROM BANKS

These loans are obtained against financial assets held at amortized cost. Loan payments will mature during the next 12 months, or will be automatically renewed for similar period.

14. INSURANCE CONTRACT LIABILITIES AND - RE-INSURANCE CONTRACT ASSETS

a. *Recoverable from re-insurance*

This item consists of the following:	2014	2013
Re-insurance contract assets	10,749,446	11,438,268
Total - Exhibit A	10,749,446	11,438,268

b. *Insurance contract liabilities*

This item consists of the following:	2014	2013
Claims reported unsettled	29,682,580	12,860,573
Unearned premiums reserve	32,559,699	40,999,350
Total - Exhibit A	62,242,279	53,859,923

15. INSURANCE AND OTHER PAYABLES

This item consists of the following:	2014	2013
Due to insurance and reinsurance companies	11,844,827	5,815,430
Claims payable	4,492,009	4,778,072
Accrued other expenses	627,393	1,734,802
Related parties - payables - Note 22 (b)	3,004,284	1,622,873
Total - Exhibit A	19,968,513	13,951,177

16. SHARE CAPITAL

The share capital of the company as per Articles of Association is AED 120,000,000 **(Exhibit A)** divided into 120,000,000 shares of AED 1 par value per share.

During 2013, the company obtained the necessary regulatory approvals to undertake a share buy-back program. A total of 1,198,500 shares were purchased from the market at an average price of AED 1.383 per share amounting to AED 1,657,687.

17. OPERATING EXPENSES

This item consists of the following:	2014	2013
Commission expenses	7,431,178	11,472,593
Claims paid	93,706,529	66,173,327
Outstanding claims expenses	5,780,868	3,513,439
Other expenses	3,158,009	1,596,255
Total - Exhibit B	110,076,584	82,755,614

18. GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following :	2014	2013
Salaries and related benefits	16,275,599	12,461,583
Bank charges	262,753	131,441
Government fees	1,008,874	823,332
Telephone and postage	324,890	284,414
Depreciation of property and equipment - Note 12	1,009,449	826,022
Miscellaneous expenses	7,643,131	6,267,790
Total - Exhibit B	26,524,696	20,794,582

19. OTHER INCOME

This item consists of the following :	2014	2013
Interest income on fixed deposits and call account (net)	429,220	382,164
Interest from fixed income securities	4,349,891	5,554,259
Unrealized (loss) / gain on revaluation of investments (FVTPL)	(1,536,574)	9,133,784
Realized profit from sale of investments (FVTPL)	10,482,688	1,768,753
Dividend income on investment in financial assets	476,815	607,893
Provision for doubtful debts written back - Note 6 (c)	525,703	1,529,992
Total - Exhibit B	14,727,743	18,976,845

20. (LOSS)/EARNINGS PER ORDINARY SHARE

This item consists of the following:	2014	2013
(Loss) / profit for the year	(20,859,033)	9,557,993
Weighted number of shares in issue throughout the year	120,000,000	120,000,000
Basic (Loss) / Earnings Per Share	(0.1738)	0.0796

21. RISK MANAGEMENT

The company monitors and manages the financial risks relating to its business and operations. These risks include insurance risk, capital risk, credit risk, interest rate risk, market risk, foreign currency risk and liquidity risk.

The company seeks to minimize the effects of these risks by diversifying the sources of its capital. It maintains timely reports about its risk management function and monitors risks and policies implemented to mitigate risk exposures.

a. *Insurance risk*

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the company faces under its insurance contracts is that the actual claims and benefit payments exceed the estimated amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated.

Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The company manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

b. *Capital risk*

The company's objectives when managing capital are:

- To comply with the insurance capital requirements required by UAE Federal Law No. 6 of 2007 concerning the formation of Insurance Authority of UAE.
- To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In UAE, the local insurance regulator specifies the minimum amount and type of capital that must be held by the company in relation to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.The company is subject to local insurance solvency regulations with which it has complied with during the year.

The table below summaries the minimum regulatory capital of the company and the total capital held.

	2014	2013
Total shareholders' equity	**119,203,588**	140,270,268
Minimum regulatory capital	**100,000,000**	100,000,000

c. *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

Key areas where the company is exposed to credit risk are :

- Re-insurers' share of insurance liabilities.
- Amounts due from reinsurers in respect of claims already paid.
- Amounts due from insurance contract holders.
- Amounts due from insurance intermediaries (Note 5 (b)).
- Amounts due from banks for its balances and fixed deposits (Note 4 (b)).

The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counter party limits that are reviewed and approved by the management annually.

Re-insurance is used to manage insurance risk. This does not, however, discharge the company's liability as primary insurer. If a re-insurer fails to pay a claim for any reason, the company remains liable for the payment to the policy holder. The creditworthiness of re-insurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.

The company maintains record of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the company. Management information reported to the company includes details of provisions for impairment on insurance receivables and subsequent write offs . Exposures to individual policy holders and groups of policy holders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policy holders, or homogenous groups of policy holders, a financial analysis equivalent to that conducted for re-insurers is carried out by the company.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk for such receivables and liquid funds.

d. *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. The company is exposed to interest rate risk on call and fixed deposits, financial assets such as bonds and borrowings from banks. The interest rates are subject to periodic revisions.

e. *Market risk*

Market prices risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issue or factors affecting all instruments traded in the market.

The company is exposed to market risk with respect to its investments in financial assets held for trading and investments designated at fair value through other comprehensive income.

f. *Foreign currency risk*

The company undertakes certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year. The UAE Dirham is effectively pegged to the US Dollar, thus foreign currency risk occurs only in respect of other currencies. The company maintains policies and procedures to manage the exchange rate risk exposure.

g. *Liquidity risk*

The company's board of directors adopted an appropriate liquidity risk management framework as the responsibility of liquidity risk management rests with them.

The following table shows the maturity dates of company's financial assets and liabilities as at 31 December 2014.

FINANCIAL ASSETS	LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
Non - interest bearing	82,090,732	18,918,297	101,009,029
Interest bearing	6,057,996	133,787,859	139,845,855
Total	**88,148,728**	**152,706,156**	**240,854,884**

FINANCIAL LIABILITIES	LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
Non - interest bearing	19,968,513	-	19,968,513
Interest bearing	56,826,525	-	56,826,525
Total	**76,795,038**	**-**	**76,795,038**

The following table shows the maturity dates of company's financial assets and liabilities as at 31 December 2013.

FINANCIAL ASSETS	LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
Non - interest bearing	86,533,263	14,643,548	101,176,811
Interest bearing	23,215,627	98,346,150	121.561,777
Total	109,748,890	112,989,698	222,738,588

FINANCIAL LIABILITIES	LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
Non - interest bearing	13,951,177	-	13,951,177
Interest bearing	46,121,250	-	46,121,250
Total	60,072,427	-	60,072,427

22. RELATED PARTIES

The company in the normal course of business conducts transactions with the following entities which fall within the definition of related parties in accordance to International Financial Reporting Standards. The transactions with these related parties are primarily financing in nature as follows:

a. *RELATED PARTIES - RECEIVABLES*

This item consists of the following:	2014	2013
Mr. Mohammad Abdulla Al Qubaisi	-	1,066
Benyan Development Company L.L.C	-	131,196
Finance House P.J.S.C	274,185	2,889,950
Finance House Securities L.L.C	-	2,400
Total - Note 5 (a)	**274,185**	3,024,612

b. *RELATED PARTIES - PAYABLES*

This item consists of the following:	2014	2013
Mr. Mohammad Abdulla Al Qubaisi	2,689	-
Islamic Finance House Pvt. J.S.C	1,595	3,755
FH Capital Limited (D.I.F.C)	3,000,000	1,619,118
Total - Note 15	**3,004,284**	1,622,873

c. Finance House P.J.S.C is one of the major share holders of the company as of 31 December 2014. Benyan Development Company L.L.C, FH Capital Ltd. (D.I.F.C), Finance House Securities L.L.C and Islamic Finance House PVT. J.S.C are subsidiaries of Finance House P.J.S.C.

d. Significant transactions with related parties during the year are as follows :

This item consists of the following:	2014	2013
Gross premiums written	5,100,759	5,040,207
Purchase of shares	67,718,175	56,237,414
Cash at bank - current account	2,169,743	1,092,337
Cash at bank - call account	6,057,996	3,215,627
Margin on letters of guarantee	291,000	126,000
Purchase of Sukuk	16,700,000	16,000,000

23. SEGMENT INFORMATION

a. For operating purposes, the company is organized into two business segments:

Underwriting of general insurance business – incorporating all classes of general insurance viz, fire, marine, motor, general accident and medical.

Investments – incorporating investments in UAE marketable equity securities, term deposits with banks, overseas managed portfolios and other securities.

Primary segment information – business segment

the following is an analysis of the company's revenue and results by operating segment:

	UNDERWRITING		INVESTMENTS		TOTAL	
	2014	2013	2014	2013	2014	2013
Segment revenue	97,933,427	99,125,409	14,727,743	18,976,845	112,661,170	118,102,254
Segment result	(9,062,080)	11,375,730	14,727,743	18,976,845	5,665,663	30,352,575
Unallocated expenses					(26,524,696)	(20,794,582)
(Loss) / profit for the year					(20,859,033)	9,557,993

b. The following is analysis of the company's assets and liabilities by operating segment:

	UNDERWRITING		INVESTMENTS		TOTAL	
	2014	2013	2014	2013	2014	2013
Segment assets	81,453,705	70,766,393	170,443,732	182,114,873	251,897,437	252,881,266
Unallocated assets					7,217,566	1,727,249
Total assets					**259,115,003**	**254,608,515**
Segment liabilities	**81,583,399**	66,076,298	**56,826,525**	46,121,250	138,409,924	112,197,548
Unallocated liabilities					1,501,491	2,140,699
Total liabilities					**139,911,415**	114,338,247

There are no transactions between the business segments.

c. Secondary segment information – revenue from underwriting departments

The following is an analysis of the company's revenue classified by major underwriting departments

	2014	2013
Non – Marine	**33,450,700**	36,502,911
Marine	**479,189**	321,896
Medical and personal assurance	**64,003,538**	62,300,602
Total - Exhibit B	**97,933,427**	99,125,409

24. FINANCIAL ASSETS AND LIABILITIES

This item consists of the following:	2014	2013
Financial Assets		
Cash and cash equivalents	13,275,562	24,942,876
Insurance and other receivables	57,135,590	54,062,670
Investments designated at fair value through income statement (FVTPL)	17,737,576	30,743,344
Investments designated at fair value through other comprehensive income (FVTOCI)	18,918,297	14,643,548
Investments designated at amortized cost	127,787,859	92,346,150
Statutory deposit	6,000,000	6,000,000
Total	**240,854,884**	222,738,588
Financial Liabilities		
Borrowings from banks	56,826,525	46,121,250
Insurance and other payables	19,968,513	13,951,177
Total	**76,795,038**	60,072,427

25. CONTINGENT LIABILITIES

This item consists of the following:	2014	2013
Letters of guarantee	6,807,315	7,336,000

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comply with the financial statements presentation for the current year.

27. GENERAL

The figures in the financial statements are rounded to the nearest Dirham of United Arab Emirates.

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issue in their meeting on 4 February 2015.