

Ras Al Khaimah National Insurance Company P.S.C

Condensed interim financial information
for the nine-month period ended 30 September 2013

Ras Al Khaimah National Insurance Company P.S.C

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Independent auditors' report on review of condensed interim financial information

The Shareholders
Ras Al Khaimah National Insurance Company P.S.C.

Introduction

We have reviewed the accompanying 30 September 2013 condensed interim financial information of Ras Al Khaimah National Insurance Company P.S.C. ("the Company"), consisting of:

- the condensed interim statement of financial position as at 30 September 2013;
- the condensed interim statement of income for the three-month and nine-month periods ended 30 September 2013;
- the condensed interim statement of comprehensive income for the three-month and nine-month periods ended 30 September 2013;
- the condensed interim statement of changes in equity for the nine-month period ended 30 September 2013;
- the condensed interim statement of cash flows for the nine-month period ended 30 September 2013; and
- notes to the condensed interim financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information 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 condensed 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 30 September 2013 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

The condensed interim financial information for the nine-month period ended 30 September 2012 and the financial statements for the year ended 31 December 2012 were reviewed and audited respectively by another auditor who expressed an unmodified review conclusion on the condensed interim financial information for the nine-month period ended 30 September 2012 on 31 October 2012 and an unmodified audit opinion on the financial statements for the year ended 31 December 2012 on 25 March 2013.

Ras Al Khaimah National Insurance Company P.S.C
Condensed interim statement of financial position
as at 30 September 2013

		(Un-audited) 30 September 2013	(Audited) 31 December 2012
	<i>Notes</i>	AED	AED
ASSETS			
Property and equipment		2,341,113	1,119,263
Investment properties		7,629,394	6,421,479
Investment in an associate		27,523,850	23,366,706
Investment securities	6	22,961,882	11,447,167
Statutory deposit		10,000,000	10,000,000
Insurance contract assets	8	91,521,029	96,582,324
Insurance and other receivables		140,412,014	109,461,247
Cash and bank balances	9	188,122,049	177,364,593
Total assets		<u>490,511,331</u>	<u>435,762,779</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		100,000,000	100,000,000
Statutory reserve		32,619,210	32,619,210
Special reserve		20,000,000	20,000,000
Cumulative changes in fair value of available-for-sale securities		13,381,369	4,514,836
Retained earnings		52,106,596	34,726,361
Total equity		<u>218,107,175</u>	<u>191,860,407</u>
Provision for employee's end of service benefits		4,201,727	5,288,580
Insurance contract liabilities	8	202,961,689	192,748,802
Insurance and other payables		65,240,740	45,864,990
Total liabilities		<u>272,404,156</u>	<u>243,902,372</u>
Total equity and liabilities		<u>490,511,331</u>	<u>435,762,779</u>

The notes on pages 7 to 14 form an integral part of these condensed interim financial information.

These condensed interim financial statements were authorised for issue and approved by the Board on _____ and signed on its behalf by :

Chairman

Chief Executive Officer

The independent auditors' review report is set out on page 1.

Ras Al Khaimah National Insurance Company P.S.C

Condensed interim statement of income

for the nine-month period ended 30 September 2013

		(Un-audited) For the three- month period ended 30 September 2013 AED	(Un-audited) For the three- month period ended 30 September 2012 AED	(Un-audited) For the nine- month period 30 September 2013 AED	(Un-audited) For the nine- month period ended 30 September 2012 AED
Gross insurance premium		42,655,212	45,192,824	205,351,158	175,501,599
Less: insurance premium ceded to reinsurers		(11,133,695)	(12,553,804)	(80,016,766)	(70,641,662)
Net retained premium		31,521,517	32,639,020	125,334,392	104,859,937
Net change in unearned premium reserve	8	2,030,165	(6,216,896)	(5,297,682)	(11,441,800)
Net insurance premium		33,551,682	26,422,124	120,036,710	93,418,137
Gross claims incurred	8	(27,983,639)	(40,498,070)	(87,591,079)	(93,169,916)
Insurance claims recovered from reinsurers	8	6,404,733	19,134,492	19,976,389	39,917,614
Net claims incurred		(21,578,906)	(21,363,578)	(67,614,690)	(53,252,302)
Gross commission earned		1,405,429	1,793,935	6,999,798	6,494,316
Less: commission incurred		(2,769,735)	(3,437,255)	(13,391,663)	(10,018,252)
Net commission incurred		(1,364,306)	(1,643,320)	(6,391,865)	(3,523,936)
Underwriting profit		10,608,470	3,415,226	46,030,155	36,641,899
General and administrative expenses relating to underwriting activities		(5,211,984)	(2,926,620)	(15,325,191)	(12,323,102)
Net underwriting profit		5,396,486	488,606	30,704,964	24,318,797
Investment income		458,424	191,076	1,645,226	307,762
Other income		1,186,739	1,765,188	3,992,712	4,154,718
Unallocated general and administrative expenses		(1,737,329)	(975,541)	(5,108,397)	(4,107,701)
Share of profit of an associate for the period		741,747	1,389,185	2,285,730	1,328,695
Profit for the period		6,046,067	2,858,514	33,520,235	26,002,271
Earnings per share	13	0.06	0.03	0.34	0.26

The notes on pages 7 to 14 form an integral part of these condensed interim financial information.

The independent auditors' review report is set out on page 1.

Ras Al Khaimah National Insurance Company P.S.C
Condensed interim statement of comprehensive income
for the nine-month period ended 30 September 2013

	(Un-audited) For the three- month period ended 30 September 2013 AED	(Un-audited) For the three- month period ended 30 September 2012 AED	(Un-audited) For the nine- month period ended 30 September 2013 AED	(Un-audited) For the nine- month period ended 30 September 2012 AED
Profit for the period	6,046,067	2,858,514	33,520,235	26,002,271
Other comprehensive income				
<i>Items that will be reclassified to profit or loss:</i>				
Net change in fair value of available-for-sale securities	3,058,830	419,097	6,995,119	805,530
Share of other comprehensive income of an associate	-	344,336	1,871,414	146,057
Total other comprehensive income for the period	3,058,830	763,433	8,866,533	951,587
Total comprehensive income for the period	9,104,897	3,621,947	42,386,768	26,953,858

The notes on pages 7 to 14 form an integral part of these condensed interim financial information.

The independent auditors' review report is set out on page 1.

Ras Al Khaimah National Insurance Company P.S.C
Condensed interim statement of changes in shareholders' equity (Un-audited)
for the nine-month period ended 30 September 2013

	Attributable to the equity holders' of the Company					
	Share capital AED	Statutory reserve AED	Special reserve AED	Cumulative changes in fair value of AFS securities AED	Retained earnings AED	Total AED
Balance at 1 January 2012	100,000,000	29,806,778	20,000,000	3,923,796	25,554,470	179,285,044
Total comprehensive income for the period						
Profit for the period	-	-	-	-	26,002,271	26,002,271
Other comprehensive income for the period						
Net change in fair value of available-for-sale investments	-	-	-	805,530	-	805,530
Share of other comprehensive income of an associate	-	-	-	146,057	-	146,057
Total other comprehensive income for the period	-	-	-	951,587	-	951,587
Total comprehensive income for the period	-	-	-	951,587	26,002,271	26,953,858
Transactions with owners of the Company, recognised directly in equity						
Dividend (refer note 14)	-	-	-	-	(15,000,000)	(15,000,000)
Directors' remuneration (refer note 14)	-	-	-	-	(1,140,000)	(1,140,000)
As at 30 September 2012	<u>100,000,000</u>	<u>29,806,778</u>	<u>20,000,000</u>	<u>4,875,383</u>	<u>35,416,741</u>	<u>190,098,902</u>
Balance at 1 January 2013	100,000,000	32,619,210	20,000,000	4,514,836	34,726,361	191,860,407
Total comprehensive income for the period						
Profit for the period	-	-	-	-	33,520,235	33,520,235
Other comprehensive income for the period						
Net change in fair value of available-for-sale investments	-	-	-	6,995,119	-	6,995,119
Share of other comprehensive income of an associate	-	-	-	1,871,414	-	1,871,414
Total other comprehensive income for the period	-	-	-	8,866,533	-	8,866,533
Total comprehensive income for the period	-	-	-	8,866,533	33,520,235	42,386,768
Transactions with owners of the Company, recognised directly in equity						
Dividend (refer note 14)	-	-	-	-	(15,000,000)	(15,000,000)
Directors' remuneration (refer note 14)	-	-	-	-	(1,140,000)	(1,140,000)
As at 30 September 2013	<u>100,000,000</u>	<u>32,619,210</u>	<u>20,000,000</u>	<u>13,381,369</u>	<u>52,106,596</u>	<u>218,107,175</u>

The notes on pages 7 to 14 form an integral part of these condensed interim financial information.

The independent auditors' review report is set out on page 1.

Ras Al Khaimah National Insurance Company P.S.C

Condensed interim statement of cash flows

for the nine-month period ended 30 September 2013

	Notes	(Un-audited) For the nine- month period ended 30 September 2013 AED	(Un-audited) For the nine- month period ended 30 September 2012 AED
Cash flows from operating activities			
Profit for the period		33,520,235	26,002,271
<i>Adjustment for:</i>			
Share of profit of an associate		(2,285,730)	(1,328,695)
Depreciation of property and equipment		414,495	215,006
Depreciation of investment property		159,751	146,075
Provision of employees' end of service benefits		697,101	725,874
Unrealised gain on financial assets at FVTPL		(867,596)	(242,976)
Impairment losses on available-for-sale investments		55,200	351,006
Income from investment property		(287,375)	(149,635)
Interest income		(3,205,144)	(3,310,643)
Dividend income		(625,630)	(415,792)
Gain on disposal of property and equipment		(34,015)	-
Unrealised gain on financial assets at HTM	6.1	(207,200)	-
		<u>27,334,092</u>	<u>21,992,491</u>
Change in re-insurance contract assets		5,061,295	(21,898,384)
Change in insurance contract liabilities		10,212,887	35,921,328
Change in insurance and other receivables		(33,720,511)	(19,577,230)
Change in insurance and other payables		19,922,268	22,586,515
Employees' end of service benefits paid		(1,783,954)	(5,940)
Net cash generated from operating activities		<u>27,026,077</u>	<u>39,018,780</u>
Cash flows from investing activities			
Purchase of property and equipment		(1,830,280)	(49,275)
Purchase of investment property		(1,367,666)	-
Proceeds from disposal of property and equipment		227,950	-
Income from investment property		287,375	149,635
Interest received		2,474,888	2,580,387
Dividend received		625,630	415,792
Decrease/(increase) in fixed deposit with banks with maturity greater than 3 months		2,627,142	(29,144)
Net cash (used in)/generated from investing activities		<u>3,045,039</u>	<u>3,067,395</u>
Cash flows from financing activities			
Dividend paid		(15,546,518)	(14,029,832)
Directors' remuneration paid		(1,140,000)	(1,140,000)
Net cash used in financing activities		<u>(16,686,518)</u>	<u>(15,169,832)</u>
Net increase in cash and cash equivalents		<u>13,384,598</u>	<u>26,916,343</u>
Cash and cash equivalents at the beginning of the period		<u>107,773,177</u>	<u>33,117,943</u>
Cash and cash equivalents at the end of the period	10	<u>121,157,775</u>	<u>60,034,286</u>

The notes on pages 7 to 14 form an integral part of these condensed interim financial information.

The independent auditors' review report is set out on page 1.

Ras Al Khaimah National Insurance Company P.S.C

Notes to the condensed interim financial information

for the nine-month period ended 30 September 2013

1. Legal status and principal activities

Ras Al Khaimah National Insurance Company P.S.C. - Ras Al Khaimah (the "Company") is a public shareholding company, incorporated in the Emirate of Ras Al Khaimah by Emiri decree No. 20 dated 26 October 1976 which was amended by Emiri decree No. 10 dated 7 December 1985 and Emiri decree No. 3 dated 5 April 1997 issued by H.H. Sheikh Saqr Bin Mohammed Al Qasimi, the Ruler of the Emirate of Ras Al Khaimah. The Company is subject to the regulations of U.A.E. Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of Its Operations and is registered in the Insurance Companies Register of Insurance Authority of U.A.E., under registration number 7. The address of the Company's registered corporate office is P. O. Box 506, Ras Al Khaimah, United Arab Emirates. The Company is listed on Abu Dhabi stock exchange, U.A.E.

The principal activity of the Company is to undertake all classes of insurance business including life assurance, saving and accumulation of funds. The Company operates through its head office in Ras Al Khaimah and branch offices in Dubai and Abu Dhabi.

2. Summary of significant accounting policies

a) Basis of preparation

These condensed interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

b) Basis of measurement

The condensed interim financial information have been prepared on the historical cost basis except for the following:

- i) financial instruments at fair value through profit and loss ("FVTPL") are measured at fair value; and
- ii) available-for-sale ("AFS") financial assets are measured at fair value.

c) Significant accounting policies

The accounting policies adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended 31 December 2012, except for the adoption of following new standards and interpretations effective as of 1 January 2013.

These include IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IAS 19 (Revised 2011) Employee Benefits, IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements. In addition, the application of IFRS 12 Disclosure of Interest in Other Entities would result in additional disclosures in the annual financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual financial statements; or the condensed interim financial information; of the Company.

d) Functional and presentation currency

These condensed interim financial information are presented in U.A.E. Dirhams ("AED") since that is the currency in which the majority of the Company's transactions are denominated.

Ras Al Khaimah National Insurance Company P.S.C

Notes (continued)

2. Summary of significant accounting policies (continued)

e) Use of estimates and judgments

The preparation of condensed interim financial information in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in the future periods effected.

In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended 31 December 2012.

3. Financial risk management

Aspects of the Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2012.

4. Interim measurement

The nature of the Company's business is such that income and expense are incurred in a manner, which is not impacted by any form of seasonality. These condensed interim financial information were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the year.

5. Classes and categories of financial assets and financial liabilities

The table below sets out the classification of each class of financial assets and liabilities:

At 30 September 2013 (Un-audited)

<u>Financial assets</u>	FVTPL AED	AFS AED	Amortised cost AED	Total AED
Financial assets	3,710,221	15,544,461	3,707,200	22,961,882
Insurance and other receivables	-	-	140,412,014	140,412,014
Re-insurance share of outstanding claims	-	-	51,191,892	51,191,892
Statutory deposit	-	-	10,000,000	10,000,000
Cash and bank balances	-	-	188,122,049	188,122,049
	<u>3,710,221</u>	<u>15,544,461</u>	<u>393,433,155</u>	<u>412,687,837</u>
<u>Financial liabilities</u>				
Insurance and other payables	-	-	65,240,740	65,240,740
Insurance contract liabilities	-	-	106,927,015	106,927,015
	<u>-</u>	<u>-</u>	<u>172,167,755</u>	<u>172,167,755</u>

Ras Al Khaimah National Insurance Company P.S.C

Notes (continued)

5. Classes and categories of financial assets and financial liabilities (continued)

At 31 December 2012 (Audited)

<u>Financial assets</u>	FVTPL AED	AFS AED	Amortised cost AED	Total AED
Financial assets	2,842,625	8,604,542	-	11,447,167
Insurance and other receivables	-	-	109,461,247	109,461,247
Re-insurance share of outstanding claims	-	-	59,606,137	59,606,137
Statutory deposit	-	-	10,000,000	10,000,000
Cash and bank balances	-	-	177,364,593	177,364,593
	<u>2,842,625</u>	<u>8,604,542</u>	<u>356,431,977</u>	<u>367,879,144</u>
<u>Financial liabilities</u>				
Insurance and other payables	-	-	45,864,990	45,864,990
Insurance contract liabilities	-	-	104,134,522	104,134,522
	<u>-</u>	<u>-</u>	<u>149,999,512</u>	<u>149,999,512</u>

6. Investment securities

	(Un-audited) 30 September 2013 AED	(Audited) 31 December 2012 AED
Financial assets at AFS - quoted - within UAE	15,544,461	8,604,542
Financial assets at FVTPL - quoted - within UAE	3,710,221	2,842,625
Financial assets at HTM (refer 6.1)	3,707,200	-
	<u>22,961,882</u>	<u>11,447,167</u>

- 6.1 During the period, a client of the Company has partially settled its overdue amount by transferring financial asset. The transaction took place at the fair value on an arm length basis. The financial asset has been classified as held-to-maturity and the Company has booked a fair value gain arising on initial recognition of AED 207,200, being fair valued based on exit price on the date of transfer.

Ras Al Khaimah National Insurance Company P.S.C

Notes (continued)

7. Fair value hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Financial assets - fair value	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
At 30 September 2013 (Un-audited)				
FVTPL	3,710,221	-	-	3,710,221
AFS	15,544,461	-	-	15,544,461
HTM	3,707,200	-	-	3,707,200
	<u>22,961,882</u>	<u>-</u>	<u>-</u>	<u>22,961,882</u>
At 31 December 2012 (Audited)				
FVTPL	2,842,625	-	-	2,842,625
AFS	8,604,542	-	-	8,604,542
HTM	-	-	-	-
	<u>11,447,167</u>	<u>-</u>	<u>-</u>	<u>11,447,167</u>

8. Insurance contract liabilities and insurance contract assets

	(Un-audited) 30 September 2013 AED	(Audited) 31 December 2012 AED
Insurance contract liabilities		
Claims reported unsettled	106,927,015	104,134,522
Claims incurred but not reported	3,583,278	5,206,727
Unearned premiums	92,451,396	83,407,553
Insurance contract liabilities	<u>202,961,689</u>	<u>192,748,802</u>
Insurance contract assets		
Claims reported unsettled	(51,191,892)	(59,606,137)
Claims incurred but not reported	(2,559,596)	(2,952,807)
Deferred reinsurance premiums	(37,769,541)	(34,023,380)
Total insurers' share of insurance contracts	<u>(91,521,029)</u>	<u>(96,582,324)</u>

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Notes (continued)

8. Insurance contract liabilities and re-insurance contract assets (continued)

Movements in the insurance contract liabilities and reinsurance contract assets during the period were as follows:

	Period ended 30 September 2013			Period ended 30 September 2012		
	Gross AED	Reinsurance AED	Net AED	Gross AED	Reinsurance AED	Net AED
Claims						
Notified claims	104,134,522	(59,606,137)	44,528,385	87,037,365	(38,273,136)	48,764,229
Incurred but not reported	5,206,727	(2,952,807)	2,253,920	4,351,869	(1,913,657)	2,438,212
Total at the beginning of the period	109,341,249	(62,558,944)	46,782,305	91,389,234	(40,186,793)	51,202,441
Claims settled in the period	(86,422,035)	28,783,845	(57,638,190)	(69,654,384)	18,983,226	(50,671,158)
Increase in liabilities	87,591,079	(19,976,389)	67,614,690	93,169,916	(39,917,614)	53,252,302
Total at the end of the period	110,510,293	(53,751,488)	56,758,805	114,904,766	(61,121,181)	53,783,585
Notified claims	106,927,015	(51,191,892)	55,735,123	109,433,110	(58,210,649)	51,222,461
Incurred but not reported	3,583,278	(2,559,596)	1,023,682	5,471,656	(2,910,532)	2,561,124
Total at the end of the period	110,510,293	(53,751,488)	56,758,805	114,904,766	(61,121,181)	53,783,585
Unearned premium						
Total at the beginning of the period	83,407,553	(34,023,380)	49,384,173	70,574,202	(31,832,788)	38,741,414
Increase during the period	92,451,396	(37,769,541)	54,681,855	66,471,837	(32,796,784)	33,675,053
Release during the period	(83,407,553)	34,023,380	(49,384,173)	(54,066,041)	31,832,788	(22,233,253)
Net increase during the period	9,043,843	(3,746,161)	5,297,682	12,405,796	(963,996)	11,441,800
Total at the end of the period	92,451,396	(37,769,541)	54,681,855	82,979,998	(32,796,784)	50,183,214

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Notes (continued)

9. Cash and bank balances

	(Un-audited)	(Audited)
	30 September	31 December
	2013	2012
	AED	AED
Cash in hand	<u>10,057</u>	<u>15,834</u>
Bank balances:		
Current accounts	(1,069,401)	2,666,662
Call accounts	20,108,524	11,561,548
Fixed deposits	<u>169,072,869</u>	<u>163,120,549</u>
	<u>188,111,992</u>	<u>177,348,759</u>
	<u>188,122,049</u>	<u>177,364,593</u>

Bank balances are maintained with financial institutions in the United Arab Emirates.

Fixed deposit of AED 300,000 (2012: AED 300,000) is under lien in respect of carrying out commercial activities in Abu Dhabi, United Arab Emirates.

Fixed deposit carried interest ranging from 1.5% to 3% per annum (2012: 3% to 6% per annum).

10. Cash and cash equivalents

Cash and cash equivalents at the end of the period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	(Un-audited)	(Audited)
	30 September	31 December
	2013	2012
	AED	AED
Cash and bank balances (refer note 9)	188,122,049	177,364,593
Bank fixed deposits with maturity greater than three months	(66,664,274)	(69,291,416)
Fixed deposits under lien	(300,000)	(300,000)
	<u>121,157,775</u>	<u>107,773,177</u>

11. Related party transactions

The Company is partly owned by Government of Ras Al Khaimah (47.06%). Government related entities are independently run business entities. The Company, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party as defined by International Accounting Standard 24 - (Revised). The Company's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

At the end of the reporting period, amounts due from/to related parties which are included in the respective account balances are detailed below:

	(Un-audited)	(Audited)
	30 September	31 December
	2013	2012
	AED	AED
Due from policyholders	26,354,466	18,382,523
Due to policyholders	620,306	141,088

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given and no expense has been recognised in the year for bad or doubtful debts in respect of the amounts owed by related parties.

Ras Al Khaimah National Insurance Company P.S.C

Notes (continued)

11. Related party transactions (continued)

Transactions

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

	(Un-audited) For the nine-month period ended 30 September 2013 AED	(Un-audited) For the nine-month period ended 30 September 2012 AED
Gross premiums	33,823,802	34,019,415
Claims paid	6,330,447	2,285,432

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

Compensation of key management personnel

Short-term benefits	904,268	900,000
Long-term benefits	57,329	87,580

12. Contingent liabilities

	(Un-audited) 30 September 2013 AED	(Audited) 31 December 2012 AED
Letters of guarantee*	<u>10,300,000</u>	<u>10,300,000</u>

*Includes AED 10,000,000 (2012: AED 10,000,000) issued in favour of Insurance Authority of U.A.E.

13. Earnings per share

	(Un-audited) For the nine-month period ended 30 September 2013 AED	(Un-audited) For the nine-month period ended 30 September 2012 AED
Profit for the period	<u>33,520,235</u>	<u>26,002,271</u>
Number of shares	<u>100,000,000</u>	<u>100,000,000</u>
Basic earnings per share	<u>0.34</u>	<u>0.26</u>

There will not be any effect of dilution on basic earnings per share.

14. Dividends

At the Annual General Meeting held on 24 April 2013, the Shareholders approved a cash dividend of 15% amounting to AED 15,000,000 for 2012 (2011: cash dividend of 15% amounting to AED 15,000,000). The Shareholders also approved the Board of Directors' remuneration for 2012 of AED 1,140,000 (2011: AED 1,140,000).

Ras Al Khaimah National Insurance Company P.S.C

Notes (continued)

15. Segment information

Business segments

For management purposes the Company is organised into two business segments, general insurance and investments. These segments are the basis on which the Company reports its primary segment information.

Underwriting of general insurance business incorporating all classes of general insurance including fire, marine, motor, general accident and miscellaneous.

Investments incorporating investments in U.A.E marketable equity securities, term deposits with banks, investment properties, trading investments and other securities.

	For the nine-month period ended 30 September 2013			For the nine-month period ended 30 September 2012		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
(Un-audited)						
Segment revenue	205,351,158	-	205,351,158	175,501,599	-	175,501,599
Segment result	30,704,964	7,923,668	38,628,632	24,318,797	5,791,175	30,109,972
Unallocated costs - net	-	-	(5,108,397)	-	-	(4,107,701)
Net profit for the period			33,520,235			26,002,271

	30 September 2013			31 December 2012		
	Underwriting AED	Investments (Un-audited) AED	Total AED	Underwriting AED	Investments (Audited) AED	Total AED
Segment assets	242,233,043	226,887,995	469,121,038	216,343,571	204,055,901	420,399,472
Unallocated assets	-	-	21,390,293	-	-	15,363,307
Total assets			490,511,331			435,762,779
Segment liabilities	268,202,429	-	268,202,429	238,613,792	-	238,613,792
Unallocated liabilities	-	-	4,201,727	-	-	5,288,580
Total liabilities			272,404,156			243,902,372

The following is an analysis of the Company's revenues classified by major underwriting departments:

	Three-month ended		Nine-month ended	
	30 September AED 2013	30 September AED 2012	30 September AED 2013	30 September AED 2012
(Un-audited)				
Motor	7,455,011	8,189,278	26,131,139	29,274,191
Marine and aviation	1,999,363	1,644,719	20,392,023	21,539,555
Group life and medical insurance	24,405,126	23,646,447	94,636,416	64,928,796
Engineering, fire, general accidents and others	8,795,712	11,712,380	64,191,580	59,759,057
	42,655,212	45,192,824	205,351,158	175,501,599

16. Comparative figures

Certain comparative figures have been reclassified where appropriate to conform with the presentation and accounting policies adopted in these condensed interim financial information.