

SHARJAH INSURANCE COMPANY P.S.C.

**Review report and interim
financial information for the
nine months period ended 30 September 2011**

SHARJAH INSURANCE COMPANY P.S.C.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of
Sharjah Insurance Company P.S.C.
Sharjah, U.A.E.

Introduction

We have reviewed the accompanying condensed statement of financial position of **Sharjah Insurance Company P.S.C. (a Public Shareholding Company) – Sharjah, United Arab Emirates** as at 30 September 2011 and the related condensed statements of income, comprehensive income, changes in equity and cash flows for the nine months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, “*Interim Financial Reporting*.” Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with International Accounting Standard 34, “*Interim Financial Reporting*”.

Deloitte & Touche (M.E.)



Samir Madbak
Registration No 386
19 October 2011

**Condensed statement of financial position
as at 30 September 2011**

	Notes	30 September 2011 (unaudited) AED	31 December 2010 (audited) AED
ASSETS			
Non-current assets			
Property and equipment		516,111	386,432
Investment properties	4	35,818,090	35,818,090
Available-for-sale investments	5	187,001,468	220,066,922
Statutory deposit	6	2,500,000	2,500,000
Total non-current assets		225,835,669	258,771,444
Current assets			
Re-insurance contract assets	7	60,940,223	75,921,589
Insurance and other receivables		63,906,426	50,571,064
Held for trading investments	5	55,420,039	54,112,353
Bank balances and cash	8	7,064,779	9,953,220
Total current assets		187,331,467	190,558,226
Total assets		413,167,136	449,329,670
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	137,500,000	137,500,000
Legal reserve		37,835,227	37,835,227
General reserve		30,000,000	30,000,000
Investment revaluation reserve		31,509,936	59,704,861
Retained earnings		5,855,868	15,104,886
Total capital and reserves		242,701,031	280,144,974
Non-current liabilities			
End of service benefits		2,043,020	1,926,703
Current liabilities			
Insurance contract liabilities	7	90,641,663	112,452,039
Insurance and other payables		51,484,026	53,586,389
Bank overdrafts	10	26,297,396	1,219,565
Total current liabilities		168,423,085	167,257,993
Total liabilities		170,466,105	169,184,696
Total equity and liabilities		413,167,136	449,329,670


.....
Managing Director


.....
General Manager

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

**Condensed statement of income (unaudited)
for the nine months period ended 30 September 2011**

	Notes	3 months period ended 30 September		9 months period ended 30 September	
		2011 AED	2010 AED	2011 AED	2010 AED
Insurance premium revenue	11	31,696,360	35,998,854	98,376,668	108,157,959
Insurance premium ceded to re-insurers	11	(15,229,257)	(15,473,682)	(46,635,543)	(46,105,337)
Net insurance premium revenue	11	16,467,103	20,525,172	51,741,125	62,052,622
Gross claims incurred		(25,551,723)	(35,569,749)	(79,935,840)	(95,577,571)
Reinsurance share of claims incurred		8,964,956	16,799,249	24,439,471	40,220,527
Net claims incurred		(16,586,767)	(18,770,500)	(55,496,369)	(55,357,044)
Commission income		3,826,187	5,086,180	17,278,424	19,655,227
Commission expenses		(870,847)	(2,436,326)	(3,530,829)	(7,456,332)
Net commission earned		2,955,340	2,649,854	13,747,595	12,198,895
Underwriting profit		2,835,676	4,404,526	9,992,351	18,894,473
General and administrative expenses relating to underwriting activities		(2,054,713)	(1,854,834)	(6,428,497)	(6,232,617)
Net underwriting profit		780,963	2,549,692	3,563,854	12,661,856
Investment income		3,220,221	2,934,312	13,030,548	10,927,939
Impairment loss on available for sale investments		(3,776,012)	-	(8,722,785)	(11,683,655)
Finance costs		(330,029)	(199,723)	(573,425)	(436,005)
Unallocated general and administrative expenses		(362,067)	(326,971)	(2,167,210)	(1,932,862)
(Loss)/profit for the period		(466,924)	4,957,310	5,130,982	9,537,273
Basic (loss)/earnings per share (AED)	12	(0.003)	0.04	0.04	0.07

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

**Condensed statement of comprehensive income (unaudited)
for the nine months period ended 30 September 2011**

	3 months period ended 30 September		9 months period ended 30 September	
	2011 AED	2010 AED	2011 AED	2010 AED
(Loss)/profit for the period	(466,924)	4,957,310	5,130,982	9,537,273
Other comprehensive (loss)/income:				
Transfer to condensed statement of income on sale of available-for-sale investments	1,737	365,638	4,168	1,181,954
Reclassification adjustment relating to available-for-sale investments impaired during the period	3,000,000	-	5,905,950	3,643,575
Net (loss)/gain on revaluation of available-for-sale investments	(12,146,985)	25,916,925	(34,105,043)	23,541,082
Board of Director's remuneration (note 17)	-	-	(630,000)	-
Total other comprehensive (loss)/income for the period	(9,145,248)	26,282,563	(28,824,925)	28,366,611
Total comprehensive (loss)/income for the period	(9,612,172)	31,239,873	(23,693,943)	37,903,884

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

SHARJAH INSURANCE COMPANY P.S.C.

**Condensed statement of changes in equity
for the nine months period ended 30 September 2011**

	Share capital AED	Legal reserve AED	General reserve AED	Investment revaluation reserve AED	Retained earnings AED	Total AED
Balance at 31 December 2009 (audited)	137,500,000	36,311,034	50,000,000	52,917,431	(4,862,851)	271,865,614
Profit for the period	-	-	-	-	9,537,273	9,537,273
Other comprehensive income for the period	-	-	-	28,366,611	-	28,366,611
Total comprehensive income for the period	-	-	-	28,366,611	9,537,273	37,903,884
Transfer to retained earnings	-	-	(20,000,000)	-	20,000,000	-
Dividends (note 17)	-	-	-	-	(13,750,000)	(13,750,000)
Balance at 30 September 2010 (unaudited)	137,500,000	36,311,034	30,000,000	81,284,042	10,924,422	296,019,498
Balance at 31 December 2010 (audited)	137,500,000	37,835,227	30,000,000	59,704,861	15,104,886	280,144,974
Profit for the period	-	-	-	-	5,130,982	5,130,982
Other comprehensive loss for the period	-	-	-	(28,194,925)	(630,000)	(28,824,925)
Total comprehensive loss for the period	-	-	-	(28,194,925)	4,500,982	(23,693,943)
Dividends (note 17)	-	-	-	-	(13,750,000)	(13,750,000)
Balance at 30 September 2011 (unaudited)	137,500,000	37,835,227	30,000,000	31,509,936	5,855,868	242,701,031

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

**Condensed statement of cash flows (unaudited)
for the nine months period ended 30 September 2011**

	9 months period ended 30 September	
	2011	2010
	AED	AED
Cash flows from operating activities		
Profit for the period	5,130,982	9,537,273
Adjustments for:		
Depreciation of property and equipment	175,627	112,503
Provision for end of service indemnity	129,231	125,233
Impairment loss on available-for-sale investments	8,722,785	11,683,655
Investment income	(13,030,548)	(10,927,939)
Finance costs	573,425	436,005
Operating cash flows before movement in working capital	1,701,502	10,966,730
Decrease/(increase) in reinsurance contract assets	14,981,366	(28,603,014)
Increase in insurance and other receivables	(13,335,362)	(11,395,002)
(Decrease)/increase in insurance contract liabilities	(21,810,376)	29,503,927
(Decrease)/increase in insurance and other payables	(2,215,853)	6,400,812
Net cash (used in)/generated from operations	(20,678,723)	6,873,453
End of service indemnity paid	(12,914)	(11,413)
Interest paid	(573,425)	(436,005)
Net cash (used in)/generated by operating activities	(21,265,062)	6,426,035
Cash flows from investing activities		
Purchase of property and equipment	(305,306)	(155,186)
(Increase)/decrease in held for trading investments	(1,307,686)	8,820,946
Income from investments held for trading	2,578,674	1,120,823
Purchase of available-for-sale of investments	(5,574,826)	(5,345,505)
Proceeds from disposal of available for-sale-investments	1,985,351	10,788,808
Dividends received	6,766,510	6,219,638
Investment property rental income	3,332,513	3,452,904
Interest received	90,070	122,221
Net cash from investing activities	7,565,300	25,024,649
Cash flows from financing activities		
Increase/(decrease) in bank overdrafts	25,077,831	(7,929,607)
Board of Directors' remuneration paid	(630,000)	-
Dividends paid	(13,636,510)	(13,644,798)
Net cash from/(used in) financing activities	10,811,321	(21,574,405)
Net (decrease)/increase in cash and cash equivalents	(2,888,441)	9,876,279
Cash and cash equivalents at beginning of the period	7,453,220	4,160,444
Cash and cash equivalents at end of the period (note 13)	4,564,779	14,036,723

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

SHARJAH INSURANCE COMPANY P.S.C.
Notes to the condensed financial statements
for the nine months period ended 30 September 2011

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1. General

Sharjah Insurance Company P.S.C. - Sharjah (the "Company") is incorporated as a public shareholding company by an Emiri Decree issued by His Highness, The Ruler of Sharjah on March 8, 1970. The Company is subject to the regulations of U.A.E. Federal Law No. 6 of 2007, concerning formation of Insurance Authority of U.A.E., and is registered in the Insurance Companies register of Insurance Authority of U.A.E., under registration No.12. The Company operates through its head office in Sharjah and has branches in Dubai and Ajman. The address of the Company's registered office is P.O. Box 792, Sharjah, United Arab Emirates.

The principal activity of the Company is dealing in all types of insurance including life assurance. The Company mainly carries out general insurance business.

2. New and revised IFRSs in issue but not yet effective and not early adopted

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

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 1 <i>Presentation of Financial Statements</i> : relating to grouping items recognised in other comprehensive income	1 July 2012
Deferred Tax: Recovery of Underlying Assets – <i>Amendments to IAS 12: Income Taxes</i>	1 January 2012
IAS 19 <i>Employee Benefits</i> (revised 2011)	1 January 2013
IAS 27 <i>Separate Financial Statements</i> (revised in 2011)	1 January 2013
IAS 28 <i>Investments in Associates and Joint Ventures</i> (revised in 2011)	1 January 2013
Amendments to IFRS 1: <i>Removal of Fixed Dates for First-Time Adopter</i>	1 July 2011
Amendments to IFRS 1: <i>Severe Hyperinflation</i>	1 July 2011
Amendments to IFRS 7 <i>Financial Instruments: Disclosures</i> , relating to Disclosures on Transfers of Financial Assets	1 July 2011
IFRS 9 <i>Financial Instruments</i> (as amended in 2010)	1 January 2013
IFRS 10 <i>Consolidated Financial Statements</i>	1 January 2013

**Notes to the condensed financial statements
for the nine months period ended 30 September 2011 (continued)**

2. New and revised IFRSs in issue but not yet effective and not early adopted (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 11 <i>Joint Arrangements</i>	1 January 2013
IFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
IFRS 13 <i>Fair Value Measurement</i>	1 January 2013

Management anticipates that these amendments will be adopted in the Company's condensed financial statements for the period beginning 1 January 2012 or as and when they are applicable and adoption of these standards and interpretations may have no material impact on the condensed financial statements of the Company in the period of initial application, except for the adoption of IFRS 9.

Management anticipates that IFRS 9 that will be adopted in the Company's condensed financial statements for the period beginning 1 January 2013 and that the application of the new Standard will have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. Summary of significant accounting policies

3.1 Basis of preparation

These condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) No. 34, "*Interim Financial Reporting*" and also comply with the applicable requirements of the laws in the U.A.E.

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

These condensed financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and investment properties which are stated at their fair value.

The accounting policies critical accounting judgements and key sources of estimation used in the preparation of these condensed financial statements are consistent with those used in the audited annual financial statements for the year ended 31 December 2010.

These condensed financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements as at and for the year ended 31 December 2010. In addition, results for the nine month period ended 30 September 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2010.

**Notes to the condensed financial statements
for the nine months period ended 30 September 2011 (continued)**

3. Summary of significant accounting policies (continued)

3.1 Basis of preparation (continued)

As required by the Securities and Commodities Authority (“SCA”) notification dated 12 October 2008, accounting policies related to investment in securities, investment properties and property and equipment as disclosed in the year end financial statements have been disclosed in paragraph 3.2 to 3.4 below.

3.2 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, is measured at cost including transaction costs. Subsequent to initial recognition the investment property is measured at its fair value. Gains or losses arising from changes in the fair value of investment property are included in the condensed statement of income, in the period in which they arise.

3.3 Investments in securities

Investment in securities of the Company are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial assets is either held for trading or designated as at FVTPL.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

**Notes to the condensed financial statements
for the nine months period ended 30 September 2011(continued)**

3. Summary of significant accounting policies (continued)

3.3 Investments in securities (continued)

Financial assets at FVTPL (continued)

The Company has classified financial assets at FVTPL as held for trading investments. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'investment and other income/loss' line item in the statement of income.

AFS financial assets

Listed shares held by the Company that are traded in an active market are classified as being AFS and are stated at fair value. The Company also has investments in unlisted shares that are not traded in an active market but are also classified as AFS financial assets and stated at fair value because Management considers that fair value can be reliably measured. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve with the exception of impairment losses, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated investment revaluation reserve is reclassified to profit or loss.

3.4 Property and equipment

Property and equipment are carried at cost less any accumulated depreciation and any identified impairment losses.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method. 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 gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The useful life considered in the calculations of depreciation of all assets is 4 years.

4. Investment properties

Investment properties include properties mortgaged to Insurance Authority of U.A.E. amounting to AED 7.7 million (31 December 2010: AED 7.7 million) in accordance with the requirements of U.A.E. Federal Law No. 6 of 2007, concerning formation of Insurance Authority of U.A.E.

Investment properties are located in U.A.E.

**Notes to the condensed financial statements
for the nine months period ended 30 September 2011 (continued)**

5. Investments in securities

5.1 Available-for-sale investments

The geographical distribution of available-for-sale investments is as follows:

	30 September 2011 (unaudited) AED	31 December 2010 (audited) AED
Within U.A.E.	163,534,313	189,384,482
Outside U.A.E.	23,467,155	30,682,440
	187,001,468	220,066,922

5.1.1 Reclassification of investments

During the year 2008, the Company had reconsidered its investment strategy and accordingly the Company adopted the amendments to IAS 39, which permits to reclassify in particular circumstances, held for trading investments for which change in fair value is recognised in the condensed statement of income to available-for-sale investments for which the change in the fair value is recognised under other comprehensive income as investment revaluation reserve.

	30 September 2011 (unaudited) AED	30 September 2010 (unaudited) AED
Fair value of reclassified investments as of 1 January	43,944,851	45,962,292
Impairment loss recognised on reclassified investments	(5,323,696)	(4,974,368)
Sold during the period	(1,718,400)	(1,388,498)
Change in fair value	(1,329,156)	2,735,032
Fair value of reclassified investments at the end of 30 September	35,573,599	42,334,458

As a result of the above, profit for the period has increased by AED 1,329,156 (9 month period ended 30 September 2010: decreased by AED 2,735,032).

**Notes to the condensed financial statements
for the nine months period ended 30 September 2011 (continued)**

5. Investments in securities (continued)

5.21 Held for trading investments

Held for trading investments comprise the following:

	30 September 2011 (unaudited) AED	31 December 2010 (audited) AED
Within U.A.E.	9,296,783	9,042,558
In other G.C.C. countries	46,123,256	45,069,795
	<u>55,420,039</u>	<u>54,112,353</u>

6. Statutory deposit

Statutory deposit is maintained in accordance with the requirements of U.A.E. Federal Law No. 6 of 2007 concerning the formation of Insurance Authority of U.A.E.

7. Insurance contract liabilities and re-insurance contract assets

	30 September 2011 (unaudited) AED	31 December 2010 (audited) AED
Insurance contract liabilities		
- Claims reported unsettled	34,485,802	53,616,050
- Claims incurred but not reported	3,000,000	3,000,000
- Unearned premiums	53,155,861	55,835,989
	<u>90,641,663</u>	<u>112,452,039</u>
Recoverable from re-insurers		
- Claims reported unsettled	33,681,105	48,943,558
- Unearned premiums	27,259,118	26,978,031
	<u>60,940,223</u>	<u>75,921,589</u>
Net		
- Claims reported unsettled	804,697	4,672,492
- Claims incurred but not reported	3,000,000	3,000,000
- Unearned premiums	25,896,743	28,857,958
	<u>29,701,440</u>	<u>36,530,450</u>

**Notes to the condensed financial statements
for the nine months period ended 30 September 2011 (continued)**

8. Bank balances and cash

	30 September 2011 (unaudited) AED	31 December 2010 (audited) AED
Cash on hand	24,734	5,459
Bank balances:		
Current accounts	4,293,632	7,162,635
Call accounts	246,413	285,126
Fixed deposits	2,500,000	2,500,000
	<u>7,040,045</u>	<u>9,947,761</u>
	<u>7,064,779</u>	<u>9,953,220</u>
Bank balances are held with:		
Banks in U.A.E.	4,213,949	4,678,673
Banks in other G.C.C. countries	2,826,096	5,269,088
	<u>7,040,045</u>	<u>9,947,761</u>

9. Share capital

	30 September 2011 (unaudited) AED	31 December 2010 (audited) AED
Authorised, issued and fully paid: 137,500,000 shares of AED 1 each	137,500,000	137,500,000

10. Bank overdrafts

The bank credit facilities are secured by lien over fixed deposit of AED 2.5 million (31 December 2010: AED 2.5 million), pledge over available-for-sale investments having a fair value of AED 32.5 million (31 December 2010: AED 14.1 million), custody over the original title deeds of investment properties having a fair value of AED 15.5 million (31 December 2010: AED 15.5 million).

Notes to the condensed financial statements
for the nine months period ended 30 September 2011 (continued)

11. Net insurance premium revenue

	3 month period ended 30 September		9 month period ended 30 September	
	2011 (unaudited) AED	2010 (unaudited) AED	2011 (unaudited) AED	2010 (unaudited) AED
Gross premium written				
Gross premium written	21,539,329	28,869,921	95,696,540	112,193,147
Change in unearned premium	10,157,031	7,128,933	2,680,128	(4,035,188)
	<u>31,696,360</u>	<u>35,998,854</u>	<u>98,376,668</u>	<u>108,157,959</u>
Reinsurance premium ceded				
Reinsurance premium ceded	(9,460,695)	(12,253,506)	(46,916,630)	(50,965,607)
Change in unearned premium	(5,768,562)	(3,220,176)	281,087	4,860,270
	<u>(15,229,257)</u>	<u>(15,473,682)</u>	<u>(46,635,543)</u>	<u>(46,105,337)</u>
Net insurance premium revenue	<u>16,467,103</u>	<u>20,525,172</u>	<u>51,741,125</u>	<u>62,052,622</u>

12. Basic (loss)/earnings per share

	3 month period ended 30 September		9 month period ended 30 September	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
(Loss)/profit for the period (in AED)	<u>(466,924)</u>	<u>4,957,310</u>	<u>5,130,982</u>	<u>9,537,273</u>
Number of shares	<u>137,500,000</u>	<u>137,500,000</u>	<u>137,500,000</u>	<u>137,500,000</u>
Basic (loss)/earnings per share (in AED)	<u>(0.003)</u>	<u>0.04</u>	<u>0.04</u>	<u>0.07</u>

Notes to the condensed financial statements
for the nine months period ended 30 September 2011(continued)

13. Cash and cash equivalents

	9 months period ended 30 September	
	2011 (unaudited) AED	2010 (unaudited) AED
Bank balances and cash	7,064,779	16,536,723
Fixed deposits under lien	(2,500,000)	(2,500,000)
	<u>4,564,779</u>	<u>14,036,723</u>

14. Related party transactions

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

At the reporting date, due from/to related parties were as follows:

	30 September 2011 (unaudited) AED	31 December 2010 (audited) AED
Due from policyholders	1,022,862	1,191,871
Due to policyholders	72,700	31,316

Transactions

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

	3 months period ended 30 September		9 months period ended 30 September	
	2011 (unaudited) AED	2010 (unaudited) AED	2011 (unaudited) AED	2010 (unaudited) AED
Gross premiums written	1,514,471	266,108	1,514,471	1,630,496
Claims paid	-	415,475	469,450	1,068,435
Directors' fees	-	200,000	200,000	200,000
Remuneration of key management personnel	150,000	150,000	450,000	450,000

**Notes to the condensed financial statements
for the nine months period ended 30 September 2011 (continued)**

15. Segment information

The Company is organised into two main business segments:

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. Finance costs for utilizing bank facilities for investment purposes is reduced from investment income.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3 to the annual audited financial statements of the Company.

Notes to the condensed financial statements
for the nine months period ended 30 September 2011(continued)

15. Segment information (continued)

For the nine months period ended 30 September 2011 (unaudited)

	Underwriting (AED)					Investments	Total
	Accident and liabilities	Fire	Marine	Others	Total	AED	AED
Segment revenue	<u>73,982,502</u>	<u>17,440,058</u>	<u>3,090,212</u>	<u>1,183,768</u>	<u>95,696,540</u>	-	<u>95,696,540</u>
Segment result (net)	<u>(728,811)</u>	<u>3,859,311</u>	<u>34,223</u>	<u>399,131</u>	<u>3,563,854</u>	<u>3,734,338</u>	<u>7,298,192</u>
Unallocated costs							<u>(2,167,210)</u>
Profit for the period							<u>5,130,982</u>
As at 30 September 2011 (unaudited)							
Segment assets					<u>127,346,649</u>	<u>283,813,296</u>	<u>411,159,945</u>
Unallocated assets							<u>2,007,191</u>
Total assets							<u>413,167,136</u>
Segment liabilities					<u>142,125,689</u>	<u>26,297,396</u>	<u>168,423,085</u>
Unallocated liabilities							<u>2,043,020</u>
Total liabilities							<u>170,466,105</u>

**Notes to the condensed financial statements
for the nine months period ended 30 September 2011 (continued)**

15. Segment information (continued)

For the nine months period ended 30 September 2010 (unaudited)

	Underwriting (AED)					Investments	Total
	Accident and liabilities	Fire	Marine	Others	Total	AED	AED
Segment revenue	<u>87,764,621</u>	<u>19,049,638</u>	<u>3,849,268</u>	<u>1,529,620</u>	<u>112,193,147</u>	-	<u>112,193,147</u>
Segment result (net)	<u>8,412,350</u>	<u>2,444,812</u>	<u>1,134,828</u>	<u>669,866</u>	<u>12,661,856</u>	<u>(1,191,721)</u>	<u>11,470,135</u>
Unallocated costs							<u>(1,932,862)</u>
Profit for the period							<u>9,537,273</u>
As at 31 December 2010 (audited)							
Segment assets					<u>128,992,653</u>	<u>318,052,769</u>	<u>447,045,422</u>
Unallocated assets							<u>2,284,248</u>
Total assets							<u>449,329,670</u>
Segment liabilities					<u>166,038,428</u>	<u>1,219,565</u>	<u>167,257,993</u>
Unallocated liabilities							<u>1,926,703</u>
Total liabilities							<u>169,184,696</u>

There are no transactions between the business segments

**Notes to the condensed financial statements
for the nine months period ended 30 September 2011 (continued)**

16. Seasonality of results

Investment income includes dividend income of AED 6,766,510 (30 September 2010: AED 6,219,638), which is of a seasonal nature.

17. Dividend

At the annual general meeting held on 2 March 2011, the Shareholders approved a cash dividend of 10% amounting to AED 13.75 million for 2010 (2010: cash dividend of 10% amounting to AED 13.75 million for 2009) and Board of Directors' remuneration amounting to AED 630,000 (2009: Nil).

18. Contingent liabilities

	30 September 2011 (unaudited) AED	31 December 2010 (audited) AED
Letters of guarantee	246,091	246,091

19. Approval of condensed financial statements

The condensed financial statements were approved and authorised for issue on 19 October 2011.