Al-Sagr National Insurance Company
(Public Shareholding Company)
and its subsidiary

Condensed consolidated interim financial information

for the three-month period ended 31 March 2014

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim financial information

for the three-month period ended 31 March 2014

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Independent auditors' report on review of condensed consolidated interim financial information

The Shareholders
Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Introduction

We have reviewed the accompanying 31 March 2014 condensed consolidated interim financial information of Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary (the "Group"), consisting of:

- the condensed consolidated interim statement of financial position as at 31 March 2014;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2014;
- the condensed consolidated interim statement of comprehensive income for the three-month period ended 31 March 2014;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2014;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2014; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated 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 consolidated 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 31 March 2014 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

The condensed consolidated interim financial information for the three-month period ended 31 March 2013 and the consolidated financial statements for the year ended 31 December 2013 were reviewed and audited respectively by another auditor who expressed an unmodified review conclusion on the condensed consolidated interim financial information for the three-month period ended 31 March 2013 on 13 May 2013 and an unmodified audit opinion on the consolidated financial statements for the year ended 31 December 2013 on 25 March 2014.

KPMG

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No: 793
1 4 MAY 2014

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of financial position

as at 31 March 2014

	Note	31 March 2014 AED (Unaudited)	31 December 2013 AED (Audited)
ASSETS			
Non-current assets			
Property and equipment		**7,046,299**	5,701,454
Investment properties	*5*	**170,000,000**	170,000,000
Investment in associates	*6*	**541,010**	541,010
Investment in financial assets	*7*	**9,236,597**	9,236,597
Total non-current assets		**186,823,906**	185,479,061
Current assets			
Reinsurance contract assets	*10*	**182,584,775**	157,010,552
Insurance and other receivables		**257,252,971**	222,310,719
Due from related parties	*15*	**162,921,943**	166,488,762
Financial asset at fair value through profit or loss	*7*	**213,022,036**	194,871,884
Bank balances and cash	*11*	**333,016,983**	335,968,453
Total current assets		**1,148,798,708**	1,076,650,370
TOTAL ASSETS		**1,335,622,614**	1,262,129,431
EQUITY AND LIABILITIES			
Equity			
Share capital	*12*	**230,000,000**	230,000,000
Statutory reserve		**57,505,110**	57,505,110
General reserve		**200,000,000**	200,000,000
Investments revaluation reserve		**(1,298,925)**	(1,298,925)
Retained earnings		**169,976,789**	136,915,271
Equity attributable to shareholders of the Company		**656,182,974**	623,121,456
Non-controlling interests		**1,285,141**	1,282,199
Total equity		**657,468,115**	624,403,655
Non-current liabilities			
Due to related parties	*15*	**1,760,139**	419,174
Provision for employees' end of service indemnity		**11,985,161**	11,060,017
Total non-current liabilities		**13,745,300**	11,479,191
Current liabilities			
Insurance contract liabilities	*10*	**316,127,788**	293,348,157
Bank borrowings		**245,101,795**	235,458,953
Insurance and other payables		**103,179,616**	97,439,475
Total current liabilities		**664,409,199**	626,246,585
Total liabilities		**678,154,499**	637,725,776
Total equity and liabilities		**1,335,622,614**	1,262,129,431

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

These condensed consolidated financial information were approved and authorised for issue by the Board of Directors on 14-5-2014 and signed on their behalf by:

Director and CEO

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of profit or loss

for the three-month period ended 31 March 2014

	Three-month period ended 31 March 2014 AED (Un-audited)	Three-month period ended 31 March 2013 AED (Un-audited)
UNDERWRITING RESULTS		
Underwriting income		
Gross insurance premium	**119,910,508**	145,599,860
Less: insurance premium ceded to reinsurers	**(59,044,944)**	(64,675,326)
Net retained premium	**60,865,564**	80,924,534
Net change in unearned premium reserve	**(5,414,923)**	(13,653,302)
Net premium earned	**55,450,641**	67,271,232
Commission received on ceded reinsurance	**23,557,031**	22,873,662
	79,007,672	90,144,894
Underwriting expenses		
Gross claims paid	**(72,573,730)**	(72,014,188)
Less: claims recovered from reinsurers	**16,031,550**	18,312,631
Net claims paid	**(56,542,180)**	(53,701,557)
Net change in outstanding claims	**8,209,517**	(34,418)
Net claims incurred	**(48,332,663)**	(53,735,975)
Commission paid and other costs	**(10,181,247)**	(13,132,637)
	(58,513,910)	(66,868,612)
Underwriting income before general and administrative expense	**20,493,762**	23,276,282
General and administrative expenses	**(10,517,395)**	(9,639,692)
Net under writing income	**9,976,367**	13,636,590
Income from investments	**31,661,341**	14,355,209
Other (loss) / income	**(3,632,392)**	133,272
Finance costs	**(2,311,507)**	(2,235,121)
Unallocated general and administrative expenses	**(2,629,349)**	(3,063,658)
Profit for the period	**33,064,460**	22,826,292
Attributable to:		
Shareholders of the Company	**33,061,518**	22,700,714
Non-controlling interest	**2,942**	125,578
	33,064,460	22,826,292
Basic earnings per share (AED)	**0.14**	0.10

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of comprehensive income

for the three-month period ended 31 March 2014

	Three-month period ended 31 March 2014 AED (Un-audited)	Three-month period ended 31 March 2013 AED (Un-audited)
Profit for the period	**33,064,460**	22,826,292
Other comprehensive income		
Items that will be reclassified to profit or loss :		
Net change in fair value of available-for-sale investments	**-**	-
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period	**33,064,460**	22,826,292
Attributable to:		
Shareholders	**33,061,518**	22,700,714
Non-controlling interest	**2,942**	125,578
	33,064,460	22,826,292

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of changes in equity (Un-audited)

for the three-month period ended 31 March 2014

	Attributable to the equity holders of the Company							
	Share capital AED	Statutory reserve AED	General reserve AED	Investment revaluation reserve AED	Retained earnings AED	Total AED	Non-controlling interest AED	Total equity AED
Balance at 1 January 2013 (Audited)	230,000,000	52,011,356	200,000,000	(1,298,925)	106,449,561	587,161,992	4,146,458	591,308,450
Total comprehensive income for the period								
Profit for the period	-	-	-	-	22,700,714	22,700,714	125,578	22,826,292
Other comprehensive income								
Movement in net change in fair value of available-for-sale investments	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	22,700,714	22,700,714	125,578	22,826,292
Balance at 31 March 2013 (Un-audited)	230,000,000	52,011,356	200,000,000	(1,298,925)	129,150,275	609,862,706	4,272,036	614,134,742

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of changes in equity (Un-audited)

for the three-month period ended 31 March 2014

	Attributable to the equity holders of the Company							
	Share capital AED	**Statutory reserve AED**	**General reserve AED**	**Investment revaluation reserve AED**	**Retained earnings AED**	**Total AED**	**Non-controlling interest AED**	**Total equity AED**
Balance at 1 January 2014 (Audited)	230,000,000	57,505,110	200,000,000	(1,298,925)	136,915,271	623,121,456	1,282,199	624,403,655
Total comprehensive income for the period								
Profit for the period	-	-	-	-	33,061,518	33,061,518	2,942	33,064,460
Other comprehensive income								
Movement in net change in fair value of available-for-sale investments	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	33,061,518	33,061,518	2,942	33,064,460
Balance at 31 March 2014 (Un-audited)	230,000,000	57,505,110	200,000,000	(1,298,925)	169,976,789	656,182,974	1,285,141	657,468,115

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of cash flows

for the three-month period ended 31 March 2014

	Three month period ended 31 March 2014 AED (Un-audited)	Three month period ended 31 March 2013 AED (Un-audited)
Cash flows from operating activities		
Profit for the period	**33,064,460**	22,826,292
Adjustment for:		
Depreciation	**357,662**	425,839
Net income from investments	**(28,260,378)**	(14,355,209)
Interest income	**(2,375,596)**	(2,174,071)
Dividend income	**(695,756)**	(1,182,137)
Provision for employees' end of service indemnity	**1,042,539**	390,402
Finance costs	**2,311,507**	2,235,121
Operating cash flows before movements in working capital	**5,444,438**	8,166,237
Increase in reinsurance contract assets	**(25,574,223)**	(54,948,361)
Increase in insurance and other receivables	**(34,942,252)**	(51,774,530)
Decrease / (increase) in due from related parties	**3,566,819**	(49,156)
Decrease in fixed deposits with bank	**27,345,676**	165,015,304
Increase in insurance contract liabilities	**22,779,631**	68,636,081
Increase in insurance and other payables	**5,740,141**	18,576,879
Increase / (decrease) in due to related parties	**1,340,965**	(1,082)
Cash generated from operations	**5,701,195**	153,621,372
Interest paid	**(2,311,507)**	(2,235,121)
Employees' end of service indemnity paid	**(117,395)**	(72,059)
Net cash from operating activities	**3,272,293**	151,314,192
Cash flows from investing activities		
Net proceeds from / (investment in) sale of securities	**10,110,226**	(8,355,839)
Net proceeds from disposal of investment properties	**-**	29,000,000
Purchase of property and equipment	**(1,702,507)**	(25,684)
Dividends received	**695,756**	1,182,137
Interest received	**2,375,596**	2,174,071
Net cash flows from investing activities	**11,479,071**	23,974,685
Cash flows from financing activities		
Increase in bank borrowings	**9,642,842**	14,754,363
Net cash flows from financing activities	**9,642,842**	14,754,363
Net increase in cash and cash equivalents	**24,394,206**	190,043,240
Cash and cash equivalents at 1 January	**25,145,712**	21,253,990
Cash and cash equivalents at 31 March (note 11)	**49,539,918**	211,297,230

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

1 Legal status and activities

AI-Sagr National Insurance Company (Public Share holding Company), Dubai (the "Company") was incorporated on 25 December 1979 as a public shareholding company by an Emiri Decree from His Highness, The Ruler of Dubai, and is registered with the Ministry of Economy of the United Arab Emirates under registration No. (16). The Company's address in Dubai is P.O. Box 14614, Dubai, U.A.E. The Company is a subsidiary of Gulf General Investments Company (the "Parent Company"), a public company incorporated in U.A. E.

The principal activity of the Company is the writing of insurance of all types. The Company operates through its Head Office in Dubai and its branches in Dubai, Sharjah, Abu Dhabi, Al Ain, Ras Al Khaima and Ajman in the U.A.E.

The condensed interim consolidated financial information incorporate the condensed interim financial information of the Company and its subsidiary (collectively referred to as "the Group"). Details of subsidiary are as follows:

		Group's Ownership		
Name of subsidiary	**Activity**	**31 March 2014**	31 December 2013	**Country of incorporation**
Jordan Emirates Insurance Company PSC	Underwriting of insurance of all types	**88.90%**	88.90%	Jordan

2 Basis of preparation

a) Statement of compliance

These condensed consolidated 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 audited financial statements, and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

b) Basis of measurement

These condensed consolidated interim financial information have been prepared on the historical cost basis except for the following which are measured at fair value :

i) financial instruments at fair value through profit and loss ("FVTPL") are measured at fair value;
ii) available-for-sale ("AFS") financial assets are measured at fair value; and
iii) held-to-maturity ("HTM") financial assets are measured at amortised cost.

c) Functional and presentation currency

These condensed consolidated interim financial information are presented in UAE Dirham (AED), which is the functional currency. Except as otherwise indicated, financial information are presented in AED.

Notes (*continued*)

2 Basis of preparation (continued)

d) Use of estimates and judgements

The preparation of these condensed consolidated 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 a 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 consolidated interim financial information, the significant judgments made by management in applying the Group'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 2013.

3 Financial risk management

Aspects of the Group'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 2013.

4 Interim measurement

The nature of the Group's business is such that income and expense are incurred in a manner, which is not materially impacted by any form of seasonality. These condensed consolidated 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. However, the interim results may not represent a proportionate share of the annual profits due to variability in contributions and investment income and uncertainty of claims occurrences.

5 Investment properties

	(Un-audited) 31 March 2014 AED	(Audited) 31 December 2013 AED
Cost at the beginning of the period / year	**264,153,951**	305,347,114
Disposal during the period / year	**-**	(41,193,163)
Cost at the end of the period / year	**264,153,951**	264,153,951
Net loss on revaluation of investment properties	**(94,153,951)**	(94,153,951)
	170,000,000	170,000,000

The Group has an investment property, Meydan Tower, a property located in Dubai controlled by GGICO Real Estate Development Co. L.L.C. in which the Group has a 10% ownership share. The Carrying value of the property is AED 80 million as at 31 March 2014 (31 December 2013: AED 80 million). The Group has additional commitment of AED 46 million as at 31 March 2014 (31 December 2013: AED 46 million) in relation to the property.

Fair value hierarchy of the Group's investment properties are as follows:

At 31 March 2014	**Level 1 AED**	**Level 2 AED**	**Level 3 AED**	**Total AED**
Investments properties	**-**	**-**	**170,000,000**	**170,000,000**

At 31 December 2013	**Level 1 AED**	**Level 2 AED**	**Level 3 AED**	**Total AED**
Investments properties	-	-	170,000,000	170,000,000

6 Investment in associates

	(Un-audited) 31 March 2014 AED	(Audited) 31 December 2013 AED
Green Air Technology L.L.C, United Arab Emirates (note 6(a))	**391,010**	391,010
Sogour Al Khaleej General Trading Company, United Arab Emirates (note 6(b))	**150,000**	150,000
Total	**541,010**	541,010

6(a) The Group holds 50% ownership in Green Air Technology L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates. The remaining 50% ownership is owned equally by the Parent Company and the CEO of the Company. The 50% share is registered in the name of the Parent Company on behalf and for the benefit of the Company.

6(b) The Group holds 50% ownership in Sogour Al Khaleej General Trading L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates. The main activity of the Company is general trading. The remaining 50% ownership is owned by the Parent Company.

Although, the Group holds 50% equity in 2 associates, these are controlled by the Parent Company. The Group does not participate in the financial and operating policy decisions of these entities. Consequently, the Group does not exercise any control on these entities.

7 Investments in securities

	(Un-audited) 31 March 2014 AED	(Audited) 31 December 2013 AED
Financial asset at fair value through profit or loss (note 7.1)	**213,022,036**	194,871,884
Investment in financial assets	**9,236,597**	9,236,597
	222,258,633	204,108,481

7.1 During the period, the Group sold some shares worth 7.2 million, which resulted in a realised gain of AED 4.5 million. As at 31 March 2014, the revaluation of investment securities resulted in an unrealised gain of AED 23.8 million for the three-month period ended 31 March 2014 (three-month period ended 31 March 2013: AED 10.3million). During the period, Group has received dividend income of AED 0.69 million (three-month period ended 31 March 2013: AED 1.2 million) on its investments in securities.

8 Classes and categories of financials assets and financial liabilities

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

At 31 March 2014 (Un-audited)

Financial assets	**FVTPL**	**AFS**	**Amortised cost**	**Total**
	AED	**AED**	**AED**	**AED**
Investment in financial assets	-	9,236,597	-	9,236,597
Reinsurance contract assets	-	-	182,584,775	182,584,775
Insurance and other receivables	-	-	257,252,971	257,252,971
Due from related parties	-	-	162,921,943	162,921,943
Financial asset at fair value through profit	213,022,036	-	-	213,022,036
Bank balances and cash	-	-	333,016,983	333,016,983
	213,022,036	**9,236,597**	**935,776,672**	**1,158,035,305**

At 31 March 2014 (Un-audited)

Financial liabilities	**FVTPL**	**AFS**	**Amortised cost**	**Total**
	AED	**AED**	**AED**	**AED**
Due to related parties	-	-	1,760,139	**1,760,139**
Insurance contract liabilities	-	-	316,127,788	**316,127,788**
Bank borrowings	-	-	245,101,795	**245,101,795**
Insurance and other payables	-	-	103,179,616	**103,179,616**
	-	-	**666,169,338**	**666,169,338**

8 Classes and categories of financials assets and financial liabilities (continued)

At 31 December 2013 (Audited)

Financial assets	FVTPL	AFS	Amortised cost	Total
	AED	AED	AED	AED
Investment in financial assets	-	9,236,597	-	9,236,597
Reinsurance contract assets	-	-	157,010,552	157,010,552
Insurance and other receivables	-	-	222,310,719	222,310,719
Due from related parties	-	-	166,488,762	166,488,762
Financial asset at fair value through profit or loss	194,871,884	-	-	194,871,884
Bank balances and cash	-	-	335,968,453	335,968,453
	194,871,884	9,236,597	881,778,486	1,085,886,967

Financial liabilities	FVTPL	AFS	Amortised cost	Total
	AED	AED	AED	AED
Due to related parties	-	-	419,174	419,174
Insurance contract liabilities	-	-	293,348,157	293,348,157
Bank borrowings	-	-	235,458,953	235,458,953
Insurance and other payables	-	-	97,439,475	97,439,475
	-	-	626,665,759	626,665,759

9 Fair value of financial instruments

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Partnership has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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:

Investments securities	**Level 1 AED**	**Level 2 AED**	**Level 3 AED**	**Total AED**
31 March 2014 (Un-audited)				
Held for trading	**213,022,036**	**-**	**-**	**213,022,036**
Investment in financial assets	**-**	**-**	**9,236,597**	**9,236,597**
	213,022,036	**-**	**9,236,597**	**222,258,633**
31 December 2013 (Audited)				
Held for trading	194,871,884	-	-	194,871,884
Investment in financial assets	-	-	-	-
	194,871,884	-	-	194,871,884

10 Insurance contract liabilities and reinsurance contract assets

	(Un-audited) 31 March 2014 AED	(Audited) 31 December 2013 AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	**178,764,747**	162,605,790
Claims incurred but not reported	**7,340,565**	11,767,120
Unearned premiums	**130,022,476**	118,975,247
Total insurance contract liabilities (gross)	**316,127,788**	293,348,157
Recoverable from reinsurers		
Claims reported unsettled	**(132,271,859)**	(112,329,943)
Unearned premiums	**(50,312,916)**	(44,680,609)
Total recoverable from reinsurers	**(182,584,775)**	(157,010,552)
Net		
Claims reported unsettled	**46,492,888**	50,275,847
Claims incurred but not reported	**7,340,565**	11,767,120
Unearned premiums	**79,709,560**	74,294,638
	133,543,013	136,337,605

11 Bank balances and cash

	(Un-audited) 31 March 2014 AED	(Audited) 31 December 2013 AED
Cash on hand	**573,215**	952,592
Bank balances:		
Current accounts	**2,841,819**	8,201,785
Fixed deposits	**329,601,949**	326,814,076
	333,016,983	335,968,453

Fixed deposits with banks as at 31 March 2014 include AED 10.3 million (31 December 2013: AED 10.3 million) deposited in the name of the Company to the order of the Ministry of Economy and Trade of the United Arab Emirates as required by the Federal Law Number (6) of 2007 relating to Insurance Authority.

Fixed deposits amounting to AED 300.7 million (31 December 2013: AED 298 million) are under lien in respect of bank credit facilities granted to the Group.

All fixed deposits with banks mature within different periods not exceeding one year from the financial date of deposit and carry interest rates between 3.0% to 5.5% per annum (31 December 2013: 2.25% to 3.3% per annum).

11 Bank balances and cash (continued)

For cash flow purposes, the cash and cash equivalents analysed as follows;

	(Un-audited) 31 March 2014 AED	(Un-audited) 31 March 2013 AED
Bank balances and cash	**333,016,983**	314,497,762
Long term fixed deposits	**(283,477,065)**	(103,200,532)
Cash and cash equivalents	**49,539,918**	211,297,230

12 Share capital

	(Un-audited) 31 March 2014 AED	(Audited) 31 December 2013 AED
Issued and fully paid:		
230,000,000 shares of AED 1 each (31 December 2013: 230,000,000 share of AED 1 each)	**230,000,000**	230,000,000

13 Basic earnings per share

	(Un-audited) Three-month period ended 31 March 2014 AED	(Un-audited) Three-month period ended 31 March 2013 AED
Profit for the period / year attributable to equity holders of the Parent- AED	**33,061,518**	22,700,714
Weighted average number of shares	**230,000,000**	230,000,000
Basic earnings per share - AED	**0.14**	0.10

Basic earnings per share are calculated by dividing the profit for the period attributable to shareholders by the weighted average number of shares outstanding at reporting date.

14 Contingent liabilities and commitments

	(Un-audited) 31 March 2014 AED	(Audited) 31 December 2013 AED
Letters of guarantee	**13,317,066**	15,183,512
Investment commitment	**46,610,000**	46,610,000

15 Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 24: Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, shareholders, directors and key management personnel of the Group, their close family members and entities controlled, jointly controlled or significantly influenced by such parties. The management decides on the terms and conditions of services received from/rendered to related parties as well as on other charges.

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

	(Un-audited) 31 March 2014 AED	(Audited) 31 December 2013 AED
Included in insurance and other receivables		
Due from policyholders	**25,497,126**	18,634,674
Due from shareholders	**331,717**	96,031
Included in due from related parties		
Due from related parties	**210,421,943**	213,988,762
Allowance for doubtful debts	**(47,500,000)**	(47,500,000)
	162,921,943	166,488,762
Movement in allowance for doubtful debt is as follows;		
Balance at beginning of the period / year	**47,500,000**	47,500,000
Allowance made during the period / year	**-**	-
Balance at the period / year end	**47,500,000**	47,500,000
Included in due to related parties		
Due to shareholders	**1,760,139**	419,174
Included in insurance contract liabilities		
Gross outstanding claims	**439,097**	59,417

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

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

	(Un-audited) Three-month period ended 31 March 2014 AED	(Un-audited) Three-month period ended 31 March 2013 AED
Gross premium	**7,258,609**	10,947,187
Claims paid	**251,743**	125,751
Compensation of key management personnel		
Short term benefits	**1,569,231**	1,751,389
	1,569,231	1,751,389

The remuneration of directors is subject to approval by the shareholders and as per limits set by the U.A.E. Federal Commercial Companies Law No. 8 of 1984, as amended.

16 Segment information

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the Group's 'system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

Management has determined the segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There are no transactions between the business segments.

Business segments

The Group has the following main business segments:

a) Insurance

- Accident and Liability: Covers damages resulting from work accidents, burglary, motor, civil responsibilities, engineering insurance, medical, life, personal and breach of trust.
- Fire: Covers insurance against damages caused by Fire, explosions, natural phenomena and all kind of
- Marine and aviation: Covers the insurance of cargo and other movables, freight charges, ship and aircraft hulls, machinery and the insurance against risks incidental to its construction, operations, repairs and docking including damages which afflict others.

b) Investment comprising of investment in securities and investment property.

	For the three-month period ended 31 March 2014			For the three-month period ended 31 March 2013		
	Insurance	**Investment**	**Total**	Insurance	Investment	Total
	AED	**AED**	**AED**	AED	AED	AED
Total segment net revenue	**79,007,672**	**31,661,341**	**110,669,013**	90,144,894	14,355,209	104,500,103
Less: allocated cost	**(69,031,305)**	**(5,943,899)**	**(74,975,204)**	(76,508,304)	(2,235,121)	(78,743,425)
Segment results	**9,976,367**	**25,717,442**	**35,693,809**	13,636,590	12,120,088	25,756,678
Less: unallocated costs			**(2,629,349)**			(2,930,386)
Profit for the period			**33,064,460**			22,826,292

	31 March 2014			*31 December 2013*		
	Insurance	**Investment**	**Total**	Insurance	Investment	Total
	AED	**AED (Un-audited)**	**AED**	AED	AED (Audited)	AED
Segment assets	**942,822,971**	**392,799,643**	**1,335,622,614**	887,479,940	374,649,491	1,262,129,431
Segment liabilities	**433,052,704**	**245,101,795**	**678,154,499**	402,266,823	235,458,953	637,725,776

17 Dividends

At the Annual General Meeting held on 27 April 2014, the Shareholders approved a cash dividend of 7.5% amounting to AED 17,250,000 for 2013 (2012: cash dividend of 7.5% amounting to AED 17,250,000). The Shareholders also approved the Board of Directors' remuneration for 2013 of AED 600,000 (2012: AED 450,000).

18 Comparative figures

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