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

Condensed consolidated interim financial information

for the six-month period ended 30 June 2015

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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 30 June 2015 condensed consolidated interim financial information of Al-Sagr National Insurance Company (the "Company") and its subsidiary (collectively referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2015;
- the condensed consolidated interim statement of profit or loss for the three-month and six-month periods ended 30 June 2015;
- the condensed consolidated interim statement of comprehensive income for the three-month and six-month periods ended 30 June 2015;
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2015;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2015; 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 30 June 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No: 793
Date: 13 AUG 2015

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

Condensed consolidated interim statement of financial position

as at 30 June 2015

	Note	30 June 2015 AED (Unaudited)	31 December 2014 AED (Audited)
ASSETS			
Property and equipment		**10,028,130**	10,514,500
Investment properties	*6*	**172,856,118**	172,809,138
Investments	*7*	**206,632,473**	240,131,419
Reinsurance contract assets	*10*	**219,889,917**	192,139,324
Insurance and other receivables		**269,361,355**	245,446,830
Due from related parties	*15*	**189,667,764**	183,385,991
Cash and bank balances	*11*	**354,805,355**	357,418,551
TOTAL ASSETS		**1,423,241,112**	1,401,845,753
EQUITY AND LIABILITIES			
Equity			
Share capital	*12*	**230,000,000**	230,000,000
Statutory reserve		**63,115,259**	63,115,259
General reserve		**200,000,000**	200,000,000
Investments revaluation reserve		**(1,361,523)**	(1,361,523)
Retained earnings		**121,134,526**	169,794,298
Equity attributable to shareholders of the Company		**612,888,262**	661,548,034
Non-controlling interests		**858,659**	1,107,110
Total equity		**613,746,921**	662,655,144
Liabilities			
Due to related parties	*15*	**505,608**	520,824
Provision for employees' end of service indemnity		**13,274,261**	13,401,749
Insurance contract liabilities	*10*	**413,420,706**	360,081,618
Bank borrowings		**260,793,375**	258,262,057
Insurance and other payables		**121,500,241**	106,924,361
Total liabilities		**809,494,191**	739,190,609
Total equity and liabilities		**1,423,241,112**	1,401,845,753

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 13-08-2015 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 six-month period ended 30 June 2015

	Note	**Three-month period ended 30 June 2015 AED (Un-audited)**	Three-month period ended 30 June 2014 AED (Un-audited)	**Six-month period ended 30 June 2015 AED (Un-audited)**	Six-month period ended 30 June 2014 AED (Un-audited)
UNDERWRITING RESULTS					
Underwriting income					
Gross insurance premium		**112,921,210**	90,542,076	**223,979,777**	210,452,584
Less: insurance premium ceded to reinsurers		**(33,509,262)**	(32,099,761)	**(79,192,235)**	(91,144,705)
Net retained premium		**79,411,948**	58,442,315	**144,787,542**	119,307,879
Net change in unearned premium reserve		**(4,372,388)**	(6,311,162)	**(16,710,763)**	(11,726,085)
Net insurance premium		**75,039,560**	52,131,153	**128,076,779**	107,581,794
Gross claims incurred		**(91,098,358)**	(56,630,125)	**(168,497,858)**	(129,203,855)
Insurance claims recovered from reinsurers		**15,468,280**	13,960,118	**33,091,340**	29,991,668
Net claims paid		**(75,630,078)**	(42,670,007)	**(135,406,518)**	(99,212,187)
Net change in outstanding claims		**(12,560,259)**	(8,163,299)	**(9,134,667)**	46,218
Net claims incurred		**(88,190,337)**	(50,833,306)	**(144,541,185)**	(99,165,969)
Net commission income	*16*	**16,402,783**	9,884,479	**31,800,550**	23,260,263
Underwriting profit		**3,252,006**	11,182,326	**15,336,144**	31,676,088
Net investments (loss) / income		**(20,301,676)**	48,764,385	**(20,541,699)**	71,852,478
General and administrative expenses		**(12,209,081)**	(8,701,111)	**(20,102,668)**	(19,218,506)
(Loss) / profit for the period		**(29,258,751)**	51,245,600	**(25,308,223)**	84,310,060
Attributable to:					
Shareholders of the Company		**(29,010,300)**	51,647,851	**(25,059,772)**	84,709,369
Non-controlling interest		**(248,451)**	(402,251)	**(248,451)**	(399,309)
		(29,258,751)	51,245,600	**(25,308,223)**	84,310,060
Earnings per share	*13*	**(0.13)**	0.22	**(0.11)**	0.37

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 six-month period ended 30 June 2015

	Three-month period ended 30 June 2015 AED (Un-audited)	Three-month period ended 30 June 2014 AED (Un-audited)	**Six-month period ended 30 June 2015 AED (Un-audited)**	Six-month period ended 30 June 2014 AED (Un-audited)
(Loss) / profit for the period	**(29,258,751)**	51,245,600	**(25,308,223)**	84,310,060
Other comprehensive income				
Items that will not be reclassified to profit or loss :				
Net change in investment in financial assets at fair value through other comprehensive income	**-**	-	**-**	-
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**(29,258,751)**	51,245,600	**(25,308,223)**	84,310,060
Attributable to:				
Shareholders	**(29,010,300)**	51,647,851	**(25,059,772)**	84,709,369
Non-controlling interest	**(248,451)**	(402,251)	**(248,451)**	(399,309)
	(29,258,751)	51,245,600	**(25,308,223)**	84,310,060

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 six-month period ended 30 June 2015

	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	-	-	-	-	84,709,369	84,709,369	(399,309)	84,310,060
Other comprehensive income								
Movement in net change in investment in financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	84,709,369	84,709,369	(399,309)	84,310,060
Transactions with owners directly recorded in equity								
Dividend paid	-	-	-	-	(17,250,000)	(17,250,000)	-	(17,250,000)
Directors' fee paid during the period	-	-	-	-	(600,000)	(600,000)	-	(600,000)
Balance at 30 June 2014 (Unaudited)	230,000,000	57,505,110	200,000,000	(1,298,925)	203,774,640	689,980,825	882,890	690,863,715

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

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

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

for the six-month period ended 30 June 2015

	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 2015 (Audited)	230,000,000	63,115,259	200,000,000	(1,361,523)	169,794,298	661,548,034	1,107,110	662,655,144
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(25,059,772)	(25,059,772)	(248,451)	(25,308,223)
Other comprehensive income								
Movement in net change in investment in financial asset at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(25,059,772)	(25,059,772)	(248,451)	(25,308,223)
Transactions with owners directly recorded in equity								
Dividend paid	-	-	-	-	(23,000,000)	(23,000,000)	-	(23,000,000)
Directors' fee paid during the period	-	-	-	-	(600,000)	(600,000)	-	(600,000)
Balance at 30 June 2015 (Unaudited)	**230,000,000**	**63,115,259**	**200,000,000**	**(1,361,523)**	**121,134,526**	**612,888,262**	**858,659**	**613,746,921**

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

Condensed consolidated interim statement of cash flows

for the six-month period ended 30 June 2015

	Six-month period ended 30 June 2015 AED (Un-audited)	Six-month period ended 30 June 2014 AED (Un-audited)
Cash flows from operating activities		
(Loss) / profit for the period	**(25,308,223)**	84,310,060
Adjustment for:		
Depreciation	**983,636**	483,416
Net unrealised income from investments	**21,711,714**	(76,108,630)
Interest income	**(4,854,824)**	(4,728,413)
Dividend income	**(4,109,929)**	(2,076,339)
Provision for employees' end of service indemnity	**407,512**	1,679,350
Finance costs	**4,647,091**	4,654,128
Operating cash flows before movements in working capital	**(6,523,023)**	8,213,572
Increase in reinsurance contract assets	**(27,750,593)**	(33,750,683)
Increase in insurance and other receivables	**(23,914,525)**	(45,379,938)
(Increase) / decrease in due from related parties	**(6,281,773)**	3,545,439
Decrease in fixed deposits with bank	**43,024,197**	75,699,533
Increase in insurance contract liabilities	**53,339,088**	45,430,552
Increase in insurance and other payables	**14,575,880**	8,219,583
(Decrease) / increase in due to related parties	**(15,216)**	1,378,226
Net cash generated from operations	**46,454,035**	63,356,284
Interest paid	**(4,647,091)**	(4,654,128)
Employees' end of service indemnity paid	**(535,000)**	(231,263)
Net cash generated from operating activities	**41,271,944**	58,470,893
Cash flows from investing activities		
Net proceeds from sale of securities	**11,787,232**	16,238,603
Purchase of property and equipment	**(497,266)**	(3,160,755)
Purchase of investment properties	**(46,980)**	-
Dividends received	**4,109,929**	2,076,339
Interest received	**4,854,824**	4,728,413
Net cash generated from investing activities	**20,207,739**	19,882,600
Cash flows from financing activities		
Increase in bank borrowings	**2,531,318**	13,264,915
Dividend paid	**(23,000,000)**	(17,250,000)
Payment of directors' fees	**(600,000)**	(600,000)
Net cash used in financing activities	**(21,068,682)**	(4,585,085)
Net increase in cash and cash equivalents	**40,411,001**	73,768,408
Cash and cash equivalents at 1 January	**63,325,594**	25,145,712
Cash and cash equivalents at 30 June (note 11)	**103,736,595**	98,914,120

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 consolidated interim 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**	**30 June 2015**	31 December 2014	**Country of incorporation**
Jordan Emirates Insurance Company PSC	Underwriting of insurance of all types	**92.83%**	92.83%	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 2014, 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");

ii) Financial instruments at fair value through other comprehensive income ("FVTOCI"); and

iii) Investment properties.

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.

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 2014.

3 Summary of significant accounting policies

The accounting policies applied by the Group in preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2014 except for the adoption of new IFRSs which became effective as of 1 January 2015.

The adoption of the new and amended standards and interpretations have been reflected in these condensed consolidated interim financial statements as appropriate in terms of disclosures but do not have an impact on the financial position or performance of the Group during the period.

4 Financial risk management

Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended 31 December 2014.

5 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 results may not represent a proportionate share of the annual profits due to variability in contributions and investment income and uncertainty of claims occurrences.

6 Investment properties

	(Un-audited)	(Audited)
	30 June 2015	31 December 2014
	AED	AED
At the beginning of the period / year	**172,809,138**	170,000,000
Additions during the period / year	**46,980**	2,809,138
	172,856,118	172,809,138

The Group has three investment properties out of which one property is Meydan Tower (property is under development), located in Dubai controlled by GGICO Real Estate Development Co. L.L.C. in which the Group has 10% ownership. The carrying value of the property is AED 80 million (10% share of AED 800 million) as at 30 June 2015 *(31 December 2014: AED 80 million)*. The other property is located in Al Barsha First, Dubai which has a carrying value of AED 90 million *(31 December 2014: AED 90 million)*. The Company has assessed the fair vlaue of properties internally and they are not materially different from their carrying values.

7 Investments

	(Un-audited)	(Audited)
	30 June 2015	31 December 2014
	AED	AED
Investment in financial assets at fair value through profit or loss ("FVTPL") (note 7.1)	**203,840,657**	202,339,603
Derivative financial instrument at fair value through profit or loss ("FVTPL") (note 7.2)	**-**	35,000,000
Investment in financial asset at fair value through other comprehensive income ("FVTOCI")	**2,538,147**	2,538,147
Investment in associates (note 7.3)	**253,669**	253,669
Total	**206,632,473**	240,131,419

7.1 The revaluation of investment securities resulted in net unrealised loss of AED 21.7 million (net) for the six-month period ended 30 June 2015 *(six-month period ended 30 June 2014: AED 67.2 million)*. During the period, Group has received dividend income of AED 4.11 million *(six-month period ended 30 June 2014: AED 2.08 million)* on its investments in securities.

7.2 During prior year, the Company had entered into an arrangement with a third party to sell its entire shareholdings in a listed investment (put option) classified as FVTPL. The arrangement was valid for a 6 month period from the date of arrangement and the put option was valued at AED 35 million, internally, as at 31 December 2014. During the period, the put option expired and accordingly loss of AED 35 million has been charged to profit or loss.

7.3 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.

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 financial and reporting policy decisions of these associates. Consequently, the Group does not exercise any control on these entities.

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 along with their fair values. For financial assets and liabilities carried at amortised cost, management believes that the amortised cost of those instruments approximates to their fair values.

At 30 June 2015 (Un-audited)

Financial assets	**FVTPL**	**FVTOCI**	**Amortised cost**	**Total**
	AED	**AED**	**AED**	**AED**
Investments	203,840,657	2,538,147	-	206,378,804
Reinsurance contract assets	-	-	219,889,917	219,889,917
Insurance and other receivables	-	-	268,674,869	268,674,869
Due from related parties	-	-	189,667,764	189,667,764
Cash and bank balances	-	-	354,805,355	354,805,355
	203,840,657	**2,538,147**	**1,033,037,905**	**1,239,416,709**

Financial liabilities	**FVTPL**	**FVTOCI**	**Amortised cost**	**Total**
	AED	**AED**	**AED**	**AED**
Due to related parties	-	-	505,608	505,608
Insurance contract liabilities	-	-	413,420,706	413,420,706
Bank borrowings	-	-	260,793,375	260,793,375
Insurance and other payables	-	-	121,309,265	121,309,265
	-	**-**	**796,028,954**	**796,028,954**

At 31 December 2014 (Audited)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total
	AED	AED	AED	AED
Investments	237,339,603	2,538,147	-	239,877,750
Reinsurance contract assets	-	-	192,139,324	192,139,324
Insurance and other receivables	-	-	244,610,297	244,610,297
Due from related parties	-	-	183,385,991	183,385,991
Cash and bank balances	-	-	357,418,551	357,418,551
	237,339,603	2,538,147	977,554,163	1,217,431,913

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total
	AED	AED	AED	AED
Due to related parties	-	-	520,824	520,824
Insurance contract liabilities	-	-	360,081,618	360,081,618
Bank borrowings	-	-	258,262,057	258,262,057
Insurance and other payables	-	-	106,924,361	106,924,361
	-	-	725,788,860	725,788,860

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:

30 June 2015 (Un-audited)

Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
	AED	**AED**	**AED**	**AED**
FVTPL - financial assets	**203,840,657**	**-**	**-**	**203,840,657**
FVTOCI - financial assets	**-**	**-**	**2,538,147**	**2,538,147**
	203,840,657	**-**	**2,538,147**	**206,378,804**
Non financial assets				
Investment properties	**-**	**-**	**172,856,118**	**172,856,118**
	-	**-**	**172,856,118**	**172,856,118**

31 December 2014 (Audited)

Financial assets	Level 1	Level 2	Level 3	Total
	AED	AED	AED	AED
FVTPL - financial assets	202,339,603	-	35,000,000	237,339,603
FVTOCI - financial assets	-	-	2,538,147	2,538,147
	202,339,603	-	37,538,147	239,877,750
Non financial assets				
Investment properties	-	-	172,809,138	172,809,138
	-	-	172,809,138	172,809,138

10 Insurance contract liabilities and reinsurance contract assets

	(Un-audited) 30 June 2015 AED	(Audited) 31 December 2014 AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	**231,215,621**	196,213,622
Claims incurred but not reported	**17,362,485**	17,478,089
Unearned premiums	**164,842,600**	146,389,907
Total insurance contract liabilities (gross)	**413,420,706**	360,081,618
Recoverable from reinsurers		
Claims reported unsettled	**(167,701,206)**	(141,949,475)
Deferred reinsurance premiums	**(52,188,711)**	(50,189,849)
Total reinsurance	**(219,889,917)**	(192,139,324)
Net		
Claims reported unsettled	**63,514,415**	54,264,147
Claims incurred but not reported	**17,362,485**	17,478,089
Unearned premiums	**112,653,889**	96,200,058
	193,530,789	167,942,294

11 Cash and bank balances

	(Un-audited) 30 June 2015 AED	(Audited) 31 December 2014 AED
Cash in hand	**2,185,075**	293,923
Bank balances:		
Current accounts	**10,323,580**	16,648,765
Fixed deposits	**342,296,700**	340,475,863
	354,805,355	357,418,551

Fixed deposits with banks as at 30 June 2015 include AED 10.3 million *(31 December 2014: 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 283 million *(31 December 2014: AED 317 million)* are under lien in respect of bank credit facilities granted to the Company.

All fixed deposits with banks mature within different periods not exceeding one year from the financial date of deposit and carry interest rates between 2.5% to 3.25% per annum *(31 December 2014: 2.75% to 5.9% per annum)* .

Notes (*continued*)

11 Cash and bank balances (continued)

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

	(Un-audited) 30 June 2015 AED	(Audited) 31 December 2014 AED	(Un-audited) 30 June 2014 AED
Bank balances and cash	**354,805,355**	357,418,551	334,037,328
Long term fixed deposits	**(251,068,760)**	(294,092,957)	(235,123,208)
Cash and cash equivalents (for cash flow statement)	**103,736,595**	63,325,594	98,914,120

12 Share capital

	(Un-audited) 30 June 2015 AED	(Audited) 31 December 2014 AED
Issued and fully paid:		
230,000,000 shares of AED 1 each	**230,000,000**	230,000,000

13 Earnings per share

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	(Un-audited) 2015	(Un-audited) 2014	**(Un-audited) 2015**	(Un-audited) 2014
(Loss) / profit for the period attributable to equity holders of the Parent (AED)	**(29,010,300)**	51,647,851	**(25,059,772)**	84,709,369
Weighted average number of shares	**230,000,000**	230,000,000	**230,000,000**	230,000,000
Basic earnings per share (AED)	**(0.13)**	0.22	**(0.11)**	0.37

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. There is no dilution impact on basic earnings per share.

14 Contingent liabilities and commitments

	(Un-audited) 30 June 2015 AED	(Audited) 31 December 2014 AED
Letters of guarantee	**11,316,214**	12,177,515

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.

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

	(Un-audited) 30 June 2015 AED	(Audited) 31 December 2014 AED
Included in due from related parties		
Due from related parties	**237,167,764**	230,885,991
Allowance for doubtful debts	**(47,500,000)**	(47,500,000)
	189,667,764	183,385,991
Included in due from related parties		
Due from shareholders	**222,983**	-
Included in due to related parties		
Due to shareholders	**-**	104,279
Included in insurance contract liabilities		
Gross outstanding claims	**293,851**	761,628

These 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:

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	(Un-audited) 2015 AED	(Un-audited) 2014 AED	**(Un-audited) 2015 AED**	(Un-audited) 2014 AED
Gross premium	**1,778,389**	460,165	**8,598,961**	7,718,774
Claims paid	**178,202**	161,972	**860,354**	413,715
Compensation of key management personnel				
Salaries and benefits	**2,611,410**	1,824,844	**4,377,858**	3,394,075
	2,611,410	1,824,844	**4,377,858**	3,394,075

Notes *(continued)*

16 Net commission income

	Three-month period ended 30 June 2015 AED (Un-audited)	Three-month period ended 30 June 2014 AED (Un-audited)	**Six-month period ended 30 June 2015 AED (Un-audited)**	Six-month period ended 30 June 2014 AED (Un-audited)
Gross commission earned	**23,800,714**	16,803,643	**46,233,831**	40,360,674
Less: commission incurred	**(7,397,931)**	(6,919,164)	**(14,433,281)**	(17,100,411)
	16,402,783	9,884,479	**31,800,550**	23,260,263

17 Segment information

IFRS 8 'Operating Segments' 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.

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) Underwriting

- 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 kinds of commotions.

- 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 and treasury comprising of investment in securities, fixed deposits and investment property.

	For the six-month period ended 30 June 2015			For the six-month period ended 30 June 2014		
	Underwriting	**Investment and treasury**	**Total**	Underwriting	Investment and treasury	Total
	AED	**AED**	**AED**	AED	AED	AED
		(Un-audited)			(Un-audited)	
Segment revenue	**223,979,777**	**-**	**223,979,777**	210,452,584	-	210,452,584
Segment results	**15,336,144**	**(40,644,367)**	**(25,308,223)**	31,676,088	52,633,972	84,310,060

Notes (*continued*)

17 Segment information (continued)

	30 June 2015			30 June 2014		
	Underwriting	**Investment and treasury**	**Total**	Underwriting	Investment and treasury	Total
	AED	**AED**	**AED**	AED	AED	AED
		(Un-audited)			(Un-audited)	
Segment assets	**522,088,057**	**901,153,055**	**1,423,241,112**	488,948,985	909,381,869	1,398,330,854
Segment liabilities	**548,195,208**	**261,298,983**	**809,494,191**	456,945,871	250,521,268	707,467,139

18 Dividends

At the Annual General Meeting held on 27 April 2015, the Shareholders approved a cash dividend of 10% amounting to AED 23,000,000 for 2014 *(2014: cash dividend of 7.5% amounting to AED 17,250,000 for 2013)*. The Shareholders also approved the Board of Directors' remuneration for 2014 of AED 600,000*(2014: AED 600,000 for 2013)*.

19 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.