

Arabian Scandinavian Insurance Company P.L.C.

Interim condensed balance sheet

At 30 September 2006

	Note	Unaudited 30 September 2006 AED	Audited 31 December 2005 AED
Assets			
Property and equipment	6	26,537,594	13,979,306
Investment properties		62,461,643	62,461,643
Total non-current assets		88,999,237	76,440,949
Investments available for sale		77,663,342	116,802,775
Investments fair valued through profit and loss		66,667,278	92,773,066
Trade receivables		13,138,041	12,546,808
Due from related parties	5	4,041,079	4,348,217
Reinsurers' share of outstanding claims		1,843,561	14,122,398
Other receivables and prepayments		10,907,214	13,377,238
Cash in hand and at bank		16,177,944	14,575,515
Total current assets		190,438,459	268,546,017
Total assets		279,437,696	344,986,966
Equity and liabilities			
Share capital		140,000,000	100,000,000
Retained earnings		48,599,890	69,907,446
Legal reserve		31,559,558	31,559,558
General reserve		23,669,358	23,669,358
Proposed directors' remuneration		-	1,200,000
Proposed bonus issue		-	40,000,000
Proposed dividend		-	10,000,000
Fair value reserve		(26,165,406)	11,517,262
Total equity		217,663,400	287,853,624
Trade and other payables		23,046,088	20,088,952
Due to related parties	5	1,085,049	-
Provision for employees' terminal benefits		888,134	860,856
Unearned premium reserve		12,629,971	11,343,083
Additional reserve		2,000,000	2,000,000
Outstanding claims reserve		22,125,054	22,840,451
Total current liabilities		61,774,296	57,133,342
Total equity and liabilities		279,437,696	344,986,966

These interim condensed financial statements were approved by the Board of Directors on _____ and signed on there behalf by:

Mohd Amin Al Kazim
Vice Chairman

Ahmad M.A. Al Kazim
Managing Director

The notes on pages 7 to 9 form part of these interim condensed financial statements.

The review report of the Auditors is set out on page 1.

Arabian Scandinavian Insurance Company P.L.C.

Interim condensed income statement (unaudited) for the nine-month period ended 30 September 2006

	Nine month period ended 30 September 2006 AED	Nine month period ended 30 September 2005 AED	Three month period ended 30 September 2006 AED	Three month period ended 30 September 2005 AED
Underwriting business				
Accident and liability	1,870,089	(2,240,149)	(221,566)	(628,003)
Fire	(1,962,664)	(1,494,991)	(553,377)	(548,607)
Marine	(785,675)	653,620	112,227	220,700
Others	1,418,791	1,218,434	(579,372)	171,862
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Net underwriting profit/(loss)	540,541	(1,863,086)	(1,242,088)	(784,048)
Other operating income	612,504	124,821	146,932	-
Rental income from investment properties	5,705,645	2,515,857	2,044,178	850,697
Profit on sale of investment properties	-	3,888,935	-	-
Investment income/ (loss)	3,666,365	98,129,160	(226,042)	62,291,163
Unrealised (loss)/ gain on investments at fair valued through profit and loss	(31,832,611)	25,322,412	6,959,090	(44,610,541)
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Net (loss)/ profit for the period	(21,307,556)	128,118,099	7,682,070	17,747,271
	=====	=====	=====	=====
(Loss)/ earnings per share	(1.52)	9.15	(0.55)	1.27
	=====	=====	=====	=====

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Arabian Scandinavian Insurance Company P.L.C.

Interim condensed statement of cash flows (unaudited)

for the nine-month period ended 30 September 2006

	30 September 2006 AED	30 September 2005 AED
Cash flows from operating activities		
Net (loss)/ profit for the period	(21,307,556)	128,118,099
<i>Adjustment for:</i>		
Depreciation	160,669	212,432
Loss on sale of property and equipment	-	(500)
Unrealised loss/ (gain) on investments	31,832,611	(25,322,357)
Movement in unearned premium reserve	1,286,888	1,218,166
Profit on sale of investment property	-	(3,888,935)
Profit on sale of investments at fair valued through profit and loss and available for sale investments	(1,113,342)	(97,160,321)
Dividend received	(2,553,023)	(968,840)
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<i>Operating profit before changes in working capital</i>	8,306,247	2,207,744
(Increase)/ decrease in trade receivables	(591,233)	1,903,317
Decrease in due from related parties	307,138	977,159
Decrease/ (increase) in other receivables and prepayments	2,470,024	(766,315)
Increase/ (decrease) in due to related parties	1,085,049	(28,252)
Increase in trade and other payables	2,957,136	3,460,349
Increase/ (decrease) in provision for outstanding claims	11,563,440	(867,369)
Increase in employee terminal benefits	27,278	64,087
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<i>Net cash from operating activities</i>	26,125,079	6,950,720
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Cash flows from investing activities		
Addition to property under construction	(12,668,118)	(10,398,793)
Purchase of property and equipment	(50,839)	(2,525,812)
Purchase of investment property	-	(33,503)
Purchase of investments	(98,445,515)	(355,712,588)
Proceeds from sale of investments	95,228,799	346,901,176
Proceeds from sale of investment properties	-	7,576,539
Proceeds from sale of property & equipment	-	500
Dividend received	2,553,023	968,840
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<i>Net cash used in investing activities</i>	(13,322,650)	(13,223,641)
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Cash flows from financing activities		
Directors' remuneration paid	(1,200,000)	(1,000,000)
Dividend paid	(10,000,000)	-
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<i>Net cash used in financing activities</i>	(11,200,000)	(1,000,000)
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Net increase/ (decrease) in cash and cash equivalents	1,602,429	(7,202,921)
Cash and cash equivalents at the beginning of the period	10,075,515	19,058,526
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Cash and cash equivalents at the end of the period	11,677,944	11,855,605
	=====	=====
These comprise the following:		
Cash in hand and at bank	16,177,944	16,355,605
Less: deposits having maturity of more than three months	(4,500,000)	(4,500,000)
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Cash and cash equivalents at the end of the period	11,677,944	11,855,605
	=====	=====

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The review report of the Auditors is set out on page 1.

Arabian Scandinavian Insurance Company P.L.C.

Interim condensed statement of changes in shareholders' equity (unaudited)

for the nine-month period ended 30 September 2006

	Share capital	Legal reserve	General reserve	Proposed dividends	Proposed directors' remuneration	Proposed bonus issue	Fair value Reserve/(deficit)	Retained earnings	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
At 1 January 2005	50,000,000	18,035,037	10,144,837	-	1,000,000	50,000,000	-	12,911,282	142,091,156
Net profit for the period	-	-	-	-	-	-	-	128,118,099	128,118,099
At 30 September 2005	50,000,000	18,035,037	10,144,837	-	1,000,000	50,000,000	-	141,029,381	270,209,255
Net profit for the period	-	-	-	-	-	-	-	7,127,107	7,127,107
Proposed dividend	-	-	-	10,000,000	-	-	-	(10,000,000)	-
Issue of bonus shares	50,000,000	-	-	-	-	(50,000,000)	-	-	-
Transfer to legal reserve (a)	-	13,524,521	-	-	-	-	-	(13,524,521)	-
Transfer to general reserve (b)	-	-	13,524,521	-	-	-	-	(13,524,521)	-
Proposed bonus issue	-	-	-	-	-	40,000,000	-	(40,000,000)	-
Fair value adjustment for investments available for sale	-	-	-	-	-	-	11,517,262	-	11,517,262
Payment of Directors' remuneration	-	-	-	-	(1,000,000)	-	-	-	(1,000,000)
Proposed directors' remuneration (c)	-	-	-	-	1,200,000	-	-	(1,200,000)	-
At 31 December 2005	100,000,000	31,559,558	23,669,358	10,000,000	1,200,000	40,000,000	11,517,262	69,907,446	287,853,624
Net loss for the period	-	-	-	-	-	-	-	(21,307,556)	(21,307,556)
Issue of bonus shares	40,000,000	-	-	-	-	(40,000,000)	-	-	-
Net realised fair value gains reported in statement of income on investments available for sale	-	-	-	-	-	-	(383,255)	-	(383,255)
Fair value adjustment for investments available for sale	-	-	-	-	-	-	(37,299,413)	-	(37,299,413)
Payment of dividend	-	-	-	(10,000,000)	-	-	-	-	(10,000,000)
Payment of Directors' remuneration	-	-	-	-	(1,200,000)	-	-	-	(1,200,000)
At 30 September 2006	140,000,000	31,559,558	23,669,358	-	-	-	(26,165,406)	48,559,890	217,663,400

- (a) In accordance with Article 255 of the UAE Federal Commercial Companies Law, a minimum of 10% of the net profit of the Company is required to be allocated every year to a statutory reserve, which is not distributable. Such allocations may be ceased when the statutory reserve equals half of the paid up share capital of the Company.
- (b) In accordance with the Company's Articles of Association, a minimum of 10% of the annual net profits should be transferred to general reserve until such time as this reserve equals at least 50% of the paid up share capital.
- (c) In accordance with the Ministry of Economy and Commerce interpretation of Article 118 of Federal Law No. 8 of 1984, directors' remuneration has been treated as an appropriation from shareholders' equity.

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