

**ARABIAN SCANDINAVIAN  
INSURANCE COMPANY P.L.C.  
DUBAI - UNITED ARAB EMIRATES**

**INTERIM FINANCIAL INFORMATION  
AND REVIEW REPORT  
FOR THE NINE MONTH PERIOD  
ENDED SEPTEMBER 30, 2008**

**Arabian Scandinavian Insurance Company P.L.C.  
Dubai - United Arab Emirates**

**Interim Financial Information and Review Report  
For the Nine Month Period Ended September 30, 2008**

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Ref: 32608FS08-Sep

## Report on Review of Interim Financial Information

**The Board of Directors**  
**Arabian Scandinavian Insurance Company P.L.C.**  
**Dubai**  
**United Arab Emirates**

### *Introduction*

We have reviewed the accompanying condensed balance sheet of **Arabian Scandinavian Insurance Company P.L.C., Dubai, United Arab Emirates**, as of September 30, 2008 and the related condensed statements of income, changes in equity and cash flows for the nine-month period then ended and explanatory notes. 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*

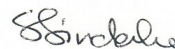
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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.

**Sharjah**  
**October 28, 2008**

**For Deloitte & Touche**



**Saba Y. Sindaha**  
**Partner**  
**(Registration No. 410)**

Arabian Scandinavian Insurance Company P.L.C.  
Dubai - United Arab Emirates

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Condensed Balance Sheet  
At September 30, 2008  
(In Arab Emirates Dirhams)

|                                                   | Notes | September 30,<br>2008<br>Unaudited | December 31,<br>2007<br>Audited |
|---------------------------------------------------|-------|------------------------------------|---------------------------------|
| <b>ASSETS</b>                                     |       |                                    |                                 |
| <b>Non-current assets</b>                         |       |                                    |                                 |
| Property and equipment                            | 4     | 16,826,950                         | 9,151,820                       |
| Investment property                               | 5     | 181,685,147                        | 169,500,000                     |
| Available-for-sale investments                    | 6     | 93,041,335                         | 115,664,080                     |
| <b>Total non-current assets</b>                   |       | <b>291,553,432</b>                 | <b>294,315,900</b>              |
| <b>Current assets</b>                             |       |                                    |                                 |
| Re-insurance contract assets                      | 7     | 14,132,333                         | 13,126,218                      |
| Insurance and other receivables                   |       | 23,128,923                         | 17,481,031                      |
| Due from related parties                          |       | 6,036,202                          | 8,491,529                       |
| Investments held for trading                      | 6     | 56,213,997                         | 26,403,643                      |
| Bank balances and cash                            | 8     | 14,039,541                         | 72,374,789                      |
| <b>Total current assets</b>                       |       | <b>113,550,996</b>                 | <b>137,877,210</b>              |
| <b>Total Assets</b>                               |       | <b>405,104,428</b>                 | <b>432,193,110</b>              |
| <b>EQUITY AND LIABILITIES</b>                     |       |                                    |                                 |
| <b>Capital and reserves</b>                       |       |                                    |                                 |
| Share capital                                     | 9     | 140,000,000                        | 140,000,000                     |
| Statutory reserve                                 |       | 40,759,753                         | 40,759,753                      |
| General reserve                                   |       | 32,869,553                         | 32,869,553                      |
| Cumulative changes in fair values                 |       | ( 12,139,845)                      | 1,950,668                       |
| Retained earnings                                 |       | 109,821,574                        | 142,948,995                     |
| <b>Total Equity</b>                               |       | <b>311,311,035</b>                 | <b>358,528,969</b>              |
| <b>Non-current liabilities</b>                    |       |                                    |                                 |
| Provision for employees' end of service indemnity |       | 1,265,363                          | 1,147,736                       |
| <b>Current liabilities</b>                        |       |                                    |                                 |
| Insurance contract liabilities                    | 7     | 49,021,860                         | 42,954,583                      |
| Insurance and other payables                      |       | 43,501,484                         | 28,210,742                      |
| Due to related parties                            |       | 4,686                              | 1,351,080                       |
| <b>Total current liabilities</b>                  |       | <b>92,528,030</b>                  | <b>72,516,405</b>               |
| <b>Total Liabilities</b>                          |       | <b>93,793,393</b>                  | <b>73,664,141</b>               |
| <b>Total Equity and Liabilities</b>               |       | <b>405,104,428</b>                 | <b>432,193,110</b>              |

The accompanying notes form an integral part of this interim financial information.

Ahmad M. A. Al Kazim  
Managing Director

**Condensed Statement of Income**  
**For the nine month period ended September 30, 2008**  
**(In Arab Emirates Dirhams)**

|                                                                            | Notes | <b>Nine month period<br/>ended September 30,</b> |                      | <b>Three month period<br/>ended September 30,</b> |                     |
|----------------------------------------------------------------------------|-------|--------------------------------------------------|----------------------|---------------------------------------------------|---------------------|
|                                                                            |       | <b>2008</b>                                      | <b>2007</b>          | <b>2008</b>                                       | <b>2007</b>         |
|                                                                            |       | <b>Unaudited</b>                                 | <b>Unaudited</b>     | <b>Unaudited</b>                                  | <b>Unaudited</b>    |
| Insurance premium revenue                                                  | 10    | <b>50,190,160</b>                                | 39,661,649           | <b>13,773,157</b>                                 | 10,324,294          |
| Insurance premium<br>Ceded to reinsurers                                   | 10    | <b>( 16,037,511)</b>                             | ( 13,066,814)        | <b>( 4,238,473)</b>                               | ( 3,124,102)        |
| <b>Net insurance premium revenue</b>                                       | 10    | <b><u>34,152,649</u></b>                         | <u>26,594,835</u>    | <b><u>9,534,684</u></b>                           | <u>7,200,192</u>    |
| Gross claims incurred                                                      |       | <b>( 22,553,180)</b>                             | ( 21,557,085)        | <b>( 6,716,585)</b>                               | ( 9,587,172)        |
| Insurance claims recovered<br>from reinsurers                              |       | <b><u>8,476,758</u></b>                          | <u>9,094,232</u>     | <b><u>2,870,929</u></b>                           | <u>4,073,778</u>    |
| <b>Net claims incurred</b>                                                 |       | <b><u>( 14,076,422)</u></b>                      | <u>( 12,462,853)</u> | <b><u>( 3,845,656)</u></b>                        | <u>( 5,513,394)</u> |
| Gross commission earned                                                    |       | <b>4,181,767</b>                                 | 3,215,802            | <b>1,025,321</b>                                  | 708,989             |
| Less: commission incurred                                                  |       | <b>( 4,254,040)</b>                              | ( 2,857,657)         | <b>( 1,420,244)</b>                               | ( 703,049)          |
| <b>Net commission (incurred)/earned</b>                                    |       | <b><u>( 72,273)</u></b>                          | <u>358,145</u>       | <b><u>( 394,923)</u></b>                          | <u>5,940</u>        |
| <b>Underwriting profit</b>                                                 |       | <b>20,003,954</b>                                | 14,490,127           | <b>5,294,105</b>                                  | 1,692,738           |
| General and administrative expenses<br>relating to underwriting activities |       | <b>( 8,691,221)</b>                              | ( 6,995,236)         | <b>( 2,401,915)</b>                               | ( 2,260,390)        |
| <b>Net underwriting profit/(loss)</b>                                      |       | <b>11,312,733</b>                                | 7,494,891            | <b>2,892,190</b>                                  | ( 567,652)          |
| Investment (loss)/revenue                                                  |       | <b>( 9,232,242)</b>                              | 12,060,456           | <b>( 9,943,342)</b>                               | 2,762,719           |
| Other income                                                               |       | <b><u>492,088</u></b>                            | <u>1,173,269</u>     | <b><u>413,778</u></b>                             | <u>139,599</u>      |
| <b>Profit/(loss) for the period</b>                                        |       | <b><u>2,572,579</u></b>                          | <u>20,728,616</u>    | <b><u>( 6,637,374)</u></b>                        | <u>2,334,666</u>    |
| <b>Basic earnings per share</b>                                            | 11    | <b><u>0.02</u></b>                               | <u>0.15</u>          | <b><u>(0.05)</u></b>                              | <u>0.02</u>         |

The accompanying notes form an integral part of this interim financial information.

**Arabian Scandinavian Insurance Company P.L.C.**  
**Dubai - United Arab Emirates**

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**Condensed Statement of Changes in Equity**  
**For the nine month period ended September 30, 2008**  
**(In Arab Emirates Dirhams)**

|                                                                         | <u>Share<br/>capital</u>  | <u>Statutory<br/>reserve</u> | <u>General<br/>reserve</u> | <u>Cumulative<br/>changes in fair<br/>values</u> | <u>Retained<br/>earnings</u> | <u>Total</u>              |
|-------------------------------------------------------------------------|---------------------------|------------------------------|----------------------------|--------------------------------------------------|------------------------------|---------------------------|
| Balance at December 31, 2006 (Audited)                                  | <u>140,000,000</u>        | <u>32,262,669</u>            | <u>24,372,469</u>          | <u>( 6,927,477)</u>                              | <u>75,532,327</u>            | <u>265,239,988</u>        |
| Loss on available-for-sale investments<br>recognised directly in equity | -                         | -                            | -                          | ( 7,556,435)                                     | -                            | ( 7,556,435)              |
| Transfer to profit or loss on sale of<br>available-for-sale investments | -                         | -                            | -                          | 6,927,477                                        | -                            | 6,927,477                 |
| Profit for the period                                                   | <u>-</u>                  | <u>-</u>                     | <u>-</u>                   | <u>-</u>                                         | <u>20,728,616</u>            | <u>20,728,616</u>         |
| Total recognised income and expense<br>for the period                   | <u>-</u>                  | <u>-</u>                     | <u>-</u>                   | <u>( 628,958)</u>                                | <u>20,728,616</u>            | <u>20,099,658</u>         |
| Board of directors' remuneration paid                                   | <u>-</u>                  | <u>-</u>                     | <u>-</u>                   | <u>-</u>                                         | <u>( 560,000)</u>            | <u>( 560,000)</u>         |
| Balance at September 30, 2007 (Unaudited)                               | <u>140,000,000</u>        | <u>32,262,669</u>            | <u>24,372,469</u>          | <u>( 7,556,435)</u>                              | <u>95,700,943</u>            | <u>284,779,646</u>        |
|                                                                         | =====                     | =====                        | =====                      | =====                                            | =====                        | =====                     |
| Balance at December 31, 2007 (Audited)                                  | <u>140,000,000</u>        | <u>40,759,753</u>            | <u>32,869,553</u>          | <u>1,950,668</u>                                 | <u>142,948,995</u>           | <u>358,528,969</u>        |
| Loss on available-for-sale investments<br>recognised directly in equity | -                         | -                            | -                          | ( 12,139,845)                                    | -                            | ( 12,139,845)             |
| Transfer to profit or loss on sale of<br>available-for-sale investments | -                         | -                            | -                          | ( 1,950,668)                                     | -                            | ( 1,950,668)              |
| Profit for the period                                                   | <u>-</u>                  | <u>-</u>                     | <u>-</u>                   | <u>-</u>                                         | <u>2,572,579</u>             | <u>2,572,579</u>          |
| Total recognised income and expense<br>for the period                   | <u>-</u>                  | <u>-</u>                     | <u>-</u>                   | <u>( 14,090,513)</u>                             | <u>2,572,579</u>             | <u>( 11,517,934)</u>      |
| Dividend paid                                                           | -                         | -                            | -                          | -                                                | ( 35,000,000)                | ( 35,000,000)             |
| Board of directors' remuneration paid                                   | <u>-</u>                  | <u>-</u>                     | <u>-</u>                   | <u>-</u>                                         | <u>( 700,000)</u>            | <u>( 700,000)</u>         |
|                                                                         | <u>-</u>                  | <u>-</u>                     | <u>-</u>                   | <u>-</u>                                         | <u>( 35,700,000)</u>         | <u>( 35,700,000)</u>      |
| <b>Balance at September 30, 2008 (Unaudited)</b>                        | <b><u>140,000,000</u></b> | <b><u>40,759,753</u></b>     | <b><u>32,869,553</u></b>   | <b><u>( 12,139,845)</u></b>                      | <b><u>109,821,574</u></b>    | <b><u>311,311,035</u></b> |
|                                                                         | =====                     | =====                        | =====                      | =====                                            | =====                        | =====                     |

The accompanying notes form an integral part of this interim financial information.

**Condensed Statement of Cash Flows**  
**For the nine month period ended September 30, 2008**  
**(In Arab Emirates Dirhams)**

|                                                                     | Nine month<br>period ended<br>September 30,<br><u>2008</u><br>Unaudited | Nine month<br>period ended<br>September 30,<br><u>2007</u><br>Unaudited |
|---------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <b>Operating activities</b>                                         |                                                                         |                                                                         |
| Profit for the period                                               | 2,572,579                                                               | 20,728,616                                                              |
| Adjustments for:                                                    |                                                                         |                                                                         |
| (Increase)/decrease in reinsurance contract assets                  | ( 1,006,115)                                                            | 1,734,762                                                               |
| Increase/(decrease) in insurance contract liabilities               | 6,067,277                                                               | ( 1,087,922)                                                            |
| Depreciation of property and equipment                              | 129,149                                                                 | 130,007                                                                 |
| Unrealised loss on investments held for trading                     | 28,149,911                                                              | 6,941,334                                                               |
| Other investment revenues                                           | ( 18,917,669)                                                           | ( 19,001,790)                                                           |
| Provision for employees' end of service indemnity                   | <u>117,627</u>                                                          | <u>265,940</u>                                                          |
| <b>Operating profit before changes in working capital</b>           | 17,112,759                                                              | 9,710,947                                                               |
| (Increase)/decrease in insurance and other receivables              | ( 5,647,892)                                                            | 3,559,869                                                               |
| Decrease/(increase) in due from related parties                     | 2,455,327                                                               | ( 338,400)                                                              |
| Decrease in due to related parties                                  | ( 1,346,394)                                                            | ( 668,112)                                                              |
| Increase in insurance and other payables                            | <u>15,290,742</u>                                                       | <u>26,383,534</u>                                                       |
| <b>Cash generated from operations</b>                               | 27,864,542                                                              | 38,647,838                                                              |
| Employees' end of service indemnity paid                            | <u>-</u>                                                                | ( 45,820)                                                               |
| <b>Net cash generated from operating activities</b>                 | <u>27,864,542</u>                                                       | <u>38,602,018</u>                                                       |
| <b>Investing activities</b>                                         |                                                                         |                                                                         |
| Purchase of property and equipment                                  | ( 14,738,403)                                                           | ( 11,964,415)                                                           |
| Purchase of investments property                                    | ( 5,251,023)                                                            | -                                                                       |
| Purchase of investments in securities                               | (174,391,808)                                                           | ( 231,527,997)                                                          |
| Proceeds from sale of investments in securities                     | 128,889,360                                                             | 202,830,706                                                             |
| Income from investment property                                     | 12,253,595                                                              | 11,010,926                                                              |
| Dividend received                                                   | <u>2,738,489</u>                                                        | <u>2,342,449</u>                                                        |
| <b>Net cash used in investing activities</b>                        | ( 50,499,790)                                                           | ( 27,308,331)                                                           |
| <b>Finance activities</b>                                           |                                                                         |                                                                         |
| Decrease in bank overdraft                                          | -                                                                       | ( 5,372,304)                                                            |
| Dividend paid                                                       | ( 35,000,000)                                                           | -                                                                       |
| Board of directors' remuneration paid                               | ( 700,000)                                                              | ( 560,000)                                                              |
| <b>Net cash used in financing activities</b>                        | ( 35,700,000)                                                           | ( 5,932,304)                                                            |
| Net (decrease)/increase in cash and cash equivalents                | ( 58,335,248)                                                           | 5,361,383                                                               |
| Cash and cash equivalents at the beginning of the period            | <u>63,874,789</u>                                                       | <u>3,789,990</u>                                                        |
| <b>Cash and cash equivalents at the end of the period (Note 12)</b> | <u>5,539,541</u>                                                        | <u>9,151,373</u>                                                        |
|                                                                     | =====                                                                   | =====                                                                   |

The accompanying notes form an integral part of this interim financial information.

**Notes to the Interim Financial Information**  
**For the nine month period ended September 30, 2008**

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**1. General information**

Arabian Scandinavian Insurance Company P.L.C. - Dubai (the "Company") is a public shareholding company, registered in the United Arab Emirates in 1992. The Company is subject to the regulations of U.A.E. Federal Law No. 9 of 1984, as amended, concerning Insurance Companies and Agents and is registered with the Ministry of Economy of U.A.E. under registration number 6. The address of the Company's registered office is P.O. Box 1993, Dubai, United Arab Emirates.

The principal activity of the Company is the writing of all classes of general insurance business and life assurance and till date the Company has written general insurance business only. The Company operates through its Dubai and Abu Dhabi offices.

**2. Basis of preparation**

This interim financial information is prepared in accordance with the International Accounting Standard No. 34 – *Interim Financial Reporting* issued by the International Accounting Standard Board and also comply with the applicable requirements of the laws in the U.A.E. The interim financial information is prepared in accordance with the historical cost basis, except for the measurement at fair value of investment property and financial instruments. The interim financial information is presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Company's transactions are denominated.

This interim financial information do not include all the information required for full annual financial statements and should be read in conjunction with the Company's annual audited financial statements as at and for the year ended December 31, 2007. In addition, results for the nine month period ended September 30, 2008 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2008.

(a) Estimates

The preparation of interim financial information require management to make judgements, 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.

In preparing this interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements as at and for the year ended December 31, 2007.

**Notes to the Interim Financial Information** (continued)  
**For the nine month period ended September 30, 2008**

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**2. Basis of preparation** (continued)

(b) Management of insurance and financial risk

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended December 31, 2007.

**3. Accounting policies**

The accounting policies used in the preparation of this interim financial information are consistent with those used in the annual audited financial statements for the year ended December 31 2007.

The accounting policies in respect of investment property and investment in securities disclosed in the annual audited financial statements are stated below as required by Securities and Commodities Authority notification dated October 12, 2008:

***Investment property***

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in the profit or loss.

***Investment in securities***

Investments 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.

***AFS financial assets***

AFS financial assets comprise listed shares held by the Company traded in an active market and are stated at fair value. Gains and losses arising from the changes in the fair value are recognised directly in the equity in the cumulative changes in fair values with the exception of impairment losses. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the cumulative changes in fair values is included in profit or loss.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

**Notes to the Interim Financial Information** (continued)  
**For the nine month period ended September 30, 2008**

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**3. Accounting policies** (continued)

*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 in the near future; or
- it is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short- term profit taking.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

**4. Property and equipment**

All the properties and equipments are located in U.A.E.

**5. Investment property**

Investment property represents the fair value of the properties located in U.A.E.

**6. Available-for-sale investments/investments held for trading**

Available-for-sale investments/investments held for trading are held in listed entities in U.A.E.

Notes to the Interim Financial Information (continued)  
For the nine month period ended September 30, 2008

7. Insurance contract liabilities and re-insurance contract assets

|                                                         | September 30,<br>2008 | December 31,<br>2007 |
|---------------------------------------------------------|-----------------------|----------------------|
|                                                         | Unaudited<br>AED      | Audited<br>AED       |
| <b>Gross</b>                                            |                       |                      |
| Insurance contract liabilities                          |                       |                      |
| Claims reported unsettled                               | 16,095,671            | 15,623,274           |
| Claims incurred but not reported                        | 3,600,000             | 3,600,000            |
| Unearned premiums                                       | <u>29,326,189</u>     | <u>23,731,309</u>    |
| <b>Total insurance contract liabilities, gross</b>      | <u>49,021,860</u>     | <u>42,954,583</u>    |
| <b>Recoverable from reinsurers</b>                      |                       |                      |
| Claims reported unsettled                               | 6,924,835             | 7,366,001            |
| Unearned premiums                                       | <u>7,207,498</u>      | <u>5,760,217</u>     |
| <b>Total reinsurers' share of insurance liabilities</b> | <u>14,132,333</u>     | <u>13,126,218</u>    |
| <b>Net</b>                                              |                       |                      |
| Claims reported unsettled                               | 9,170,836             | 8,257,273            |
| Claims incurred but not reported                        | 3,600,000             | 3,600,000            |
| Unearned premiums                                       | <u>22,118,691</u>     | <u>17,971,092</u>    |
|                                                         | <u>34,889,527</u>     | <u>29,828,365</u>    |
|                                                         | =====                 | =====                |

8. Bank balances and cash

|                  | September 30,<br>2008 | December 31,<br>2007 |
|------------------|-----------------------|----------------------|
|                  | Unaudited<br>AED      | Audited<br>AED       |
| Cash on hand     | 64,453                | 117,477              |
| Bank balances:   |                       |                      |
| Current accounts | 2,276,361             | 60,636,962           |
| Call accounts    | 216,289               | 216,289              |
| Fixed deposits   | <u>11,482,438</u>     | <u>11,404,061</u>    |
|                  | <u>14,039,541</u>     | <u>72,374,789</u>    |
|                  | =====                 | =====                |

Fixed deposits amounting to AED 7,500,000 (December 31, 2007: AED 7,500,000) are under lien with a bank against the guarantees issued in favour of U.A.E. Ministry of Economy in accordance with the requirements of U.A.E. Federal Law No. 9 of 1984, as amended, concerning Insurance Companies and Agents.

**Notes to the Interim Financial Information** (continued)  
**For the nine month period ended September 30, 2008**

**8. Bank balances and cash** (continued)

Fixed deposits amounting to AED 1,000,000 (December 31, 2007: AED 1,000,000) are under lien against the credit facility granted to the Company.

Bank balances and cash represent:

|                  | <b>September 30,<br/>2008</b> | December 31,<br>2007 |
|------------------|-------------------------------|----------------------|
|                  | <b>Unaudited</b>              | Audited              |
|                  | <b>AED</b>                    | AED                  |
| - Within U.A.E.  | <b>13,875,061</b>             | 72,210,309           |
| - Outside U.A.E. | <b><u>164,480</u></b>         | <u>164,480</u>       |
|                  | <b><u>14,039,541</u></b>      | 72,374,789           |
|                  | <b>=====</b>                  | =====                |

**9. Share capital**

|                                           | <b>September 30,<br/>2008</b> | December 31,<br>2007 |
|-------------------------------------------|-------------------------------|----------------------|
|                                           | <b>Unaudited</b>              | Audited              |
|                                           | <b>AED</b>                    | AED                  |
| Issued and fully paid:                    |                               |                      |
| 140 million ordinary shares of AED 1 each | <b>140,000,000</b>            | 140,000,000          |
|                                           | <b>=====</b>                  | =====                |

**10. Net insurance premium revenue**

|                                  | <b>Nine month period<br/>ended September 30,</b> |                      | <b>Three month period<br/>ended September 30,</b> |                     |
|----------------------------------|--------------------------------------------------|----------------------|---------------------------------------------------|---------------------|
|                                  | <b>2008</b>                                      | 2007                 | <b>2008</b>                                       | 2007                |
|                                  | <b>Unaudited</b>                                 | Unaudited            | <b>Unaudited</b>                                  | Unaudited           |
|                                  | <b>AED</b>                                       | AED                  | <b>AED</b>                                        | AED                 |
| <b>Gross premium written</b>     |                                                  |                      |                                                   |                     |
| Gross premium written            | <b>55,785,040</b>                                | 41,421,739           | <b>16,830,924</b>                                 | 10,352,596          |
| Change in unearned premium       | <b>( 5,594,880)</b>                              | ( 1,760,090)         | <b>( 3,057,767)</b>                               | ( 28,302)           |
|                                  | <b><u>50,190,160</u></b>                         | <u>39,661,649</u>    | <b><u>13,773,157</u></b>                          | <u>10,324,294</u>   |
| <b>Reinsurance premium ceded</b> |                                                  |                      |                                                   |                     |
| Reinsurance premium ceded        | <b>( 17,484,792)</b>                             | ( 13,521,975)        | <b>( 4,757,401)</b>                               | ( 3,374,806)        |
| Change in unearned premium       | <b><u>1,447,281</u></b>                          | <u>455,161</u>       | <b><u>518,928</u></b>                             | <u>250,704</u>      |
|                                  | <b><u>( 16,037,511)</u></b>                      | <u>( 13,066,814)</u> | <b><u>( 4,238,473)</u></b>                        | <u>( 3,124,102)</u> |
| Net insurance premium revenue    | <b><u>34,152,649</u></b>                         | 26,594,835           | <b><u>9,534,684</u></b>                           | 7,200,192           |
|                                  | <b>=====</b>                                     | =====                | <b>=====</b>                                      | =====               |

Notes to the Interim Financial Information (continued)  
For the nine month period ended September 30, 2008

11. Basic earnings per share

|                                       | Nine month period<br>ended September 30, |              | Three month period<br>ended September 30, |             |
|---------------------------------------|------------------------------------------|--------------|-------------------------------------------|-------------|
|                                       | 2008                                     | 2007         | 2008                                      | 2007        |
|                                       | Unaudited                                | Unaudited    | Unaudited                                 | Unaudited   |
| Profit/(loss) for the period (in AED) | <b>2,572,579</b>                         | 20,728,616 ( | <b>6,637,374)</b>                         | 2,334,666   |
| Number of shares                      | <b>140,000,000</b>                       | 140,000,000  | <b>140,000,000</b>                        | 140,000,000 |
| Basic earnings per share<br>(in AED)  | <b>0.02</b>                              | 0.15         | <b>(0.05)</b>                             | 0.02        |

12. Cash and cash equivalents

|                           | September 30,       |              |
|---------------------------|---------------------|--------------|
|                           | 2008                | 2007         |
|                           | Unaudited           | Unaudited    |
|                           | AED                 | AED          |
| Bank balances and cash    | <b>14,039,541</b>   | 17,651,373   |
| Fixed deposits under lien | <b>( 8,500,000)</b> | ( 8,500,000) |
|                           | <b>5,539,541</b>    | 9,151,373    |

**Notes to the Interim Financial Information** (continued)  
**For the nine month period ended September 30, 2008**

**13. Related party transactions**

**Transactions:**

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

|                                                                               | <b>Nine month period<br/>ended September 30,</b> |                  | <b>Three month period<br/>ended September 30,</b> |                  |
|-------------------------------------------------------------------------------|--------------------------------------------------|------------------|---------------------------------------------------|------------------|
|                                                                               | <b>2008</b>                                      | <b>2007</b>      | <b>2008</b>                                       | <b>2007</b>      |
|                                                                               | <b>Unaudited</b>                                 | <b>Unaudited</b> | <b>Unaudited</b>                                  | <b>Unaudited</b> |
|                                                                               | <b>AED</b>                                       | <b>AED</b>       | <b>AED</b>                                        | <b>AED</b>       |
| Premium written                                                               | <b>668,394</b>                                   | 275,257          | <b>80,269</b>                                     | 103,055          |
| Management expenses (net)                                                     | <b>1,906,710</b>                                 | 1,258,348        | <b>376,958</b>                                    | 183,988          |
| Premiums written through a<br>related party broker                            | <b>6,580,937</b>                                 | 6,561,325        | <b>1,534,231</b>                                  | 1,767,222        |
| Commission paid                                                               | <b>769,866</b>                                   | 780,430          | <b>176,308</b>                                    | 206,295          |
| Directors' and key management<br>personnel remuneration<br>including benefits | <b>2,158,416</b>                                 | 1,467,680        | <b>409,161</b>                                    | 418,487          |
| Claims paid                                                                   | <b>27,660</b>                                    | 59,265           | <b>5,467</b>                                      | 5,524            |
| Claims paid through a related<br>party broker                                 | <b>745,066</b>                                   | 116,028          | <b>116,306</b>                                    | 39,502           |
| Purchase of property and equipment                                            | <b>1,358,854</b>                                 | 7,739,024        | <b>1,358,854</b>                                  | -                |

Transactions with related parties are entered into at rates agreed with the management.

**14. Dividends**

During the period dividend per share of AED 25 fils was paid to the Shareholders (2007: Nil).

**15. Commitments and contingent liabilities**

|                                                    | <b>September 30,<br/>2008</b> | <b>December 31,<br/>2007</b> |
|----------------------------------------------------|-------------------------------|------------------------------|
|                                                    | <b>Unaudited</b>              | <b>Audited</b>               |
|                                                    | <b>AED</b>                    | <b>AED</b>                   |
| Commitments for acquisition of investment property | <b>6,585,734</b>              | 14,328,454                   |
| Letters of guarantees                              | <b>8,298,700</b>              | 9,333,290                    |

**Notes to the Interim Financial Information** (continued)  
**For the nine month period ended September 30, 2008**

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**16. Approval of interim financial information**

The interim financial information were approved and authorised for issue on October 28, 2008.

**17. Comparative amounts**

Certain amounts for the prior period were reclassified to conform to current period presentation.