

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

**INTERIM FINANCIAL INFORMATION
AND REVIEW REPORT
FOR THE THREE MONTH PERIOD
ENDED MARCH 31, 2009**

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

**Interim Financial Information and Review Report
For the Three Month Period Ended March 31, 2009**

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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 statement of financial position of **Arabian Scandinavian Insurance Company P.L.C., Dubai, United Arab Emirates**, as of March 31, 2009 and the related condensed statements of income, comprehensive income, changes in equity and cash flows for the three 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.

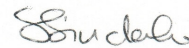
Scope of Review

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.

For Deloitte & Touche



Saba Y. Sindaha
Partner
(Registration No. 410)

Sharjah
May 7, 2009

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

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Condensed Statement of Financial Position
At March 31, 2009
(In Arab Emirates Dirhams)

	Notes	March, 31, 2009 Unaudited	December 31, 2008 Audited
ASSETS			
Non-current assets			
Property and equipment	4	30,142,071	28,975,199
Investment property	5	169,500,000	169,500,000
Available-for-sale investments	6	36,665,604	38,038,335
Total non-current assets		236,307,675	236,513,534
Current assets			
Re-insurance contract assets	7	14,187,922	11,830,309
Insurance and other receivables		21,608,226	21,224,145
Due from related parties		15,614,437	8,704,251
Investments held for trading	6	18,231,533	25,670,420
Bank balances and cash	8	21,867,700	14,162,112
Total current assets		91,509,818	81,591,237
Total Assets		327,817,493	318,104,771
EQUITY AND LIABILITIES			
Capital and reserves			
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 change in fair values		(26,115,235)	(27,342,414)
Retained earnings		54,198,036	44,193,498
Total Equity		241,712,107	230,480,390
Non-current liabilities			
Provision for employees' end of service indemnity		1,319,300	1,279,184
Current liabilities			
Insurance contract liabilities	7	50,363,310	49,613,471
Insurance and other payables		34,422,776	36,731,726
Total current liabilities		84,786,086	86,345,197
Total Liabilities		86,105,386	87,624,381
Total Equity and Liabilities		327,817,493	318,104,771

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 Three Month Period Ended March 31, 2009
(In Arab Emirates Dirhams)

	Notes	Three month period ended March 31, 2009 Unaudited	Three month period ended March 31, 2008 Unaudited
Insurance premium revenue	10	18,393,364	19,889,484
Insurance premium ceded to reinsurers	10	(7,194,158)	(6,939,292)
Net insurance premium revenue	10	11,199,206	12,950,192
Gross claims incurred		(10,095,846)	(8,992,164)
Insurance claims recovered from reinsurers		4,884,784	3,556,676
Net claims incurred		(5,211,062)	(5,435,488)
Gross commission earned		2,458,892	1,856,932
Less: commission incurred		(1,164,159)	(1,558,977)
Net commission earned		1,294,733	297,955
Underwriting profit		7,282,877	7,812,659
General and administrative expenses relating to underwriting activities		(2,583,946)	(3,483,302)
Net underwriting profit		4,698,931	4,329,357
Investment income/(loss)		5,142,349	(2,236,865)
Other income		163,258	76,906
Profit for the period		10,004,538	2,169,398
		=====	=====
Basic earnings per share	11	0.07	0.01
		=====	=====

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

Condensed Statement of Comprehensive Income
For the Three Month Period Ended March 31, 2009
(In Arab Emirates Dirhams)

	Three Month Period	
	Ended March 31,	
	2009	2008
	Unaudited	Unaudited
Profit for the period	10,004,538	2,169,398
Other comprehensive income		
Net gain/(loss) on available-for-sale investments recognised directly in equity	1,227,179	(5,103,149)
Transfer to profit or loss on sale of available-for-sale investments	-	(1,950,668)
Board of directors' remuneration paid	<u>-</u>	(<u>700,000</u>)
Total comprehensive income/(loss) for the period	11,231,717	(5,584,419)
	=====	=====

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 Three Month Period Ended March 31, 2009
(In Arab Emirates Dirhams)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>General reserve</u>	<u>Cummulative Change in fair values</u>	<u>Retained earnings</u>	<u>Total</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 recognised directly in equity	-	-	-	(5,103,149)	-	(5,103,149)
Transfer to profit or loss on sale of available-for-sale investments	-	-	-	(1,950,668)	-	(1,950,668)
Profit for the period	-	-	-	-	2,169,398	2,169,398
Board of directors' remuneration paid	-	-	-	-	(700,000)	(700,000)
Total comprehensive loss for the period	-	-	-	(7,053,817)	<u>1,469,398</u>	(5,584,419)
Dividend paid	-	-	-	-	(35,000,000)	(35,000,000)
Balance at March 31, 2008 (Unaudited)	<u>140,000,000</u>	<u>40,759,753</u>	<u>32,869,553</u>	(5,103,149)	109,418,393	317,944,550
	=====	=====	=====	=====	=====	=====
Balance at December 31, 2008 (Audited)	<u>140,000,000</u>	<u>40,759,753</u>	<u>32,869,553</u>	(27,342,414)	<u>44,193,498</u>	<u>230,480,390</u>
Gain on available-for-sale investments recognised directly in equity	-	-	-	1,227,179	-	1,227,179
Profit for the period	-	-	-	-	<u>10,004,538</u>	<u>10,004,538</u>
Total comprehensive income for the period	-	-	-	<u>1,227,179</u>	<u>10,004,538</u>	<u>11,231,717</u>
Balance at March 31, 2009 (Unaudited)	<u>140,000,000</u>	<u>40,759,753</u>	<u>32,869,553</u>	(26,115,235)	<u>54,198,036</u>	<u>241,712,107</u>
	=====	=====	=====	=====	=====	=====

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

Condensed Statement of Cash Flows
For the Three Month Period Ended March 31, 2009
(In Arab Emirates Dirhams)

	Three Month Period	
	Ended March 31,	
	2009	2008
	Unaudited	Unaudited
Operating activities		
Profit for the period	10,004,538	2,169,398
Adjustments for:		
Increase in reinsurance contract assets	(2,357,613)	(1,834,250)
Increase in insurance contract liabilities	749,839	4,168,017
Depreciation of property and equipment	39,055	41,441
Unrealised loss on investments held for trading	15,671	9,007,464
Impairment losses on available-for-sale investments	257,908	-
Other investment revenues	(5,415,928)	(6,770,599)
Provision for employees' end of service indemnity	40,116	37,760
Operating cash flows before movements in working capital	3,333,586	6,819,231
Increase in insurance and other receivables	(384,081)	(3,952,911)
Increase in due from related parties	(6,910,186)	(4,537,590)
(Decrease)/increase in insurance and other payables	(2,308,950)	5,822,904
Increase in due to related parties	-	41,181
Cash (used in)/generated from operations	(6,269,631)	4,192,815
Employees' end of service indemnity paid	-	(866)
Net cash (used in)/generated from operating activities	(6,269,631)	4,191,949
Investing activities		
Purchase of investment property	-	(12,185,147)
Purchase of property and equipment	(1,205,927)	(3,446,628)
Purchase of investments in securities	(5,818,409)	(107,687,554)
Proceeds from sale of investments in securities	16,819,345	92,682,492
Income from investment property	4,095,354	3,776,325
Dividend received	84,856	-
Net cash from/(used) in investing activities	13,975,219	(26,860,512)
Finance activities		
Dividend paid	-	(35,000,000)
Board of directors' remuneration paid	-	(700,000)
Net cash used in financing activities	-	(35,700,000)
Net increase/(decrease) in cash and cash equivalents	7,705,588	(58,368,563)
Cash and cash equivalents at the beginning of the period	5,662,112	63,874,789
Cash and cash equivalents at the end of the period (Note 12)	13,367,700	5,506,226
	=====	=====

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

Notes to the Interim Financial Information
For the Three Month Period Ended March 31, 2009

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 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 revaluation 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 audited annual financial statements as at and for the year ended December 31, 2008. In addition, results for the 3 months ended March 31, 2009 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2009.

(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 consistent with those that were applied to the audited annual financial statements as at and for the year ended December 31, 2008.

Notes to the Interim Financial Information (continued)
For the Three Month Period Ended March 31, 2009

2. Basis of preparation (continued)

(b) Insurance and financial risk management

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended December 31, 2008.

3. Accounting policies

The accounting policies used in the preparation of this condensed interim financial information are consistent with those used in the annual audited financial statements for the year ended December 31 2008, except for the impact of the adoption of the IAS 1 – Presentation of financial statements. The revised standard has introduced a number of terminology changes (including revised titles for the condensed financial information) and has resulted in a number of changes in presentation and disclosure. However, the revised standard has had no impact on the reported results or financial position of the Company.

The accounting policies in respect of investment property, investment in securities and property and equipment 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 date of statement of financial position. Gains or losses arising from changes in the fair value of investment property are included in the profit or loss.

Investment in securities

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

Investments of the Company are classified as either as “at fair value through profit or loss” (FVTPL) or as available-for-sale (AFS).

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.

Notes to the Interim Financial Information (continued)
For the Three Month Period Ended March 31, 2009

3. Accounting policies (continued)

Financial assets at FVTPL (continued)

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.

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 investments revaluation reserve 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 investments revaluation reserve 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 date of statement of financial position. 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.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated using the straight line method to write off the cost of such assets to their estimated residual values over their expected useful economic lives.

4. Property and equipment

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

5. Investment property

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

Investment property is registered in the name of a Director in trust and for the benefit of the Company.

Notes to the Interim Financial Information (continued)
For the Three Month Period Ended March 31, 2009

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.

Held for trading investments amounting to AED 2,999,974 (December 31, 2008: AED 8,537,414) are registered in the name of a Director in trust and for the benefit of the Company.

7. Insurance contract liabilities and re-insurance contract assets

	March 31, 2009	December 31,
	Unaudited	Audited
	AED	AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	18,446,664	16,053,136
Claims incurred but not reported	3,600,000	3,600,000
Unearned premiums	<u>28,316,646</u>	<u>29,960,335</u>
Total insurance contract liabilities, gross	<u>50,363,310</u>	<u>49,613,471</u>
Recoverable from reinsurers		
Claims reported unsettled	6,948,760	4,558,941
Unearned premiums	<u>7,239,162</u>	<u>7,271,368</u>
Total reinsurers' share of insurance liabilities	<u>14,187,922</u>	<u>11,830,309</u>
Net		
Claims reported unsettled	11,497,904	11,494,195
Claims incurred but not reported	3,600,000	3,600,000
Unearned premiums	<u>21,077,484</u>	<u>22,688,967</u>
	36,175,388	37,783,162
	=====	=====

Notes to the Interim Financial Information (continued)
For the Three Month Period Ended March 31, 2009

8. Bank balances and cash

	March 31, 2009	December 31,
	Unaudited	Audited
	AED	AED
Cash on hand	18,107	48,974
Bank balances:		
Current accounts	2,644,987	2,408,532
Call accounts	222,168	222,168
Fixed deposits	<u>18,982,438</u>	<u>11,482,438</u>
	<u>21,867,700</u>	14,162,112
	=====	=====

Fixed deposits amounting to AED 7,500,000 (December 31, 2008: 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.

Fixed deposits amounting to AED 1,000,000 (December 31, 2008: AED 1,000,000) are under lien against the credit facility granted to the Company.

Bank balances and cash represents:

	March 31, 2009	December 31,
	Unaudited	Audited
	AED	AED
Within U.A.E.	21,697,341	13,991,753
Outside U.A.E.	<u>170,359</u>	<u>170,359</u>
	<u>21,867,700</u>	14,162,112
	=====	=====

9. Share capital

	March 31, 2009	December 31,
	Unaudited	Audited
	AED	AED
Issued and fully paid:		
140 million ordinary shares of AED 1 each	<u>140,000,000</u>	140,000,000
	=====	=====

Notes to the Interim Financial Information (continued)
For the Three Month Period Ended March 31, 2009

10. Net insurance premium revenue

	Three Month Period Ended March 31,	
	2009	2008
	Unaudited	Unaudited
	AED	AED
Gross premium written		
Gross premium written	16,749,675	21,193,638
Change in unearned premium	<u>1,643,689</u>	<u>(1,304,154)</u>
	<u>18,393,364</u>	<u>19,889,484</u>
Reinsurance premium ceded		
Reinsurance premium ceded	(7,161,952)	(7,525,196)
Change in unearned premium	<u>(32,206)</u>	<u>585,904</u>
	<u>(7,194,158)</u>	<u>(6,939,292)</u>
Net insurance premium revenue	11,199,206	12,950,192
	=====	=====

11. Basic earnings per share

	Three Month Period Ended March 31,	
	2009	2008
	Unaudited	Unaudited
Profit for the period (in AED)	10,004,538	2,169,398
	=====	=====
Number of shares	140,000,000	140,000,000
	=====	=====
Basic earnings per share (in AED)	0.07	0.01
	=====	=====

Notes to the Interim Financial Information (continued)
For the Three Month Period Ended March 31, 2009

12. Cash and cash equivalents

	March 31,	
	2009	2008
	Unaudited	Unaudited
	AED	AED
Bank balances and cash	21,867,700	14,006,226
Fixed deposits under lien	(8,500,000)	(8,500,000)
	13,367,700	5,506,226
	=====	=====

13. Related party transactions

Transactions:

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

	Three Month Period	
	Ended March 31,	
	2009	2008
	Unaudited	Unaudited
	AED	AED
Insurance policies	421,509	453,223
Management expenses (net)	1,109,778	1,060,014
Premiums written through a related party broker	3,256,409	3,185,719
Commission paid	363,051	394,677
Directors' and key management personnel remuneration including benefits	293,065	1,343,400
Claims paid	6,413	17,755
Claims paid through a related party broker	35,664	259,656

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

Notes to the Interim Financial Information (continued)
For the Three Month Period Ended March 31, 2009

14. Commitments and contingent liabilities

	March 31, 2009	December 31, 2008
	Unaudited AED	Audited AED
Commitments for acquisition of investment property	5,383,757	6,585,734
Letters of guarantees	8,298,700	8,298,700

15. Approval of interim financial information

The interim financial information were approved and authorised for issue on May 7, 2009.

16. Comparative amounts

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