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**AL-SAGR NATIONAL INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY) AND
ITS SUBSIDIARY
DUBAI - UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION AND REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2007**

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

**Interim Condensed Consolidated Financial Information
and Review Report
For the Six-Month Period Ended June 30, 2007**

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Report on Review of Interim Condensed Consolidated Financial Information

The Board of Directors
Al-Sagr National Insurance Company
(Public Shareholding Company)
Dubai- United Arab Emirates

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of **Al-Sagr National Insurance Company (a Public Shareholding Company) - Dubai, United Arab Emirates** and its subsidiary (collectively "the Group") as of June 30, 2007 and the related interim condensed consolidated statements of income, changes in equity and cash flow statement for the six month period then ended, and the explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting ("IAS 34")'. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review. The comparative figures in the interim condensed consolidated statement of income, changes in equity and cash flow statement for the six month period ended June 30, 2006 were extracted from the books of account without review, and presented for comparative purposes only.

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.

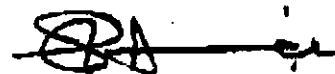
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Dubai
August 2, 2007

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Deloitte & Touche



Ahmed Nimer
Partner
(Registration No. 380)

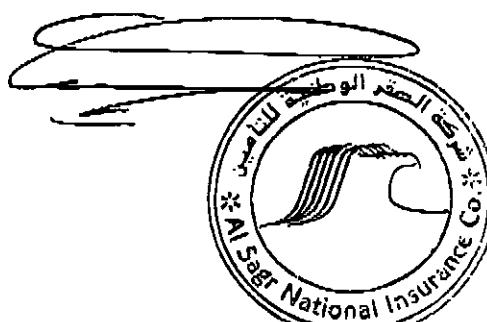
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**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Interim Condensed Consolidated Balance Sheet
At June 30, 2007
(In Arab Emirates Dirhams)**

	<u>Note</u>	<u>June 30, 2007 (Un-audited)</u>	<u>December 31, 2006 (Audited)</u>
ASSETS			
Non-current assets			
Property and equipment		1,639,887	939,314
Investment property	5	65,371,179	60,419,799
Investment in associates	6	41,142,034	8,886,967
Investment in joint venture		-	28,660,079
Held to maturity investments	7	23,494,816	19,544,816
Available-for-sale investments	7	515,000	515,000
Total non-current assets		132,162,916	118,965,975
Current assets			
Reinsurance contract assets	8	170,790,291	181,489,964
Insurance and other receivables		222,560,023	169,135,304
Investments held for trading	7	180,403,282	214,644,509
Bank balances and cash	9	135,397,972	77,187,991
Total current assets		709,151,568	642,457,768
Total Assets		841,314,484	761,423,743



The accompanying notes form an integral part of these interim condensed consolidated financial information.

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Interim Condensed Consolidated Balance Sheet (continued)
At June 30, 2007
(In Arab Emirates Dirhams)**

	<u>Note</u>	<u>June 30, 2007 (Un-audited)</u>	<u>December 31, 2006 (Audited)</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	100,000,000	100,000,000
Statutory reserve		25,720,738	25,720,738
General reserve		100,000,000	100,000,000
Retained earnings		141,804,114	114,965,470
Equity attributable to equity holders of the parent		367,524,852	340,686,208
Minority interest		14,045,979	17,254,338
Total Equity		381,570,831	357,940,546
Non-current liabilities			
Provision for employees' end of service indemnity		5,699,560	5,186,283
Current liabilities			
Insurance contract liabilities	8	313,965,933	294,233,321
Insurance and other payables		98,260,716	60,383,787
Bank overdrafts		41,817,444	43,679,806
Total current liabilities		454,044,093	398,296,914
Total Liabilities		459,743,653	403,483,197
Total Equity and Liabilities		841,314,484	761,423,743

The accompanying notes form an integral part of these interim condensed consolidated financial information.

The interim condensed consolidated financial information on pages 2 to 16 were approved by the Board of Directors and authorized for issue on August 2, 2007.

Chairman

Vice Chairman

Managing Director

Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates

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Interim Condensed Consolidated Statement of Income
For the Six-Month Period Ended June 30, 2007
(In Arab Emirates Dirhams)

	Six-month period ended June 30,		Three-month period ended June 30,	
	2007	2006	2007	2006
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Gross insurance premium revenue	217,182,095	131,473,420	92,596,705	55,260,451
Less: Insurance premium ceded to reinsurers	(116,033,577)	(77,839,093)	(47,468,691)	(31,711,375)
Net retained premium revenue	101,148,518	53,634,327	45,128,014	23,549,076
Net change in unearned premium	(17,505,441)	(10,481,630)	(9,526,347)	(5,288,765)
Net insurance premium revenue	83,643,077	43,152,697	35,601,667	18,260,311
Gross claims settled	(149,130,041)	(51,648,018)	(53,973,835)	(29,998,355)
Insurance claims recovered from reinsurers	81,161,408	21,782,940	18,154,101	13,988,973
Net claims settled	(67,968,633)	(29,865,078)	(35,819,734)	(16,009,382)
Net change in outstanding claims	(12,926,846)	(6,209,816)	(5,022,650)	(720,026)
Net claims incurred	(80,895,479)	(36,074,894)	(40,842,384)	(16,729,408)
Gross commission earned and documentation fees	42,201,779	24,995,553	20,642,211	13,099,652
Less: Commission incurred	(16,362,061)	(10,210,768)	(8,148,112)	(5,300,370)
Net commission and documentation fees earned	25,839,718	14,784,785	12,494,099	7,799,282
Underwriting profit	28,587,316	21,862,588	7,253,382	9,330,185
General and administrative expenses	(12,821,234)	(9,258,518)	(6,336,898)	(4,741,952)
Net underwriting profit	15,766,082	12,604,070	916,484	4,588,233
Investment revenue/(loss)	20,553,266	(47,500,966)	15,324,668	(22,269,137)
(Loss)/revenue from joint venture	(5,746,759)	43,807,168	(5,213,533)	-
Finance costs	(1,170,800)	(2,978,656)	(664,149)	(1,648,084)
Other Income /(expenses)	(1,101,504)	(100,648)	(986,877)	(32,304)
Profit/(loss) for the period	28,300,285	5,830,968	9,376,593	(19,361,292)
Attributable to:				
Equity holders of the parent	27,588,644	6,292,384	9,362,830	(18,822,626)
Minority interest	711,641	(461,416)	13,763	(538,666)
	28,300,285	5,830,968	9,376,593	(19,361,292)
Basic earnings/(loss) per share (Note 11)	0.28	0.06	0.09	(0.19)

The accompanying notes form an integral part of these interim condensed consolidated financial information.

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Interim Condensed Consolidated Statement of Changes in Equity
For the Six-Month Period Ended June 30, 2007
(In Arab Emirates Dirhams)**

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>General reserve</u>	<u>Investment revaluation reserve</u>	<u>Retained earnings</u>	<u>Attributable to equity holders of parent</u>	<u>Minority interest</u>	<u>Total</u>
Balance at December 31, 2005 (audited)	50,000,000	25,000,000	66,000,000	-	192,441,399	333,441,399	16,466,899	349,908,298
Transfer to general reserve	-	-	34,000,000	-	(34,000,000)	-	-	-
Bonus shares	50,000,000	-	-	-	(50,000,000)	-	-	-
Board of Directors remuneration paid	-	-	-	-	(750,000)	(750,000)	-	(750,000)
Profit for the period	-	-	-	-	6,292,384	6,292,384	(461,416)	5,830,968
Loss on available-for-sale investments recognized directly in equity	-	-	-	(2,112,056)	-	(2,112,056)	-	(2,112,056)
Balance at June 30, 2006 (un-audited)	100,000,000	25,000,000	100,000,000	(2,112,056)	113,983,783	336,871,727	16,005,483	352,877,210
Balance at December 31, 2006 (audited)	100,000,000	25,720,738	100,000,000	-	114,965,470	340,686,208	17,254,338	357,940,546
Profit for the period	-	-	-	-	27,588,644	27,588,644	711,641	28,300,285
Dividends	-	-	-	-	-	-	(3,920,000)	(3,920,000)
Board of Directors' remuneration paid	-	-	-	-	(750,000)	(750,000)	-	(750,000)
Balance at June 30, 2007 (Un-audited)	100,000,000	25,720,738	100,000,000	-	141,804,114	367,524,852	14,045,979	381,570,831

The accompanying notes form an integral part of these interim condensed consolidated financial information.

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Interim Condensed Consolidated Cash Flow Statement
For the Six-Month Period Ended June 30, 2007
(In Arab Emirates Dirhams)**

	Six-month period ended	
	June 30,	
	2007	2006
	(Un-audited)	(Un-audited)
Cash flows from operating activities		
Profit for the period	28,300,285	5,830,968
Adjustments for:		
Depreciation of property and equipment	219,970	244,190
Allowance for doubtful debts	500,000	-
Investment revenue	(10,451,666)	(1,855,028)
Decrease/(increase) in reinsurance contract assets	10,699,673	(11,443,541)
Increase in insurance contract liabilities	19,732,612	28,134,987
Fair value adjustments - investment property	-	(63,073,796)
Fair value adjustments - securities	(4,354,841)	68,963,030
Provision for employees' end of service indemnity	532,122	411,158
Finance costs	<u>1,170,800</u>	<u>2,978,656</u>
Operating cash flows before movements in working capital	46,348,955	30,190,624
Increase in fixed deposits with banks	(59,957,292)	(1,518,437)
Decrease in insurance and other receivables	(53,924,719)	(39,100,693)
Increase in insurance and other payables	<u>37,876,929</u>	<u>36,825,017</u>
Cash (used in)/generated from operations	(29,656,127)	26,396,511
Interest paid	(1,170,800)	(2,978,656)
Employees' end of service indemnity paid	(18,845)	(20,358)
Net cash (used in)/ from operating activities	<u>(30,845,772)</u>	<u>23,397,497</u>
Cash flows from investing activities		
Proceeds from sale of investments property	8,518,865	-
Purchase of investments property	(13,151,380)	(6,321,316)
Proceeds from sale of investments in securities	89,693,320	36,771,911
Purchase of investments in securities	(47,713,512)	(94,607,816)
Proceeds from sale of investment in joint venture	31,337,128	-
Addition of investment in joint venture	(8,423,808)	-
Purchase of investments in associates	(32,255,067)	(3,060,000)
Purchase of property and equipment	(920,543)	(226,873)
Interest received	3,136,189	2,615,486
Dividends received	4,905,171	2,065,465
Rent received net of expenses	<u>504,460</u>	<u>343,000</u>
Net cash from/(used in) investing activities	<u>35,630,823</u>	<u>(62,420,143)</u>
Cash flows from financing activities		
Directors' remuneration paid	(750,000)	(750,000)
(Decrease)/increase in bank overdrafts	(1,862,362)	39,232,974
Dividend paid	(3,920,000)	-
Net cash (used in)/from financing activities	<u>(6,532,362)</u>	<u>38,482,974</u>
Net decrease in cash and cash equivalents	(1,747,311)	(539,672)
Cash and cash equivalents at the beginning of the period	<u>18,256,765</u>	<u>4,664,975</u>
Cash and cash equivalents at the end of the period (Note 13)	<u>16,509,454</u>	<u>4,125,303</u>
	=====	=====

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

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Notes to the Interim Condensed Consolidated Financial Information
For the Six-Month Period Ended June 30, 2007**

1. General information

Al-Sagr National Insurance Company - Dubai (the "Company") was incorporated on December 25, 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, UAE.

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 and Ajman in the United Arab Emirates.

The Company also operates in Saudi Arabia under the name of Al-Sagr Saudi Insurance Company (a Bahraini shareholding closed exempt company) and in which the Company owns 50% of its capital (the subsidiary).

Under the new Co-operative insurance regulations promulgated in the Kingdom of Saudi Arabia by a Royal decree number M/32 dated 2/6/1424 (July 31, 2003), insurance in the Kingdom shall be undertaken through registered companies operating in a co-operative manner. No insurance or re-insurance company may be incorporated in the Kingdom without a license issued by Royal Decree provided that it will be operating as a public joint stock company and having a minimum paid up capital of SR 100 million. Accordingly, the Company will be required to obtain a license to practice its insurance activities in the Kingdom of Saudi Arabia.

During 2004, the shareholders of the Company have submitted an application for the insurance license with Saudi Arabian Monetary Agency ("SAMA") under a new company namely "Al Sagr Company for Co-operative Insurance". It is expected that this new company will later assume all the activities of Al Sagr Saudi Insurance Co. following the issuance of the respective insurance license. The new company is currently under licensing by the regulatory authorities in Saudi Arabia and accordingly the articles of association related to this company was completed and approved by the Ministry of Commerce in Saudi Arabia. Al-Sagr Company for Co-operative Insurance has received approval of the insurance business license from the Ministerial Council of the Kingdom of Saudi Arabia on Safar 15, 1428 (March 5, 2007). The financial statements have been prepared on the assumption that the subsidiary company will continue as a going concern and, accordingly, do not include any adjustments that might result should it not be able to continue as a going concern.

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2007**

2. Basis of preparation

These interim condensed consolidated 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 condensed consolidated financial information is prepared in accordance with the historical cost basis, except for the measurement at fair value of investment property and certain financial instruments. The consolidated interim financial information is presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Group's transactions are dominated. The interim financial information of the subsidiary company expressed in Saudi Riyals were translated for consolidation purposes to Arab Emirates Dirhams at the exchange rates prevailing at period end, as parity exchange rates are fixed.

These interim condensed consolidated financial information do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements as at and for the year ended December 31, 2006. In addition, results for the six-months period ended June 30, 2007 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2007.

(a) Estimates

The preparation of interim condensed consolidated 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 these interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2006.

(b) Management of insurance and financial risk

The Group's insurance and financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended December 31, 2006.

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2007**

3. Basis of consolidation

The interim condensed consolidated financial information incorporate the interim financial information of the Company and the entity controlled by the Company (its subsidiary) (the "Group"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiary acquired or disposed of during the period are included in the interim condensed consolidated statement of income from the effective date of acquisition or up to effective date of disposal, as appropriate.

Where necessary, adjustments are made to the interim financial information of subsidiary to bring the accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

4. Accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the annual audited consolidated financial statements for the year ended December 31 2006, except for the adoption of new standards and interpretation noted below:

IFRS 7 Financial Instruments Disclosures

The Group has adopted IFRS 7, which requires disclosures that enable users to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. These new disclosures will be included in the Group's annual consolidated financial statements for the year ending December 31, 2007.

IAS 1 Amendment - Presentation of Financial Statements

This amendment requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures will be included in the Group's annual consolidated financial statements for the year ending December 31, 2007.

IFRIC 10 Interim Financial Reporting and Impairment

The Group has adopted IFRIC Interpretation 10 as of January 1, 2007, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of an investment in either an equity instrument or a financial asset carried at cost.

Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

Al-Sagr National Insurance Company (Public Shareholding Company) 10
and its Subsidiary
Dubai - United Arab Emirates

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2007

5. Investment property

	<u>Building</u> <u>AED</u>	<u>Land</u> <u>AED</u>	<u>Total</u> <u>AED</u>
Fair value, at December 31, 2005 (audited)	7,246,746	8,697,081	15,943,827
Additions during the period	2,978,421	3,342,895	6,321,316
Increase in fair value during the period	<u>43,807,168</u>	<u>19,266,628</u>	<u>63,073,796</u>
Balance, at June 30, 2006 (un-audited)	<u>54,032,335</u>	<u>31,306,604</u>	<u>85,338,939</u>
Fair value, at December 31, 2006 (audited)	46,514,251	13,905,548	60,419,799
Transfer during the period	13,905,548	(13,905,548)	-
Disposal during the period	(8,200,000)	-	(8,200,000)
Additions during the period	<u>13,151,380</u>	<u>-</u>	<u>13,151,380</u>
Balance, at June 30, 2007 (un-audited)	<u>65,371,179</u>	<u>-</u>	<u>65,371,179</u>

Net income from investment properties which amounted to AED 504,460 for the six-month period ended June 30, 2007 (June 30, 2006: AED 343,000) is included in investment revenue in the interim condensed consolidated statement of income.

6. Investments in associates

	<u>June 30,</u> <u>2007</u> <u>(Un-audited)</u> <u>AED</u>	<u>December 31,</u> <u>2006</u> <u>(Audited)</u> <u>AED</u>
Al Sagr Company for Co-operative Insurance (SCCI), Kingdom of Saudi Arabia	39,200,000	7,023,333
Najm Project for Motor Insurance Development, Kingdom of Saudi Arabia	<u>1,883,234</u>	<u>1,863,634</u>
Saudi Care, Kingdom of Saudi Arabia	<u>58,800</u>	<u>-</u>
	<u>41,142,034</u>	<u>8,886,967</u>

Investment in associates represents payments made against the share capital of the three companies in the Kingdom of Saudi Arabia, which are under formation.

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2007**

7. Investments in securities

	June 30, 2007	December 31, 2006
	(Un-audited)	(Audited)
	AED	AED
Held for trading investments	180,403,282	214,644,509
Available - for - sale investments	515,000	515,000
Held-to-maturity investments	<u>23,494,816</u>	<u>19,544,816</u>
	<u><u>204,413,098</u></u>	<u><u>234,704,325</u></u>

Following are the movement of investments in securities during the period/year:

	June 30, 2007	December 31, 2006
	(Un-audited)	(Audited)
	AED	AED
a) Investments held for trading:		
Fair value, at the beginning of the period/ year	214,644,509	297,417,990
Net (disposals)/additions during the period/ year	(38,596,068)	46,863,536
Increase/(decrease) in fair value during the period/year	<u>4,354,841</u>	<u>(129,637,017)</u>
Fair value, at the end of the period/ year	<u><u>180,403,282</u></u>	<u><u>214,644,509</u></u>

Held for trading investments amounting to AED 3,358,955 (December 31, 2006: AED 2,782,732) are registered in the name of a related party in trust and for the benefit of the Group.

	June 30, 2007	December 31, 2006
	(Un-audited)	(Audited)
	AED	AED
b) Available-for-sale investments :		
Fair value, at the beginning of the period/year	515,000	-
Additions during the period/ year	<u>-</u>	<u>515,000</u>
Fair value, at the end of the period/year	<u><u>515,000</u></u>	<u><u>515,000</u></u>

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2007**

7. Investments in securities (continued)

	<u>June 30, 2007</u> (Un-audited) AED	<u>December 31, 2006</u> (Audited) AED
c) Held-to-maturity investments:		
Cost, at the beginning of the period/year	19,544,816	9,800,000
Net additions during the period/year	<u>3,950,000</u>	<u>9,744,816</u>
Cost, at the end of the period/year	<u>23,494,816</u>	<u>19,544,816</u>

8. Insurance contract liabilities and re-insurance contract assets

	<u>June 30, 2007</u> (Un-audited) AED	<u>December 31, 2006</u> (Audited) AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	147,596,505	164,398,256
Claims incurred but not reported	4,637,000	3,637,000
Unearned premiums	<u>161,732,428</u>	<u>126,198,065</u>
Total insurance contract liabilities, gross	<u>313,965,933</u>	<u>294,233,321</u>
Recoverable from reinsurers		
Claims reported unsettled	101,980,929	130,709,524
Unearned premiums	<u>68,809,362</u>	<u>50,780,440</u>
Total reinsurers' share of insurance liabilities	<u>170,790,291</u>	<u>181,489,964</u>
Net		
Claims reported unsettled	45,615,576	33,688,732
Claims incurred but not reported	4,637,000	3,637,000
Unearned premiums	<u>92,923,066</u>	<u>75,417,625</u>
	<u>143,175,642</u>	<u>112,743,357</u>

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Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2007

9. Bank balances and cash

	June 30, 2007 (Un-audited) AED	December 31, 2006 (Audited) AED
Cash on hand	59,200	47,300
Bank balances:		
Current accounts	4,175,374	3,209,465
Fixed deposits	<u>131,163,398</u>	<u>73,931,226</u>
	<u>135,397,972</u>	<u>77,187,991</u>

Fixed deposits with banks as at June 30, 2007 include AED 7,500,000 (December 31, 2006: AED 7,500,000) deposited in the name of the Company to the order of the Minister of Economy of the United Arab Emirates as required by the Federal Law Number (9) of 1984, as amended, relating to Insurance Companies and Agents.

Fixed deposits with banks as at June 30, 2007 amounting to AED 60,411,073 are under lien (December 31, 2006: AED 58,931,226) against the bank facilities availed by the Company.

All fixed deposits with banks mature within different periods not exceeding one year from the balance sheet date.

10. Share capital

	June 30, 2007 (Un-audited) AED	December 31, 2006 (Audited) AED
Issued and fully paid:		
100,000,000 ordinary shares of AED 1 each	<u>100,000,000</u>	<u>100,000,000</u>

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Notes to the Interim Condensed Consolidated Financial Information (continued)
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11. Basic earnings per share

	Six-month period ended June 30,		Three-month period ended June 30,	
	2007 (Un-audited) AED	2006 (Un-audited) AED	2007 (Un-audited) AED	2006 (Un-audited) AED
Profit/(loss) for the period	<u>27,588,644</u>	<u>6,292,384</u>	<u>9,362,830</u>	<u>(18,822,626)</u>
Number of shares	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
	AED	AED	AED	AED
Basic earnings/(loss) per share	<u>0.28</u>	<u>0.06</u>	<u>0.09</u>	<u>(0.19)</u>

Basic earnings per share is calculated by dividing the profit for the period by the number of shares outstanding as of the balance sheet date.

12. Related party transactions

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

	June 30, 2007 (Un-audited) AED	December 31, 2006 (Un-audited) AED
Due from policy holders	4,940,104	3,720,712
Due from shareholders	14,704,514	6,868,895
Gross outstanding claims	2,882,196	10,183,490

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Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2007

12. Related party transactions (continued)

Transactions:

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

	Six-month period ended		Three-month period ended	
	June 30,		June 30,	
	2007	2006	2007	2006
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	AED	AED	AED	AED
Gross premium	8,230,855	6,477,728	1,403,592	1,099,230
Claims paid	8,979,034	189,438	2,776,465	-
Sale of investment in joint venture	15,393,867	-	-	-

Premiums are charged to related parties at rates agreed with the management.

Compensation of key management personnel

	Six-month period ended		Three-month period ended	
	June 30,		June 30,	
	2007	2006	2007	2006
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	AED	AED	AED	AED
Salaries and benefits	476,580	372,300	261,580	157,300

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Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2007

13. Cash and cash equivalents

	<u>June 30,</u>	
	<u>2007</u>	<u>2006</u>
	(Un-audited)	(Un-audited)
	AED	AED
Bank balances and cash	135,397,972	79,283,330
Long term and fixed deposits under lien	(118,888,518)	(75,158,027)
	<u>16,509,454</u>	<u>4,125,303</u>

14. Contingent liabilities

	<u>June 30,</u>	<u>December 31,</u>
	<u>2007</u>	<u>2006</u>
	(Un-audited)	(Audited)
	AED	AED
Letters of guarantees	<u>12,887,202</u>	<u>11,406,743</u>

15. Comparative amounts

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