

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 NINE-MONTH PERIOD ENDED
SEPTEMBER 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 Nine-Month Period Ended September 30, 2007**

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Ref: 08483CFS07-Interim Sept

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 September 30, 2007 and the related interim condensed consolidated statements of income, changes in equity and cash flow statement for the nine 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 nine month period ended September 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
November 1, 2007

Deloitte & Touche

Saba Y. Sindaha
Partner
(Registration No. 410)

**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 September 30, 2007
(In Arab Emirates Dirhams)**

	<u>Note</u>	<u>September 30, 2007 (Un-audited)</u>	<u>December 31, 2006 (Audited)</u>
ASSETS			
Non-current assets			
Property and equipment		1,994,909	939,314
Investment property	5	24,914,379	60,419,799
Investment in associates	6	43,102,034	8,886,967
Investment in joint venture		-	28,660,079
Held to maturity investments	7	25,454,816	19,544,816
Available-for-sale investments	7	<u>1,575,000</u>	<u>515,000</u>
Total non-current assets		<u>97,041,138</u>	<u>118,965,975</u>
Current assets			
Reinsurance contract assets	8	472,239,352	181,489,964
Insurance and other receivables		274,697,085	169,135,304
Investments held for trading	7	169,646,359	214,644,509
Bank balances and cash	9	<u>144,322,262</u>	<u>77,187,991</u>
Total current assets		<u>1,060,905,058</u>	<u>642,457,768</u>
Total Assets		<u><u>1,157,946,196</u></u>	<u><u>761,423,743</u></u>

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 September 30, 2007
(In Arab Emirates Dirhams)**

	<u>Note</u>	<u>September 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
Investment revaluation reserve		1,060,000	-
Retained earnings		<u>174,286,440</u>	<u>114,965,470</u>
Equity attributable to equity holders of the parent		401,067,178	340,686,208
Minority interest		<u>15,678,405</u>	<u>17,254,338</u>
Total Equity		<u>416,745,583</u>	<u>357,940,546</u>
Non-current liabilities			
Provision for employees' end of service indemnity		<u>5,966,307</u>	<u>5,186,283</u>
Current liabilities			
Insurance contract liabilities	8	617,989,771	294,233,321
Insurance and other payables		102,813,048	60,383,787
Bank overdrafts		<u>14,431,487</u>	<u>43,679,806</u>
Total current liabilities		<u>735,234,306</u>	<u>398,296,914</u>
Total Liabilities		<u>741,200,613</u>	<u>403,483,197</u>
Total Equity and Liabilities		<u>1,157,946,196</u>	<u>761,423,743</u>

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 November 1, 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 Nine-Month Period Ended September 30, 2007
(In Arab Emirates Dirhams)**

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2007 (un-audited)	2006 (un-audited)	2007 (un-audited)	2006 (un-audited)
Gross insurance premium revenue	318,856,414	228,015,633	101,674,319	96,542,213
Less: Insurance premium ceded to reinsurers	(156,718,834)	(101,494,627)	(40,685,257)	(23,655,534)
Net retained premium revenue	162,137,580	126,521,006	60,989,062	72,886,679
Net change in unearned premium	(17,837,359)	(47,562,836)	(331,918)	(37,081,206)
Net insurance premium revenue	144,300,221	78,958,170	60,657,144	35,805,473
Gross claims settled	(237,361,669)	(85,007,295)	(88,231,628)	(33,359,277)
Insurance claims recovered from reinsurers	127,063,426	34,860,858	45,902,020	13,077,918
Net claims settled	(110,298,243)	(50,146,437)	(42,329,608)	(20,281,359)
Net change in outstanding claims	(15,169,703)	(13,801,943)	(2,242,859)	(7,592,127)
Net claims incurred	(125,467,946)	(63,948,380)	(44,572,467)	(27,873,486)
Gross commission earned and documentation fees	57,808,595	34,195,592	15,606,816	9,200,039
Less: Commission incurred	(22,661,562)	(15,060,145)	(6,299,501)	(4,849,377)
Net commission and documentation fees earned	35,147,033	19,135,447	9,307,315	4,350,662
Underwriting profit	53,979,308	34,145,237	25,391,992	12,282,649
General and administrative expenses	(19,294,223)	(13,890,986)	(6,472,989)	(4,632,468)
Net underwriting profit	34,685,085	20,254,251	18,919,003	7,650,181
Investment revenue/(loss)	37,839,902	(48,727,302)	17,286,636	(1,226,336)
(Loss)/revenue from joint venture	(6,331,759)	49,382,459	(585,000)	5,575,291
Finance costs	(1,657,727)	(4,187,532)	(486,927)	(1,208,876)
Other income/(expenses)	(2,120,464)	(20,353)	(1,018,960)	80,295
Profit for the period	62,415,037	16,701,523	34,114,752	10,870,555
Attributable to:				
Equity holders of the parent	60,070,970	17,611,347	32,482,326	11,318,963
Minority interest	2,344,067	(909,824)	1,632,426	(448,408)
	62,415,037	16,701,523	34,114,752	10,870,555
Basic earnings per share (Note 11)	0.60	0.18	0.32	0.11

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 Nine-Month Period Ended September 30, 2007
(In Arab Emirates Dirhams)

	Share capital	Statutory reserve	General reserve	Investment revaluation reserve	Retained earnings	Attributable to equity holders of parent	Minority interest	Total
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	-	-	-	-	17,611,347	17,611,347	(909,824)	16,701,523
Dividends	-	-	-	-	-	-	(2,792,401)	(2,792,401)
Loss on available-for-sale investments recognized directly in equity	-	-	-	(2,225,895)	-	(2,225,895)	-	(2,225,895)
Balance at September 30, 2006 (un-audited)	100,000,000	25,000,000	100,000,000	(2,225,895)	125,302,746	348,076,851	12,764,674	360,841,525
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	-	-	-	-	60,070,970	60,070,970	2,344,067	62,415,037
Dividends	-	-	-	-	-	-	(3,920,000)	(3,920,000)
Board of Directors' remuneration paid	-	-	-	-	(750,000)	(750,000)	-	(750,000)
Profit on available-for-sale investments recognized directly in equity	-	-	-	1,060,000	-	1,060,000	-	1,060,000
Balance at September 30, 2007 (un-audited)	100,000,000	25,720,738	100,000,000	1,060,000	174,286,440	401,067,178	15,678,405	416,745,583

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

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

	Nine-month period ended September 30,	
	2007	2006
	(un-audited)	(un-audited)
Cash flows from operating activities		
Profit for the period	62,415,037	16,701,523
Adjustments for:		
Depreciation of property and equipment	329,470	366,285
Allowance for doubtful debts	750,000	-
Investment revenue	(18,820,412)	(36,108,759)
Increase in reinsurance contract assets	(290,749,388)	(98,540,691)
Increase in insurance contract liabilities	323,756,450	159,905,470
Fair value adjustments - investment property	-	(19,266,629)
Fair value adjustments - investment in joint venture	-	(13,142,149)
Fair value adjustments - securities	(12,687,731)	67,863,380
Provision for employees' end of service indemnity	799,684	621,595
Finance costs	1,657,727	4,187,532
Operating cash flows before movements in working capital	67,450,837	82,587,557
Increase in fixed deposits with banks	(38,509,336)	(1,596,186)
Increase in insurance and other receivables	(106,311,781)	(70,822,089)
Increase/(decrease) in insurance and other payables	42,429,261	(5,385,993)
Cash (used in)/generated from operations	(34,941,019)	4,783,289
Interest paid	(1,657,727)	(4,187,532)
Employees' end of service indemnity paid	(19,660)	(35,391)
Net cash (used in)/from operating activities	(36,618,406)	560,366
Cash flows from investing activities		
Proceeds from sale of investment property	57,007,218	-
Purchase of investment property	(17,912,664)	(5,751,611)
Proceeds from sale of investments in securities	150,398,696	49,266,146
Purchase of investments in securities	(87,760,695)	(100,420,190)
Proceeds from sale of investment in joint venture	30,752,128	72,687,440
Addition of investment in joint venture	(8,423,808)	(4,736,886)
Purchase of investments in associates	(34,215,067)	(3,333,634)
Purchase of property and equipment	(1,385,065)	(347,473)
Interest received	5,080,367	3,211,210
Dividends received	5,105,795	2,605,930
Rent received net of expenses	514,755	465,500
Net cash from investing activities	99,161,660	13,646,432
Cash flows from financing activities		
Directors' remuneration paid	(750,000)	(750,000)
Decrease in bank overdrafts	(29,248,319)	(10,892,708)
Dividend paid	(3,920,000)	(2,792,401)
Net cash used in financing activities	(33,918,319)	(14,435,109)
Net increase/(decrease) in cash and cash equivalents	28,624,935	(228,311)
Cash and cash equivalents, at the beginning of the period	18,256,765	4,664,975
Cash and cash equivalents, at the end of the period	46,881,700	4,436,664

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 Nine-Month Period Ended September 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.

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

2. Basis of preparation

This 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 denominated. 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.

This 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 nine-month period ended September 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.

**Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Nine-Month Period Ended September 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 off 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.

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Nine-Month Period Ended September 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
Transfer during the period	3,488,548	(3,488,548)	-
Additions during the period	5,751,611	-	5,751,611
Increase in fair value during the period	<u>10,270,162</u>	<u>8,996,467</u>	<u>19,266,629</u>
Balance, at September 30, 2006 (un-audited)	<u>26,757,067</u>	<u>14,205,000</u>	<u>40,962,067</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)	-
Additions during the period	18,497,662	-	18,497,662
Disposals during the period	<u>(54,003,082)</u>	<u>-</u>	<u>(54,003,082)</u>
Balance, at September 30, 2007 (un-audited)	<u>24,914,379</u>	<u>-</u>	<u>24,914,379</u>

Net rental income from investment properties which amounted to AED 514,755 for the nine-month period ended September 30, 2007 (September 30, 2006: AED 465,500) is included in investment revenue in the interim condensed consolidated statement of income.

6. Investments in associates

	<u>September 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	41,160,000	7,023,333
Najm Project for Motor Insurance Development, Kingdom of Saudi Arabia	1,883,234	1,863,634
Saudi Care, Kingdom of Saudi Arabia	<u>58,800</u>	<u>-</u>
	<u>43,102,034</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.

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

7. Investments in securities

	September 30, 2007 (un-audited) AED	December 31, 2006 (audited) AED
Held for trading investments	169,646,359	214,644,509
Available - for - sale investments	1,575,000	515,000
Held-to-maturity investments	25,454,816	19,544,816
	<u>196,676,175</u>	<u>234,704,325</u>

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

	September 30, 2007 (un-audited) AED	December 31, 2006 (audited) 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	(57,685,881)	46,863,536
Increase/(decrease) in fair value during the period/year	12,687,731	(129,637,017)
Fair value, at the end of the period/ year	<u>169,646,359</u>	<u>214,644,509</u>

Held for trading investments amounting to AED 3,295,749 (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.

	September 30, 2007 (un-audited) AED	December 31, 2006 (audited) AED
b) Available-for-sale investments :		
Fair value, at the beginning of the period/year	515,000	-
Additions during the period/ year	-	515,000
Increase in fair value during the period/year	1,060,000	-
Fair value, at the end of the period/year	<u>1,575,000</u>	<u>515,000</u>

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

7. Investments in securities (continued)

	September 30, 2007 (un-audited) AED	December 31, 2006 (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>5,910,000</u>	<u>9,744,816</u>
Cost, at the end of the period/year	<u>25,454,816</u>	<u>19,544,816</u>

8. Insurance contract liabilities and re-insurance contract assets

	September 30, 2007 (un-audited) AED	December 31, 2006 (audited) AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	437,263,688	164,398,256
Claims incurred but not reported	4,637,000	3,637,000
Unearned premiums	<u>176,089,083</u>	<u>126,198,065</u>
Total insurance contract liabilities, gross	<u>617,989,771</u>	<u>294,233,321</u>
Recoverable from reinsurers		
Claims reported unsettled	389,405,253	130,709,524
Unearned premiums	<u>82,834,099</u>	<u>50,780,440</u>
Total reinsurers' share of insurance liabilities	<u>472,239,352</u>	<u>181,489,964</u>
Net		
Claims reported unsettled	47,858,435	33,688,732
Claims incurred but not reported	4,637,000	3,637,000
Unearned premiums	<u>93,254,984</u>	<u>75,417,625</u>
	<u>145,750,419</u>	<u>112,743,357</u>

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

9. Bank balances and cash

	September 30, 2007 (un-audited) AED	December 31, 2006 (audited) AED
Cash on hand	59,200	47,300
Bank balances:		
Current accounts	11,833,358	3,209,465
Fixed deposits	132,429,704	73,931,226
	<u>144,322,262</u>	<u>77,187,991</u>

Fixed deposits with banks as at September 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 September 30, 2007 amounting to AED 65,603,062 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

	September 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>

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

11. Basic earnings per share

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2007 (un-audited) AED	2006 (un-audited) AED	2007 (un-audited) AED	2006 (un-audited) AED
Net profit attributable to shareholders	<u>60,070,970</u>	<u>17,611,347</u>	<u>32,482,326</u>	<u>11,318,963</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 per share	<u>0.60</u>	<u>0.18</u>	<u>0.32</u>	<u>0.11</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:

	September 30, 2007 (un-audited) AED	December 31, 2006 (un-audited) AED
Due from policy holders	1,482,784	3,720,712
Due from shareholders	50,337,946	6,868,895
Gross outstanding claims	249,217,221	10,183,490

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

12. Related party transactions (continued)

Transactions:

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

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2007	2006	2007	2006
	(un-audited)	(un-audited)	(un-audited)	(un-audited)
	AED	AED	AED	AED
Gross premium	11,466,749	8,300,617	3,235,894	1,822,889
Claims paid	9,324,005	257,438	344,971	68,000
Sale of investment in joint venture	15,393,867	-	-	-
Sale of investment property	48,500,000	-	-	-

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

Compensation of key management personnel

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2007	2006	2007	2006
	(un-audited)	(un-audited)	(un-audited)	(un-audited)
	AED	AED	AED	AED
Salaries and benefits	714,870	558,450	238,290	186,150

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

13. Cash and cash equivalents

	September 30,	
	2007	2006
	(un-audited)	(un-audited)
	AED	AED
Bank balances and cash	144,322,262	79,672,440
Long term and fixed deposits under lien	(97,440,562)	(75,235,776)
	<u>46,881,700</u>	<u>4,436,664</u>

14. Contingent liabilities

	September 30,	December 31,
	2007	2006
	(un-audited)	(audited)
	AED	AED
Letters of guarantees	<u>15,898,834</u>	<u>11,406,743</u>

15. Comparative amounts

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