

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

**INTERIM CONDENSED FINANCIAL INFORMATION
AND REVIEW REPORT
FOR THE PERIOD FROM JANUARY 1, 2009
TO MARCH 31, 2009**

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

**Interim Condensed Financial Information and Review Report
For the Period from January 1, 2009 to March 31, 2009**

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Report on Review of Interim Condensed 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 statement of financial position of **Al-Sagr National Insurance Company (a Public Shareholding Company) - Dubai, United Arab Emirates (the "Company")** as at March 31, 2009 and the related interim condensed statements of comprehensive income, changes in shareholders' equity and cash flows for the three month period then ended and accompanying notes. Management of the Company is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard No. 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed 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 of 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.

Emphasis of matter

We draw attention to Note 14 to the financial statements with respect to the discontinued operations of the Company's subsidiary Al Sagr Saudi Insurance Company. The subsidiary discontinued its operations with effect from December 28, 2008 as instructed by the Saudi Arabian Monetary Agency ("SAMA"). Consequently, the result of operations of the subsidiary for the period from January 1, 2009 to March 31, 2009 is not consolidated. The assets and liabilities of the subsidiary will be transferred to the newly formed company, Al Sagr Co-operative Insurance Company, in which the Company holds 26% ownership, upon completion of the valuation procedures instructed by SAMA.

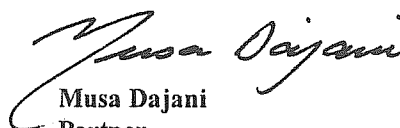
Without qualifying our opinion, we draw attention to Note 12 (b) to the interim condensed financial information, during the period ended March 31, 2009; the Company sold its investment property at the Dubai Silicon Oasis to Gulf General Investments Company ("GGICO"), a related party, at an agreed price of AED 63 million.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34.

Dubai
May 11, 2009

Deloitte & Touche



Musa Dajani
Partner
(Registration No. 323)

Interim Condensed Statement of Financial Position
As at March 31, 2009
(In Arab Emirates Dirhams)

	<u>Note</u>	<u>March 31,</u> <u>2009</u> <u>(Un-audited)</u>	<u>December 31,</u> <u>2008</u> <u>(Audited)</u>
ASSETS			
Non-current assets			
Property and equipment		2,841,459	2,636,398
Investment property under construction	3 & 12	20,564,388	43,114,008
Investment in joint venture	4	175,519,771	127,639,771
Investment in associates	5	51,584,294	51,584,294
Held-to-maturity investments	6	7,945,519	7,945,519
Available-for-sale investments	6	615,000	625,000
Investment in subsidiary - discontinued operation	14	<u>23,290,575</u>	<u>23,290,575</u>
Total non-current assets		<u>282,361,006</u>	<u>256,835,565</u>
Current assets			
Reinsurance contract assets	7	226,528,330	200,454,733
Insurance and other receivables		309,977,815	243,067,875
Due from related party	12	-	3,495,074
Investments held for trading	6	295,782,028	340,117,304
Bank balances and cash	8	<u>223,770,181</u>	<u>206,754,415</u>
Total current assets		<u>1,056,058,354</u>	<u>993,889,401</u>
Total Assets		<u>1,338,419,360</u>	<u>1,250,724,966</u>



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

As at March 31, 2009
(In Arab Emirates Dirhams)

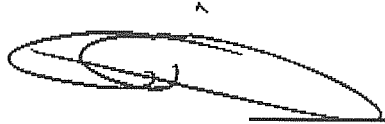
	<u>Note</u>	<u>March 31,</u> <u>2009</u> <u>(Un-audited)</u>	<u>December 31,</u> <u>2008</u> <u>(Audited)</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	9	230,000,000	200,000,000
Statutory reserve		43,813,683	43,813,683
General reserve		200,000,000	150,000,000
Investments revaluation reserve		100,000	110,000
Retained earnings		<u>126,549,461</u>	<u>173,920,318</u>
Total shareholders' equity		600,463,144	567,844,001
Non-current liabilities			
Due to related parties	12	11,904,068	11,904,068
Provision for employees' end of service indemnity		8,441,594	7,809,448
Bank borrowings	10	<u>55,156,530</u>	<u>61,520,745</u>
Total non-current liabilities		<u>75,502,192</u>	<u>81,234,261</u>
Current liabilities			
Insurance contract liabilities	7	400,067,600	360,838,371
Bank borrowings	10	114,465,615	87,738,535
Insurance and other payables		124,448,809	123,948,371
Advances from related parties	12	<u>23,472,000</u>	<u>29,121,427</u>
Total current liabilities		<u>662,454,024</u>	<u>601,646,704</u>
Total Liabilities		<u>737,956,216</u>	<u>682,880,965</u>
Total Shareholders' Equity and Liabilities		<u>1,338,419,360</u>	<u>1,250,724,966</u>

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

The interim condensed consolidated financial information on pages 2 to 18 were approved by the Board of Directors and authorized for issue on May 11, 2009.

Chairman

Vice Chairman



Managing Director

Interim Condensed Statement of Income (Un-audited)
For the period from January 1, 2009 to March 31, 2009
(In Arab Emirates Dirhams)

	Three-month period ended	
	March 31,	
	2009	2008
	(Un-audited)	(Un-audited)
Gross insurance premium revenue	158,397,620	144,644,461
Less: Insurance premium ceded to reinsurers	(74,791,500)	(75,382,306)
Net retained premium revenue	83,606,120	69,262,155
Net change in unearned premium	(14,487,207)	(15,572,139)
Net insurance premium revenue	69,118,913	53,690,016
Gross claims settled	(96,483,732)	(97,303,191)
Insurance claims recovered from reinsurers	42,633,702	65,779,961
Net claims settled	(53,850,030)	(31,523,230)
Net change in outstanding claims	1,331,576	(8,871,452)
Net claims incurred	(52,518,454)	(40,394,682)
Gross commission earned and documentation fees	27,095,359	25,800,820
Less: Commission incurred	(14,356,776)	(12,121,067)
Net commission and documentation fees earned	12,738,583	13,679,753
Underwriting profit	29,339,042	26,975,087
General and administrative expenses relating to underwriting activities	(5,409,360)	(4,802,169)
Net underwriting profit	23,929,682	22,172,918
Investment revenue	9,030,988	12,279,720
(Loss)/gain on revaluation of held for trading investments	(32,857,497)	14,282,438
Profit on disposal of investment property [Note 12(b)]	39,207,454	-
Finance costs	(3,137,267)	(891,969)
Other expenses	(1,291,877)	(1,629,253)
Unallocated general and administration expenses	(1,352,340)	(1,200,542)
Net profit for the period	33,529,143	45,013,312

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

Interim Condensed Statement of Comprehensive Income (Un-audited)
For the period from January 1, 2009 to March 31, 2009
(In Arab Emirates Dirhams)

	Three-month period ended	
	March 31,	
	2009	2008
	(Un-audited)	(Un-audited)
Profit for the period	33,529,143	45,013,312
Other comprehensive income		
Board of Directors' remuneration paid (Note 9)	(900,000)	-
Loss on revaluation of available-for-sale investments	(10,000)	(550,000)
Total comprehensive income for the period	32,619,143	44,463,312
Basic earnings per share (Note 11)	0.15	0.22

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

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

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Interim Condensed Statement of Changes in Shareholders' Equity
For the period from January 1, 2009 to March 31, 2009
(In Arab Emirates Dirhams)

	Share capital	Statutory reserve	General reserve	Investment revaluation reserve	Retained earnings	Attributable to equity holders of parent	Non-controlling interest	Total
Balance at December 31, 2007 (audited)	100,000,000	37,099,907	100,000,000	2,585,000	214,246,333	453,931,240	18,445,607	472,376,847
Net profit for the period	-	-	-	-	45,013,312	45,013,312	-	45,013,312
Loss on revaluation of available-for-sale investments	-	-	-	(550,000)	-	(550,000)	-	(550,000)
Total comprehensive income for the period	-	-	-	(550,000)	45,013,312	44,463,312	-	44,463,312
Non-controlling interest on discontinued Operations (Note 14)	-	-	-	-	-	-	(18,445,607)	(18,445,607)
Balance at March 31, 2008 (un-audited)	100,000,000	37,099,907	100,000,000	2,035,000	259,259,645	498,394,552	-	498,394,552
Balance at December 31, 2008	200,000,000	43,813,683	150,000,000	110,000	173,920,318	567,844,001	-	567,844,001
Net profit for the period	-	-	-	-	33,529,143	33,529,143	-	33,529,143
Board of Directors' remuneration paid (Note 9)	-	-	-	-	(900,000)	(900,000)	-	(900,000)
Loss on revaluation of available-for-sale investments	-	-	-	(10,000)	-	(10,000)	-	(10,000)
Total comprehensive income for the period	-	-	-	(10,000)	32,629,143	32,619,143	-	32,619,143
Issue of bonus shares (Note 9)	30,000,000	-	-	-	(30,000,000)	-	-	-
Transfer to general reserve (Note 9)	-	-	50,000,000	-	(50,000,000)	-	-	-
Balance at March 31, 2009 (un-audited)	230,000,000	43,813,683	200,000,000	100,000	126,549,461	600,463,144	-	600,463,144

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

Interim Condensed Cash Flows Statement (Un-audited)
For the period from January 1, 2009 to March 31, 2009
(In Arab Emirates Dirhams)

	Three-month period ended	
	March 31,	
	2009	2008
	(Un-audited)	(Un-audited)
Cash flows from operating activities		
Net profit for the period	33,529,143	45,013,312
Adjustments for:		
Depreciation of property and equipment	160,655	72,826
Investment revenue	(9,030,988)	(12,279,720)
Profit on disposal of investment property (Note 12(b))	(39,207,454)	-
(Increase)/decrease in reinsurance contract assets	(26,073,597)	9,540,803
Increase in insurance contract liabilities	39,229,229	14,902,786
Loss/(gain) on revaluation of held for trading investments	32,857,497	(14,282,438)
Provision for employees' end of service indemnity	645,000	630,986
Finance costs	<u>3,137,267</u>	<u>891,969</u>
Operating cash flows before movements in working capital	35,246,752	44,490,524
(Increase)/decrease in fixed deposits with banks	(18,294,261)	64,669,275
Increase in insurance and other receivables	(66,909,940)	(80,612,793)
Decrease in due from related parties	3,016,297	-
Increase in advances from related parties	16,626,000	-
Increase in insurance and other payables	<u>500,438</u>	<u>15,777,300</u>
Cash (used in)/generated from operations	(29,814,714)	44,324,306
Interest paid	(3,137,267)	(891,969)
Employees' end of service indemnity paid	(12,854)	(70,993)
Net cash (used in)/ from operating activities	(32,964,835)	43,361,344
Cash flows from investing activities		
Additions to investment property under construction	(1,887,000)	(6,201,701)
Proceeds from sale of investments in securities	18,510,949	102,710,332
Purchase of investments in securities	(4,115,426)	(121,261,126)
Addition of investment in joint venture	(6,511,353)	(18,522,360)
Purchase of property and equipment	(365,716)	(286,133)
Interest received	5,230,931	2,777,453
Dividends received	<u>1,361,090</u>	<u>816,826</u>
Net cash from /(used in) investing activities	12,223,475	(39,966,709)
Cash flows from financing activities		
Directors' remuneration paid	(900,000)	-
Increase in bank overdrafts	<u>20,362,865</u>	<u>49,954,171</u>
Net cash from financing activities	19,462,865	49,954,171
Net (decrease)/increase in cash and cash equivalents	(1,278,495)	53,348,806
Cash and cash equivalents, at the beginning of the period	2,741,310	38,798,948
Adjustment for the cash and cash equivalent of discontinued operation included in the beginning balance	-	(4,188,133)
Cash and cash equivalents, at the end of the period (Note 13)	1,462,815	87,959,621
<u>Non-cash transactions</u>		
Sale of investment property under construction to GGICO [Note 12(b)]	<u>63,644,074</u>	-

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

Notes to the Interim Condensed Financial Information
For the Period January 1, 2009 to March 31, 2009

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, U.A.E.

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). The subsidiary discontinued its operations in Saudi Arabia from December 28, 2008 (Note 14).

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 was required to obtain a license to practice its insurance activities in the Kingdom of Saudi Arabia.

During 2004, the shareholders of the Company had submitted an application for the insurance license with Saudi Arabian Monetary Agency (“SAMA”) under a new company, namely “Al Sagr Co-operative Insurance Company”, in which the Company holds 26% of the subsidiary. This company obtained its license from the regulatory authorities in the Kingdom of Saudi Arabia during 2007 and has been registered under commercial registration number 1010243765 dated Muharram 26, 1429 (February 4, 2008).

2. Significant accounting policies

Basis of preparation

This interim condensed financial information has been prepared in accordance with International Accounting Standard (IAS) No. 34 *Interim Financial Reporting*.

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

2. Significant accounting policies (continued)

Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed financial information as were applied in the preparation of the Company's financial statements for the year ended December 31, 2008 except for the impact of the adoption of the standards and interpretations described below:

The interim condensed financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments which are stated at their fair value.

This interim condensed financial information is presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Company is domiciled.

IAS 1 (revised 2007) Presentation of Financial Statements (effective for annual periods beginning on or after January 1, 2009).

The revised standard has introduced a number of terminology (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 Company also has adopted the revised and amended Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the IFRIC that are relevant to its operations for the period beginning January 1, 2009. The adoption of these new and revised Standards and Interpretations did not have any effect on the financial position or performance of the Company

This interim condensed financial information does 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, 2008. In addition, results for the three-month period 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 condensed financial information require management to make judgments, 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 financial information, the significant judgments 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, 2008.

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

2. Significant accounting policies (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, 2008.

3. Investment property under construction

	<u>Total</u> <u>AED</u>
As at December 31, 2008 (audited)	43,114,008
Additions during the period	1,887,000
Disposals during the period [Note 12(b)]	(24,436,620)
Balance at March 31, 2009 (Un-audited)	<u><u>20,564,388</u></u>

These are initially stated at cost comprising purchase price and any directly attributable expenditure. All investment properties are situated in the U.A.E.

4. Investments in joint venture

	<u>March 31,</u> <u>2009</u> (Un-audited) AED	<u>December 31,</u> <u>2008</u> (Audited) AED
Investment in joint venture with GGICO	<u><u>175,519,771</u></u>	<u><u>127,639,771</u></u>

The Company has established a joint venture with GGICO on 3 projects whose details are as follows:

- (i) A 10% ownership share in Meydan Tower, a property located in Dubai. The Company has contributed AED 115,720,000 as at March 31, 2009 (December 31, 2008-AED 67,840,000). The 10% ownership is held in the name of GGICO on trust and for the benefit of the Company [Note 12(b)] and amounts to AED 199,570,000 for which the balance is a commitment to the Company [Note 15].
- (ii) A 50% ownership share in the purchase of a plot of land in Al Barsha. The Company has contributed AED 41,277,411 as at March 31, 2009. The land is registered in the name of the Company.
- (iii) A 30% ownership share in the purchase of 4 plots of land at Emirates Industrial City. The Company has contributed AED 18,522,360 as at March 31, 2009. The 30% ownership is held in the name of GGICO on trust and for the benefit of the Company.

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

5. Investments in associates

	March 31, 2009 (Un-audited) AED	December 31, 2008 (Audited) AED
Sagr Cooperative Insurance Company, Kingdom of Saudi Arabia	51,584,294	51,584,294

Investment in associates represents payments made for the 26% share subscription of Al Sagr Company for Co-operative Insurance in the Kingdom of Saudi Arabia.

6. Investments in securities

	March 31, 2009 (Un-audited) AED	December 31, 2008 (Audited) AED
Held-for-trading investments	295,782,028	340,117,304
Available-for-sale investments	615,000	625,000
Held-to-maturity investments	7,945,519	7,945,519
	304,342,547	348,687,823

Held to maturity investments include an investment in fund with a related party amounting to AED 3,445,519 (2007: AED 3,445,519).

All investments in securities are held within the U.A.E.

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

	March 31, 2009 (Un-audited) AED	December 31, 2008 (Audited) AED
a) Held-for-trading Investments:		
Fair value, at the beginning of the period/year	340,117,304	183,776,329
Net (disposals)/additions during the period/year	(11,477,779)	186,336,448
Loss on revaluation of investments at fair value	(32,857,497)	(29,995,473)
Fair value, at the end of the period/year	295,782,028	340,117,304

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

6. Investments in securities (continued)

	March 31, 2009 (Un-audited) AED	December 31, 2008 (Audited) AED
b) Available-for-sale investments:		
Fair value, at the beginning of the period/year	625,000	3,100,000
Loss on revaluation of investments at fair value	(10,000)	(2,475,000)
Fair value, at the end of the period/year	615,000	625,000
c) Held-to-maturity investments:		
Cost, at the beginning of the period/year	7,945,519	4,384,816
Net additions during the period/year	-	3,560,703
Cost, at the end of the period/year	7,945,519	7,945,519

Held for trading investments include an amount of AED 76,370,580 as of March 31, 2009 pledged to a bank against a bank loan (Note 10).

7. Insurance contract liabilities and re-insurance contract assets

	March 31, 2009 (Un-audited) AED	December 31, 2008 (Audited) AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	183,732,428	165,043,466
Claims incurred but not reported	6,500,000	6,500,000
Unearned premiums	209,835,172	189,294,905
Total insurance contract liabilities (gross)	400,067,600	360,838,371
Recoverable from reinsurers		
Claims reported unsettled	134,185,712	114,165,174
Unearned premiums	92,342,618	86,289,559
Total reinsurers' share of insurance liabilities	226,528,330	200,454,733
Net		
Claims reported unsettled	49,546,716	50,878,292
Claims incurred but not reported	6,500,000	6,500,000
Unearned premiums	117,492,554	103,005,346
	173,539,270	160,383,638

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

8. Bank balances and cash

	March 31, 2009 (Un-audited) AED	December 31, 2008 (Audited) AED
Cash on hand	26,000	22,000
Bank balances:		
Current accounts	1,436,815	2,719,310
Fixed deposits	<u>222,307,366</u>	<u>204,013,105</u>
	<u><u>223,770,181</u></u>	<u><u>206,754,415</u></u>

Fixed deposits with banks as at March 31, 2009 include AED 10.0 million (December 31, 2008: AED 7.5 million) 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 March 31, 2009 amounting to AED 106.0 million are under lien (December 31, 2008: AED 106.0 million) against the bank facilities availed by the Company (Note 10).

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

9. Share capital and reserves

- a) Share capital as at March 31, 2009 consists of 230,000,000 (December 31, 2008 - 200,000,000) issued and fully paid ordinary shares of AED 1 each amounted to AED 230 million (December 31, 2008 – AED 200 million). During the three-month period ended March 31, 2009, the Company increased its share capital by AED 30 million by issuing 30,000,000 bonus shares at a face value of AED 1 each, board of directors remuneration was set at AED 900,000 and AED 50 million was transferred from the retained earnings to the general reserve.
- b) On March 3, 2009, the board of directors proposed a bonus shares issue of 15% of the share capital, board of directors' remuneration of AED 900,000 and a transfer to general reserve of AED 50 million.

These proposals were ratified by a resolution of the shareholders during the Ordinary General Assembly Meeting held on March 22, 2009.

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

10. Bank borrowings

	Current		Non-current	
	March 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
	AED	AED	AED	AED
<i>Secured – at amortized cost</i>				
Term loan	21,214,050	14,849,835	55,156,530	61,520,745
Bank overdraft	<u>93,251,565</u>	<u>72,888,700</u>	-	-
	<u>114,465,615</u>	<u>87,738,535</u>	<u>55,156,530</u>	<u>61,520,745</u>

During 2008, a bank term loan amounting to AED 76.4 million was obtained from a U.A.E. bank and is payable in 12 equal quarterly installments of AED 6.4 million each, plus interest with a 1 year moratorium period starting from the date of first drawdown made on May 8, 2008. Interest is payable at a rate of 1.875% over 3 month EIBOR. The loan is secured by:

- Hypothecation over fixed deposits up to AED 52.0 million.
- Pledge of 38.2 million shares of Union Insurance Company held by the Company. As of March 31, 2009, the fair value of the shares is AED 194.9 million.

The Company obtained bank facilities in the form of overdraft repayable upon demand and bearing interest ranging from 5.5% to 6.5% per annum (2008: 5% to 6.5% per annum). These facilities are secured by lien on fixed deposits amounting to AED 37.5 million. The bank overdraft limit provided under the facility is AED 75.0 million.

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

11. Basic earnings per share

	March 31, 2009	March 31, 2008
	(Un-audited)	(Un-audited)
Net profit for the period	AED 33,529,143	AED 45,013,312
Number of shares	230,000,000	100,000,000
Weighted average number of shares	230,000,000	204,000,000
Earnings per share	AED 0.15	AED 0.22

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

The weighted average number of shares as of March 31, 2009 and 2008 has been adjusted to reflect the bonus and right shares issued during 2008 and 2009.

12. Related party transactions

- a) At the balance sheet date, amounts due from/to related parties are included in the following accounts:

	March 31, 2009	December 31, 2008
	(Un-audited)	(Audited)
	AED	AED
Due from policy holders	752,643	828,921
Due from shareholders	9,765,396	2,039,304
Due to related parties	11,904,068	11,904,068
Due from related party	-	3,495,074
Gross outstanding claims	5,418,435	18,022,485
Investments in joint ventures	175,519,771	127,639,771
Held to maturity investments	3,445,519	3,445,519
Advances received	23,472,000	29,121,427

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the year for bad or doubtful debts in respect of the amounts owed by related parties.

Due to related parties represents the portion of the amount paid by the shareholders on behalf of the Company against the investment in one of its associate - Al Sagr Co-Operative Insurance Company, Kingdom of Saudi Arabia.

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

12. Related party transactions (continued)

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

	Three-month period ended	
	March 31,	
	2009	2008
	(Un-audited)	(Un-audited)
	AED	AED
Gross premium	9,581,351	8,088,981
Claims paid	15,165,050	46,452,508
Sale of investment property to GGICO (see below)	63,644,074	-
Interest income from GGICO	2,231,687	-

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

Value for the sale of investment property and investment in joint venture are determined and approved by the board of directors.

- b) During the period, the Company sold the investment property at the Dubai Silicon Oasis to GGICO for a total amount of AED 63,644,074. The investment property had a net book value of AED 24,436,620 (Note 3) resulting in a profit on disposal of AED 39,207,454. This was settled against the advance of AED 22,275,427 from GGICO as of December 31, 2008 and the balance of AED 41,368,647 was considered as additional investment of the Company towards the investments in the joint venture with GGICO in the Meydan Tower (Note 4).

Compensation of key management personnel

	Three-month period ended	
	March 31,	
	2009	2008
	(Un-audited)	(Un-audited)
	AED	AED
Salaries and benefits	2,529,212	2,239,000

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

13. Cash and cash equivalents

	March 31,	
	2009	2008
	(Un-audited)	(Un-audited)
	AED	AED
Bank balances and cash	223,770,181	215,032,103
Long term and fixed deposits under lien	(222,307,366)	(127,072,482)
	<u>1,462,815</u>	<u>87,959,621</u>

14. Discontinued operations

The operations of the Company's subsidiary Al Sagr Saudi Insurance Company were discontinued with effect from December 28, 2008. The assets and liabilities of the Al Sagr Saudi Insurance Company will be transferred to the newly formed Company - Al-Sagr Co-operative Insurance Company in which the Company holds 26% ownership upon completion of the valuation procedures instructed by the Saudi Arabian Monetary Agency ("SAMA").

The transfer of net assets from Al Sagr Saudi Insurance Company to the new company and the payment process has not yet been announced by the SAMA. Al Sagr Saudi Insurance Company will transfer all the assets and liabilities to Al-Sagr Co-operative Insurance Company, once the valuation of the Company has been approved by the SAMA valuation committee.

Following is the movement of investment in subsidiary – discontinued operation:

	March 31,	December 31,
	2009	2008
	(Un-audited)	(Un-audited)
	AED	AED
Share of the balance at beginning of the period/year	23,290,575	18,445,607
Profit during the period/year	<u>-</u>	<u>4,844,968</u>
Balance at the end of the period/year	<u>23,290,575</u>	<u>23,290,575</u>

Notes to the Interim Condensed Financial Information (continued)
For the Period January 1, 2009 to March 31, 2009

15. Contingent liabilities

	March 31, 2009 (Un-audited) AED	December 31, 2008 (Audited) AED
Letters of guarantees	19,780,111	18,778,271
Capital commitments [Note 4 (i)]	83,850,000	131,730,000

16. Comparative amounts

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

17. Approval of the interim financial information

The interim condensed financial information on pages 2 to 18 were approved and signed by the Chairman, on behalf of the Board of Directors, on May 11, 2009.