

**Al-Sagr National Insurance Company
(Public Shareholding Company)
and its subsidiary**

Condensed consolidated interim financial
information

for the nine-month period ended 30 September 2015

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim financial information
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Independent auditors' report on review of condensed consolidated interim financial information

The Shareholders

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Introduction

We have reviewed the accompanying 30 September 2015 condensed consolidated interim financial information of Al-Sagr National Insurance Company (the "Company") and its subsidiary (collectively referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2015;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month periods ended 30 September 2015;
- the condensed consolidated interim statement of comprehensive income for the three-month and nine-month periods ended 30 September 2015;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2015;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2015; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated 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 30 September 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No: 793
Date:

Al-Sagr National Insurance Company (Public Shareholding Company)
and its subsidiary

Condensed consolidated interim statement of financial position

as at 30 September 2015

	Note	30 September 2015 AED (Unaudited)	31 December 2014 AED (Audited)
ASSETS			
Property and equipment		9,654,464	10,514,500
Investment properties	6	172,856,118	172,809,138
Investments	7	163,520,856	240,131,419
Reinsurance contract assets	10	197,387,968	192,139,324
Insurance and other receivables		261,063,062	245,446,830
Due from related parties	15	192,181,460	183,385,991
Cash and bank balances	11	351,550,104	357,418,551
TOTAL ASSETS		1,348,214,032	1,401,845,753
EQUITY AND LIABILITIES			
Equity			
Share capital	12	230,000,000	230,000,000
Statutory reserve		63,115,259	63,115,259
General reserve		200,000,000	200,000,000
Investments revaluation reserve		(1,361,523)	(1,361,523)
Retained earnings		76,383,672	169,794,298
Equity attributable to shareholders of the Company		568,137,408	661,548,034
Non-controlling interests		860,700	1,107,110
Total equity		568,998,108	662,655,144
Liabilities			
Due to related parties	15	416,254	520,824
Provision for employees' end of service indemnity		13,365,770	13,401,749
Insurance contract liabilities	10	385,301,184	360,081,618
Bank borrowings		228,439,587	258,262,057
Insurance and other payables		151,693,129	106,924,361
Total liabilities		779,215,924	739,190,609
Total equity and liabilities		1,348,214,032	1,401,845,753

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

These condensed consolidated financial information were approved and authorised for issue by the Board of Directors on 12-11-2015 and signed on their behalf by:



Director and CEO

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of profit or loss
for the nine-month period ended 30 September 2015

	Three-month period ended 30 September 2015 AED (Un-audited)	Three-month period ended 30 September 2014 AED (Un-audited)	Nine-month period ended 30 September 2015 AED (Un-audited)	Nine-month period ended 30 September 2014 AED (Un-audited)
UNDERWRITING RESULTS				
Underwriting income				
Gross insurance premium	76,732,671	90,906,611	300,712,448	301,359,195
Less: insurance premium ceded to reinsurers	(26,279,024)	(28,158,498)	(105,471,259)	(119,303,203)
Net retained premium	50,453,647	62,748,113	195,241,189	182,055,992
Net change in unearned premium reserve	10,850,352	(6,802,803)	(5,860,411)	(18,528,888)
Net insurance premium	61,303,999	55,945,310	189,380,778	163,527,104
Gross claims paid	(83,345,521)	(57,582,424)	(251,843,379)	(186,786,279)
Insurance claims recovered from reinsurers	27,770,587	12,534,396	60,861,927	42,526,064
Net claims paid	(55,574,934)	(45,048,028)	(190,981,452)	(144,260,215)
Net change in outstanding claims	(4,975,844)	(3,870,629)	(14,110,511)	(3,824,411)
Net claims incurred	(60,550,778)	(48,918,657)	(205,091,963)	(148,084,626)
Net commission income	10,190,474	14,619,590	41,991,024	37,879,853
Underwriting profit	10,943,695	21,646,243	26,279,839	53,322,331
Net investments (loss) / income	(46,102,353)	41,167,814	(66,644,052)	113,020,292
General and administrative expenses	(9,590,155)	(15,905,184)	(29,692,823)	(35,123,690)
(Loss) / profit for the period	(44,748,813)	46,908,873	(70,057,036)	131,218,933
Attributable to:				
Shareholders of the Company	(44,750,854)	46,630,062	(69,810,626)	131,339,431
Non-controlling interest	2,041	278,811	(246,410)	(120,498)
	(44,748,813)	46,908,873	(70,057,036)	131,218,933
Earnings per share	(0.19)	0.20	(0.30)	0.57

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of comprehensive income
for the nine-month period ended 30 September 2015

	Three-month period ended 30 September 2015 AED (Un-audited)	Three-month period ended 30 September 2014 AED (Un-audited)	Nine-month period ended 30 September 2015 AED (Un-audited)	Nine-month period ended 30 September 2014 AED (Un-audited)
(Loss) / profit for the period	(44,748,813)	46,908,873	(70,057,036)	131,218,933
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss :</i>				
Net change in investment in financial assets at fair value through other comprehensive income	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(44,748,813)	46,908,873	(70,057,036)	131,218,933
Attributable to:				
Shareholders	(44,750,854)	46,630,062	(69,810,626)	131,339,431
Non-controlling interest	2,041	278,811	(246,410)	(120,498)
	(44,748,813)	46,908,873	(70,057,036)	131,218,933

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Al-Sagr National Insurance Company (Public Shareholding Company)

and its subsidiary

Condensed consolidated interim statement of cash flows

for the nine-month period ended 30 September 2015

	Nine-month period ended 30 September 2015 AED (Un-audited)	Nine-month period ended 30 September 2014 AED (Un-audited)
Cash flows from operating activities		
(Loss) / profit for the period	(70,057,036)	131,218,933
<i>Adjustment for:</i>		
Depreciation	1,347,342	927,480
Net unrealised loss / (income) from investments	65,327,625	(118,298,194)
Interest income	(7,080,812)	(7,137,343)
Dividend income	(4,374,754)	(4,527,274)
Provision for employees' end of service indemnity	611,268	2,287,953
Finance costs	6,913,647	5,974,553
Operating cash flows before movements in working capital	(7,312,720)	10,446,108
Increase in reinsurance contract assets	(5,248,644)	(33,942,433)
Increase in insurance and other receivables	(15,616,232)	(41,726,615)
(Increase) / decrease in due from related parties	(8,795,469)	3,495,417
Decrease in fixed deposits with bank	117,620,926	133,578,829
Increase in insurance contract liabilities	25,219,566	56,295,732
Increase in insurance and other payables	44,768,768	17,949,824
(Decrease) / increase in due to related parties	(104,570)	1,142,982
Net cash generated from operations	150,531,625	147,239,844
Interest paid	(6,913,647)	(5,974,553)
Employees' end of service indemnity paid	(647,247)	(231,263)
Net cash generated from operating activities	142,970,731	141,034,028
Cash flows from investing activities		
Net proceeds from sale of securities	11,282,938	1,259,671
Purchase of property and equipment	(487,306)	(6,972,453)
Purchase of investment properties	(46,980)	-
Dividends received	4,374,754	4,527,274
Interest received	7,080,812	7,137,343
Net cash generated from investing activities	22,204,218	5,951,835
Cash flows from financing activities		
(Decrease) / increase in bank borrowings	(29,822,470)	11,620,168
Dividend paid	(23,000,000)	(17,250,000)
Payment of directors' fees	(600,000)	(600,000)
Net cash used in financing activities	(53,422,470)	(6,229,832)
Net increase in cash and cash equivalents	111,752,479	140,756,031
Cash and cash equivalents at 1 January	63,325,594	25,145,712
Cash and cash equivalents at 30 September (note 11)	175,078,073	165,901,743

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of changes in equity (Un-audited)

for the nine-month period ended 30 September 2015

	Attributable to the equity holders of the Company					Total AED	Non- controlling interest AED	Total equity AED
	Share capital AED	Statutory reserve AED	General reserve AED	Investment revaluation reserve AED	Retained earnings AED			
Balance at 1 January 2014 (Audited)	230,000,000	57,505,110	200,000,000	(1,298,925)	136,915,271	623,121,456	1,282,199	624,403,655
Total comprehensive income for the period								
Profit for the period	-	-	-	-	131,339,431	131,339,431	(120,498)	131,218,933
Other comprehensive income								
Movement in net change in investment in financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	131,339,431	131,339,431	(120,498)	131,218,933
Transactions with owners directly recorded in equity								
Dividend paid	-	-	-	-	(17,250,000)	(17,250,000)	-	(17,250,000)
Directors' fee paid during the period	-	-	-	-	(600,000)	(600,000)	-	(600,000)
Balance at 30 September 2014 (Unaudited)	230,000,000	57,505,110	200,000,000	(1,298,925)	250,404,702	736,610,887	1,161,701	737,772,588

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Condensed consolidated interim statement of changes in equity (Un-audited)

for the nine-month period ended 30 September 2015

	Attributable to the equity holders of the Company					Total AED	Non- controlling interest AED	Total equity AED
	Share capital AED	Statutory reserve AED	General reserve AED	Investment revaluation reserve AED	Retained earnings AED			
Balance at 1 January 2015 (Audited)	230,000,000	63,115,259	200,000,000	(1,361,523)	169,794,298	661,548,034	1,107,110	662,655,144
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(69,810,626)	(69,810,626)	(246,410)	(70,057,036)
Other comprehensive income								
Movement in net change in investment in financial asset at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(69,810,626)	(69,810,626)	(246,410)	(70,057,036)
Transactions with owners directly recorded in equity								
Dividend paid	-	-	-	-	(23,000,000)	(23,000,000)	-	(23,000,000)
Directors' fee paid during the period	-	-	-	-	(600,000)	(600,000)	-	(600,000)
Balance at 30 September 2015 (Unaudited)	230,000,000	63,115,259	200,000,000	(1,361,523)	76,383,672	568,137,408	860,700	568,998,108

The notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial information.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes

(forming part of the condensed consolidated interim financial information)

1 Legal status and activities

Al-Sagr National Insurance Company (Public Share holding Company), Dubai (the "Company") was incorporated on 25 December 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 Company is a subsidiary of Gulf General Investments Company (the "Parent Company"), a public company incorporated in 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, Al Ain, Ras Al Khaima and Ajman in the U.A.E.

The condensed consolidated interim financial information incorporate the condensed interim financial information of the Company and its subsidiary (collectively referred to as "the Group"). Details of subsidiary are as follows:

Name of subsidiary	Activity	Group's Ownership		Country of incorporation
		30 September 2015	31 December 2014	
Jordan Emirates Insurance Company PSC	Underwriting of insurance of all types	92.83%	92.83%	Jordan

2 Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual audited financial statements, and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

b) Basis of measurement

These condensed consolidated interim financial information have been prepared on the historical cost basis except for the following which are measured at fair value.

- i) Financial instruments at fair value through profit and loss ("FVTPL");
- ii) Financial instruments at fair value through other comprehensive income ("FVTOCI"); and
- iii) Investment properties.

c) Functional and presentation currency

These condensed consolidated interim financial information are presented in UAE Dirham (AED), which is the functional currency. Except as otherwise indicated, financial information are presented in AED.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (*continued*)

2 Basis of preparation (continued)

d) Use of estimates and judgements

The preparation of these condensed consolidated interim financial information in conformity with IFRS requires 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.

Estimates and underlying assumptions are reviewed on a ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in the future periods effected.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended 31 December 2014.

3 Summary of significant accounting policies

The accounting policies applied by the Group in preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2014 except for the adoption of new IFRSs which became effective as of 1 January 2015.

The adoption of the new and amended standards and interpretations have been reflected in these condensed consolidated interim financial statements as appropriate in terms of disclosures but do not have an impact on the financial position or performance of the Group during the period.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (continued)

4 Financial risk management

Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended 31 December 2014.

5 Interim measurement

The nature of the Group's business is such that income and expense are incurred in a manner, which is not materially impacted by any form of seasonality. These condensed consolidated interim financial information were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the year. However, the results may not represent a proportionate share of the annual profits due to variability in contributions and investment income and uncertainty of claims occurrences.

6 Investment properties

	(Un-audited) 30 September 2015 AED	(Audited) 31 December 2014 AED
At the beginning of the period / year	172,809,138	170,000,000
Additions during the period / year	46,980	2,809,138
	<u>172,856,118</u>	<u>172,809,138</u>

The Group has three investment properties out of which one property is Meydan Tower (property is under development), located in Dubai controlled by GGICO Real Estate Development Co. L.L.C. in which the Group has 10% ownership. The carrying value of the property is AED 80 million (10% share of AED 800 million) as at 30 September 2015 (31 December 2014: AED 80 million). The other property is located in Al Barsha First, Dubai which has a carrying value of AED 90 million (31 December 2014: AED 90 million). The Company has assessed the fair value of properties internally and they are not materially different from their carrying values.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (continued)

7 Investments

	(Un-audited) 30 September 2015 AED	(Audited) 31 December 2014 AED
Investment in financial assets at fair value through profit or loss ("FVTPL") (note 7.1)	160,729,040	202,339,603
Derivative financial instrument at fair value through profit or loss ("FVTPL") (note 7.2)	-	35,000,000
Investment in financial asset at fair value through other comprehensive income ("FVTOCI")	2,538,147	2,538,147
Investment in associates (note 7.3)	253,669	253,669
Total	163,520,856	240,131,419

7.1 The revaluation of investment securities resulted in net unrealised loss of AED 65.3 million for the nine-month period ended 30 September 2015 (*nine-month period ended 30 September 2014: resulted in net unrealised gain of AED 109.7 million*). During the period, Group has received dividend income of AED 4.37 million (*nine-month period ended 30 September 2014: AED 4.53 million*) on its investments in securities.

7.2 During prior year, the Company had entered into an arrangement with a third party to sell its entire shareholdings in a listed investment (put option) classified as FVTPL. The arrangement was valid for a 6 month period from the date of arrangement and the put option was valued at AED 35 million, internally, as at 31 December 2014. During the period, the put option expired and accordingly loss of AED 35 million has been charged to profit or loss.

7.3 The Group holds 50% ownership in Green Air Technology L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates. The remaining 50% ownership is owned equally by the Parent Company and the CEO of the Company. The 50% share is registered in the name of the Parent Company on behalf and for the benefit of the Company.

The Group holds 50% ownership in Sogour Al Khaleej General Trading L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates. The main activity of the Company is general trading. The remaining 50% ownership is owned by the Parent Company.

Although, the Group holds 50% equity in 2 associates, these are controlled by the Parent Company. The Group does not participate in financial and reporting policy decisions of these associates. Consequently, the Group does not exercise any control on these entities.

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (continued)

8 Classes and categories of financial assets and financial liabilities

The table below sets out the classification of each class of financial assets and liabilities along with their fair values. For financial assets and liabilities carried at amortised cost, management believes that the amortised cost of those instruments approximates to their fair values.

At 30 September 2015 (Un-audited)

<u>Financial assets</u>	<u>FVTPL</u>	<u>FVTOCI</u>	<u>Amortised cost</u>	<u>Total</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Investments	160,729,040	2,538,147	-	163,267,187
Reinsurance contract assets	-	-	197,387,968	197,387,968
Insurance and other receivables	-	-	260,290,407	260,290,407
Due from related parties	-	-	192,181,460	192,181,460
Cash and bank balances	-	-	351,550,104	351,550,104
	160,729,040	2,538,147	1,001,409,939	1,164,677,126

<u>Financial liabilities</u>	<u>FVTPL</u>	<u>FVTOCI</u>	<u>Amortised cost</u>	<u>Total</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Due to related parties	-	-	416,254	416,254
Insurance contract liabilities	-	-	385,301,184	385,301,184
Bank borrowings	-	-	228,439,587	228,439,587
Insurance and other payables	-	-	151,431,311	151,431,311
	-	-	765,588,336	765,588,336

At 31 December 2014 (Audited)

<u>Financial assets</u>	<u>FVTPL</u>	<u>FVTOCI</u>	<u>Amortised cost</u>	<u>Total</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Investments	237,339,603	2,538,147	-	239,877,750
Reinsurance contract assets	-	-	192,139,324	192,139,324
Insurance and other receivables	-	-	244,610,297	244,610,297
Due from related parties	-	-	183,385,991	183,385,991
Cash and bank balances	-	-	357,418,551	357,418,551
	237,339,603	2,538,147	977,554,163	1,217,431,913

<u>Financial liabilities</u>	<u>FVTPL</u>	<u>FVTOCI</u>	<u>Amortised cost</u>	<u>Total</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Due to related parties	-	-	520,824	520,824
Insurance contract liabilities	-	-	360,081,618	360,081,618
Bank borrowings	-	-	258,262,057	258,262,057
Insurance and other payables	-	-	106,924,361	106,924,361
	-	-	725,788,860	725,788,860

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (continued)

9 Fair value of financial instruments

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Partnership has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

30 September 2015 (Un-audited)

<u>Financial assets</u>	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
FVTPL - financial assets	160,729,040	-	-	160,729,040
FVTOCI - financial assets	-	-	2,538,147	2,538,147
	<u>160,729,040</u>	<u>-</u>	<u>2,538,147</u>	<u>163,267,187</u>
<u>Non financial assets</u>				
Investment properties	-	-	172,856,118	172,856,118
	<u>-</u>	<u>-</u>	<u>172,856,118</u>	<u>172,856,118</u>

31 December 2014 (Audited)

<u>Financial assets</u>	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
FVTPL - financial assets	202,339,603	-	35,000,000	237,339,603
FVTOCI - financial assets	-	-	2,538,147	2,538,147
	<u>202,339,603</u>	<u>-</u>	<u>37,538,147</u>	<u>239,877,750</u>
<u>Non financial assets</u>				
Investment properties	-	-	172,809,138	172,809,138
	<u>-</u>	<u>-</u>	<u>172,809,138</u>	<u>172,809,138</u>

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (continued)

10 Insurance contract liabilities and reinsurance contract assets

	(Un-audited) 30 September 2015 AED	(Audited) 31 December 2014 AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	220,742,607	196,213,622
Claims incurred but not reported	16,368,008	17,478,089
Unearned premiums	148,190,569	146,389,907
Total insurance contract liabilities (gross)	385,301,184	360,081,618
Recoverable from reinsurers		
Claims reported unsettled	(151,257,868)	(141,949,475)
Deferred reinsurance premiums	(46,130,100)	(50,189,849)
Total reinsurance	(197,387,968)	(192,139,324)
Net		
Claims reported unsettled	69,484,739	54,264,147
Claims incurred but not reported	16,368,008	17,478,089
Unearned premiums	102,060,469	96,200,058
	187,913,216	167,942,294
11 Cash and bank balances	(Un-audited) 30 September 2015 AED	(Audited) 31 December 2014 AED
Cash in hand	2,240,144	293,923
Bank balances:		
Current accounts	8,631,299	16,648,765
Fixed deposits	340,678,661	340,475,863
	351,550,104	357,418,551

Fixed deposits with banks as at 30 September 2015 include AED 10.3 million (31 December 2014: AED 10.3 million) deposited in the name of the Company to the order of the Ministry of Economy and Trade of the United Arab Emirates as required by the Federal Law Number (6) of 2007 relating to Insurance Fixed deposits amounting to AED 310 million (31 December 2014: AED 317 million) are under lien in respect of bank credit facilities granted to the Group.

All fixed deposits with banks mature within different periods not exceeding one year from the financial date of deposit and carry interest rates between 2.5% to 5.9% per annum (31 December 2014: 2.75% to 5.9% per annum).

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (continued)

11 Cash and bank balances (continued)

For cash flow purposes, the cash and cash equivalents analysed as follows;

	(Un-audited) 30 September 2015 AED	(Audited) 31 December 2014 AED	(Un-audited) 30 September 2014 AED
Bank balances and cash	351,550,104	357,418,551	343,145,655
Long term fixed deposits	(176,472,031)	(294,092,957)	(177,243,912)
Cash and cash equivalents (for cash flow statement)	175,078,073	63,325,594	165,901,743

12 Share capital

	(Un-audited) 30 September 2015 AED	(Audited) 31 December 2014 AED
Issued and fully paid: 230,000,000 shares of AED 1 each	230,000,000	230,000,000

13 Earnings per share

	Three-month period ended 30 September		Nine-month period ended 30 September	
	(Un-audited) 2015	(Un-audited) 2014	(Un-audited) 2015	(Un-audited) 2014
(Loss) / profit for the period attributable	(44,750,854)	46,630,062	(69,810,626)	131,339,431
Weighted average number of shares	230,000,000	230,000,000	230,000,000	230,000,000
Basic earnings per share (AED)	(0.19)	0.20	(0.30)	0.57

Basic earnings per share are calculated by dividing the profit for the period attributable to shareholders by the weighted average number of shares outstanding at reporting date. There is no dilution impact on basic earnings per share.

14 Contingent liabilities and commitments

	(Un-audited) 30 September 2015 AED	(Audited) 31 December 2014 AED
Letters of guarantee	12,605,360	12,177,515

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (continued)

15 Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 24: Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, shareholders, directors and key management personnel of the Group, their close family members and entities controlled, jointly controlled or significantly influenced by such parties.

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

	(Un-audited) 30 September 2015 AED	(Audited) 31 December 2014 AED
Included in due from related parties		
Due from related parties	239,681,460	230,885,991
Allowance for doubtful debts	(47,500,000)	(47,500,000)
	<u>192,181,460</u>	<u>183,385,991</u>
Included in due from related parties		
Due from shareholders	<u>2,027,767</u>	-
Included in due to related parties		
Due to shareholders	-	<u>104,279</u>
Included in insurance contract liabilities		
Gross outstanding claims	<u>871,724</u>	<u>761,628</u>

These amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

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

	Three-month period ended 30 September		Nine-month period ended 30 September	
	(Un-audited) 2015 AED	(Un-audited) 2014 AED	(Un-audited) 2015 AED	(Un-audited) 2014 AED
Gross premium	3,327,143	2,908,245	11,926,104	10,627,019
Claims paid	1,147,750	795,969	2,008,104	1,209,684
	<u>1,263,808</u>	<u>2,145,704</u>	<u>5,641,666</u>	<u>5,539,779</u>
Compensation of key management personnel				
Salaries and benefits	1,263,808	2,145,704	5,641,666	5,539,779
	<u>1,263,808</u>	<u>2,145,704</u>	<u>5,641,666</u>	<u>5,539,779</u>

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (continued)

16 Net commission income

	Three-month period ended 30 September 2015 AED (Un-audited)	Three-month period ended 30 September 2014 AED (Un-audited)	Nine-month period ended 30 September 2015 AED (Un-audited)	Nine-month period ended 30 September 2014 AED (Un-audited)
Gross commission earned	15,598,672	19,817,946	61,832,503	60,178,620
Less: commission incurred	(5,408,198)	(5,198,356)	(19,841,479)	(22,298,767)
	<u>10,190,474</u>	<u>14,619,590</u>	<u>41,991,024</u>	<u>37,879,853</u>

17 Segment information

IFRS 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Management has determined the segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There are no transactions between the business segments.

Business segments

The Group has the following main business segments:

a)

Underwriting

- Accident and Liability: Covers damages resulting from work accidents, burglary, motor, civil responsibilities, engineering insurance, medical, life, personal and breach of trust.

- Fire: Covers insurance against damages caused by Fire, explosions, natural phenomena and all kinds of commotions.

- Marine and aviation: Covers the insurance of cargo and other movables, freight charges, ship and aircraft hulls, machinery and the insurance against risks incidental to its construction, operations, repairs and docking including damages which afflict others.

b) Investment and treasury comprising of investment in securities, fixed deposits and investment property.

	For the nine-month period ended 30 September 2015			For the nine-month period ended 30 September 2014		
	Underwriting	Investment and treasury	Total	Underwriting	Investment and treasury	Total
	AED	AED	AED	AED	AED	AED
	------(Un-audited)-----			------(Un-audited)-----		
Segment revenue	300,712,448	-	300,712,448	301,359,195	-	301,359,195
Segment results	26,279,839	(96,336,875)	(70,057,036)	53,322,331	77,896,602	131,218,933

Al-Sagr National Insurance Company (Public Shareholding Company) and its subsidiary

Notes (continued)

17 Segment information (continued)

	30 September 2015			30 September 2014		
	Underwriting	Investment and treasury	Total	Underwriting	Investment and treasury	Total
	AED	AED	AED	AED	AED	AED
		(Un-audited)			(Un-audited)	
Segment assets	489,276,937	858,937,095	1,348,214,032	496,672,632	967,891,128	1,464,563,760
Segment liabilities	550,360,083	228,855,841	779,215,924	478,149,895	248,641,277	726,791,172

18 Dividends

At the Annual General Meeting held on 27 April 2015, the Shareholders approved a cash dividend of 10% amounting to AED 23,000,000 for 2014 (2014: cash dividend of 7.5% amounting to AED 17,250,000 for 2013). The Shareholders also approved the Board of Directors' remuneration for 2014 of AED 600,000 (2014: AED 600,000 for 2013).

19 Comparative figures

Certain comparative figures have been reclassified where appropriate to conform with the presentation and accounting policies adopted in these condensed consolidated interim financial information.