

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

**Review report and interim financial information
for the three months period ended 31 March 2012**

Al-Sagr National Insurance Company (Public Shareholding Company)

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Report on Review of Interim Financial Information

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Al-Sagr National Insurance Company (Public Shareholding Company) - Dubai, United Arab Emirates (the "Company") and its subsidiary (collectively the "Group") as of 31 March 2012 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the period from 1 January 2012 to 31 March 2012. The Directors of the Group are responsible for the preparation and presentation of this interim 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 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.

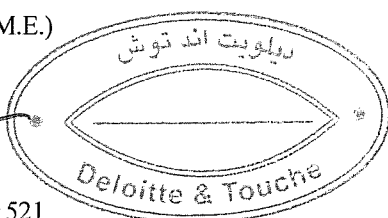
Conclusion

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 IAS 34.

Deloitte & Touche (M.E.)



Anis Sadek
Registration Number 521
14 May 2012



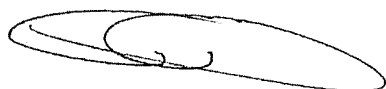
Condensed consolidated statement of financial position
As at 31 March 2012

	Notes	31 March 2012 Un-audited AED	31 December 2011 Audited AED
ASSETS			
Non-current assets			
Property and equipment		4,494,647	4,845,992
Investment properties	4	238,123,186	238,123,186
Investment in associates	5	66,188,053	65,530,928
Held to maturity investments	6	6,799,474	6,799,474
Available for sale investments	6	3,964,658	3,979,973
Total non-current assets		319,570,018	319,279,553
Current assets			
Reinsurance contract assets	7	114,560,781	107,354,952
Insurance and other receivables	13	230,552,651	183,927,424
Due from related parties	12(a)	206,526,870	205,133,700
Held for trading investments	6	56,266,706	54,014,152
Bank balances and cash	8	275,741,246	276,756,108
Total current assets		883,648,254	827,186,336
Total Assets		1,203,218,272	1,146,465,889

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

Condensed consolidated statement of financial position (continued)
As at 31 March 2012

	Notes	31 March 2012 Un-audited AED	31 December 2011 Audited AED
EQUITY AND LIABILITIES			
Equity			
Share capital	9	230,000,000	230,000,000
Statutory reserve		49,209,674	49,209,674
General reserve		200,000,000	200,000,000
Investments revaluation reserve		(37,080)	(32,976)
Retained earnings		106,172,347	91,567,776
Equity attributable to equity holders of the parent		585,344,941	570,744,474
Non-controlling interest		4,000,893	4,159,540
Total Equity		589,345,834	574,904,014
Non-current liabilities			
Due to related parties	12(a)	18,220,930	18,073,204
Provision for employees' end of service indemnity		11,261,600	10,910,440
Total non-current liabilities		29,482,530	28,983,644
Current liabilities			
Insurance contract liabilities	7	254,889,535	236,383,850
Bank borrowings	10	210,768,561	207,456,809
Insurance and other payables		117,614,267	97,620,027
Advances from related parties	12(a)	1,117,545	1,117,545
Total current liabilities		584,389,908	542,578,231
Total Liabilities		613,872,438	571,561,875
Total Equity and Liabilities		1,203,218,272	1,146,465,889



Director and CEO

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

Condensed Consolidated Statement of Income
For the three months period ended 31 March 2012

	Three months period ended	
	31 March	
	2012	2011
	AED	AED
	(unaudited)	(unaudited)
Gross insurance premium revenue	118,284,445	138,794,927
Insurance premium ceded to reinsurers	(48,287,298)	(71,038,822)
Net premium revenue	69,997,147	67,756,105
Net changes in unearned premium	(11,652,026)	(11,450,138)
Net insurance premium revenue	58,345,121	56,305,967
Gross claims settled	(77,412,079)	(92,789,011)
Insurance claims recovered from reinsurers	22,518,604	44,621,505
Net claims settled	(54,893,475)	(48,167,506)
Net changes in outstanding claims	3,592,601	4,015,108
Net claims incurred	(51,300,874)	(44,152,398)
Gross commission earned and documentation fees	23,489,386	22,524,536
Less: Commission incurred	(10,323,453)	(11,408,798)
Net commission and documentation fees earned	13,165,933	11,115,738
Underwriting profit	20,210,180	23,269,307
General and administrative expenses relating to underwriting activities	(7,782,703)	(8,113,854)
Net underwriting profit	12,427,477	15,155,453
Investment revenue - net	6,846,504	1,638,548
Other income	206,042	1,987,944
Finance costs	(2,108,306)	(2,985,515)
Share of profit from associate	657,125	239,220
Unallocated general and administration expenses	(3,582,329)	(3,420,272)
Profit for the period	14,446,513	12,615,378
Attributable to:		
Equity holders of the parent	14,604,571	12,748,740
Non-controlling interest	(158,058)	(133,362)
	14,446,513	12,615,378
Basic earnings per share (Note 11)	0.06	0.05

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

**Condensed consolidated statement of comprehensive income
For the three months period ended 31 March 2012**

	Three months period ended 31 March	
	2011 AED (unaudited)	2010 AED (unaudited)
Profit for the period	14,446,513	12,615,378
Other comprehensive loss		
Loss on revaluation of available for sale investments	(4,693)	(2,882)
Total comprehensive income for the period	14,441,820	12,612,496
Total comprehensive income attributable to:		
Equity holders of the parent	14,600,467	12,746,319
Non-controlling interest	(158,647)	(133,823)
	14,441,820	12,612,496

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

Condensed consolidated statement of changes in equity
For the three months period ended 31 March 2012

	Share capital AED	Statutory reserve AED	General reserve AED	Investments revaluation reserve AED	Retained earnings AED	Attributable to equity holders of the parent AED	Non- controlling interest AED	Total AED
Balance at 31 December 2010 (Audited)	230,000,000	46,953,554	200,000,000	(89,909)	83,067,361	559,931,006	5,350,748	565,281,754
Profit for the period	-	-	-	-	12,748,740	12,748,740	(133,362)	12,615,378
Other comprehensive loss	-	-	-	(2,421)	-	(2,421)	(461)	(2,882)
Total comprehensive income for the period	-	-	-	(2,421)	12,748,740	12,746,319	(133,823)	12,612,496
Balance at 31 March 2011 (Un-audited)	230,000,000	46,953,554	200,000,000	(92,330)	95,816,101	572,677,325	5,216,925	577,894,250
Balance at 31 December 2011 (Audited)	230,000,000	49,209,674	200,000,000	(32,976)	91,567,776	570,744,474	4,159,540	574,904,014
Profit for the period	-	-	-	-	14,604,571	14,604,571	(158,058)	14,446,513
Other comprehensive loss	-	-	-	(4,104)	-	(4,104)	(589)	(4,693)
Total comprehensive income for the period	-	-	-	(4,104)	14,604,571	14,600,467	(158,647)	14,441,820
Balance at 31 March 2012 (Un-audited)	230,000,000	49,209,674	200,000,000	(37,080)	106,172,347	585,344,941	4,000,893	589,345,834

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

Condensed consolidated statement of cash flows
For the three months period ended 31 March 2012

	Three months period ended	
	31 March	
	2012	2011
	AED	AED
	(unaudited)	(unaudited)
Cash flows from operating activities		
Profit for the period	14,446,513	12,615,378
Adjustments for:		
Depreciation of property and equipment	388,902	541,039
Investment revenue	(1,324,912)	(1,659,934)
Interest income	(2,130,878)	(2,870,042)
(Gain)/loss on revaluation of held for trading investments	(2,773,142)	2,891,428
Provision for employees' end of service indemnity	355,579	328,474
Share of profit from associates	(657,125)	(239,220)
Finance costs	2,108,306	2,985,515
	<hr/>	<hr/>
Operating cash flows before movements in working capital	10,413,243	14,592,638
Increase in reinsurance contract assets	(7,205,829)	(16,051,280)
Increase in insurance and other receivables	(46,625,227)	(29,434,957)
Increase in due from related parties	(1,245,444)	(894,365)
Decrease in fixed deposits with banks	79,211,866	20,830,096
Increase in insurance contract liabilities	18,505,685	20,617,089
Increase in insurance and other payables	19,994,240	4,814,134
Decrease in advances from related parties	-	(10,005,385)
	<hr/>	<hr/>
Cash generated from operations	73,048,534	4,467,970
Interest paid	(2,108,306)	(2,985,515)
Employees' end of service indemnity paid	(4,419)	(528,929)
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Net cash from operating activities	70,935,809	953,526
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Cash flows from investing activities		
Net proceeds from sale of/(investment in) securities	1,021,364	(250,207)
Purchase of property and equipment	(37,557)	(408,975)
Dividends received	834,758	876,805
Interest received	2,130,878	2,870,042
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Net cash from investing activities	3,949,443	3,087,665
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Cash flows from financing activities		
Increase in bank borrowings	3,311,752	9,776,210
	<hr/>	<hr/>
Net cash from financing activities	3,311,752	9,776,210
	<hr/>	<hr/>
Net increase in cash and cash equivalents	78,197,004	13,817,401
Cash and cash equivalents at beginning of the period	6,574,608	14,442,502
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Cash and cash equivalents at end of the period (Note 8)	<u><u>84,771,612</u></u>	<u><u>28,259,903</u></u>

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

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

1. General information

Al-Sagr National Insurance Company (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 Company is a subsidiary of Gulf General Investment Company (the “Parent Company” or “GGICO”), 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, Ajman, Ras Al Khaimah and Al Ain in the U.A.E.

The condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiary (collectively the “Group”). Details of the subsidiary are as follows:

<u>Company name</u>	<u>Activity</u>	<u>Country of incorporation</u>	<u>Ownership held</u> %
Jordan Emirates Insurance Company PSC	Underwriting of insurance of all types	Jordan	87.449%

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements

The following new and revised IFRSs have been adopted in preparation of these condensed consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior period but may affect the accounting for future transactions or arrangements.

- Amendments to IFRS 7 Financial Instruments : Disclosure – Transfer of Financial Assets
- Amendments to IAS 12 *Income Taxes – Recovery of Underlying Assets*

2.2 New and revised IFRSs is in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
▪ Amendments to IFRS 7 <i>Financial Instruments : Disclosure – Enhancing Disclosures</i> about Offsetting of Financial Assets and Financial Liabilities	1 January 2013
▪ IFRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
▪ IFRS 11 <i>Joint Arrangements</i>	1 January 2013
▪ IFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
▪ IFRS 13 <i>Fair Value Measurement</i>	1 January 2013

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRSs is in issue but not yet effective (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
▪ Amendments to IAS 1 <i>Presentation of Financial Statements - Amendments</i> to revise the way other comprehensive income is presented	1 July 2012
▪ Amendments to IAS 19 <i>Employee Benefits</i> - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	1 January 2013
▪ IAS 27 <i>Consolidated and Separate Financial Statements</i> - Reissued as IAS 27 <i>Separate Financial Statements</i>	1 January 2013
▪ IAS 28 <i>Investments in Associates</i> - Reissued as IAS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2013
▪ Amendments to IAS 32 <i>Financial Instruments : Presentation - Offsetting of Financial Assets and Financial Liabilities</i>	1 January 2014
▪ IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no impact on the condensed consolidated financial statements of the Group in the period of initial application.

3. Accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial and non-financial instruments, which are carried at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The condensed consolidated financial statements of the Group is prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standard Board and also complies with the applicable requirements of the laws in the U.A.E. The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the preparation of the annual audited consolidated financial statements for the year ended 31 December 2011.

The condensed consolidated financial statements does not include all the information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's consolidated financial statements as of 31 December 2011. In addition, results for the three months period ended 31 March 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

3. Accounting policies (continued)

Significant judgments and key sources of estimation uncertainty

The preparation of condensed consolidated financial statements 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.

In preparing these condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2011.

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2011.

4. Investment properties

	31 March 2012 AED Un-audited	31 December 2011 AED Audited
At beginning of the period/year	305,347,114	275,347,114
Additions during the period/year	-	45,000,000
Disposal during the period/year	-	(15,000,000)
Cost at end of the period/year	305,347,114	305,347,114
Net loss on revaluation of investment properties	(67,233,928)	(67,223,928)
	238,123,186	238,123,186

The Group has certain investment properties jointly controlled with Gulf General Investment Company PSC (referred hereafter as "GGICO") the details of which are as follows:

- (i) A 10% ownership share in Meydan Tower, a property located in Dubai. The Group has contributed AED 152.96 million as at 31 March 2012 (31 December 2011: AED 152.96 million). The 10% ownership is held in the name of GGICO Real Estate Developments Co. LLC on trust and for the benefit of the Group. The Group has additional commitment of AED 46 million as at 31 March 2012 (31 December 2011: AED 46 million) in relation to the property.
- (ii) A 30% ownership share in the purchase of 4 plots of land at Emirates Industrial City. The 30% ownership is held in the name of GGICO on trust and for the benefit of the Group.

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

5. Investments in associates

	31 March 2012 AED Un-audited	31 December 2011 AED Audited
Al Sagr Cooperative Insurance Company, Kingdom of Saudi Arabia [Note 5 (a)]	65,611,216	64,954,091
Green Air Technology L.L.C, United Arab Emirates [Note 5 (b)]	426,837	426,837
Sogour Al Khaleej General Trading Company, United Arab Emirates [Note 5 (c)]	150,000	150,000
	<u>66,188,053</u>	<u>65,530,928</u>

- (a) The Group holds 26% ownership in Al-Sagr Cooperative Insurance Company, a company incorporated in Kingdom of Saudi Arabia. The main activity of the Company is the underwriting insurance of all types.
- (b) 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 GGICO on behalf and for the benefit of the Company.
- (c) 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 GGICO.

Although, the Group holds 50% equity in 2 associates, these are controlled by the Parent Company. The Group does not participate in the financial and operating policy decisions of these associates. Consequently, these companies are not treated as subsidiaries.

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

6. Investments in securities

Movement of investments in securities during the period/year is as follows:

	31 March 2012 Un-audited AED	31 December 2011 Audited AED
a) Held for trading investments:		
Fair value at beginning of the period/year	54,014,152	76,577,975
Net disposals during the period/year	(520,588)	(9,275,857)
Increase/(decrease) in fair value	2,773,142	(13,287,966)
Fair value at end of the period/year	56,266,706	54,014,152
b) Available for sale investments:		
Fair value at beginning of the period/year	3,979,973	89,779
Net (disposal)/additions during the period/year	(10,622)	3,825,090
(Decrease)/increase in fair value	(4,693)	65,104
Fair value at end of the period/year	3,964,658	3,979,973
c) Held to maturity investments:		
Cost at beginning of the period/year	6,799,474	7,215,898
Impairment during the period/year	-	(416,424)
Amortised cost at end of the period/year	6,799,474	6,799,474

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

7. Insurance contract liabilities and re-insurance contract assets

	31 March 2012 Un-audited AED	31 December 2011 Audited AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	119,392,011	121,295,712
Claims incurred but not reported	8,932,122	7,758,165
Unearned premiums	126,565,402	107,329,973
Total insurance contract liabilities (gross)	254,889,535	236,383,850
Recoverable from reinsurers		
Claims reported unsettled	75,417,982	74,243,425
Unearned premiums	39,142,799	33,111,527
Total reinsurers' share of insurance contract liabilities	114,560,781	107,354,952
Net		
Claims reported unsettled	43,974,029	47,052,287
Claims incurred but not reported	8,932,122	7,758,165
Unearned premiums	87,422,603	74,218,446
	140,328,754	129,028,898

8. Bank balances and cash

	31 March 2012 Un-audited AED	31 December 2011 Audited AED
Cash on hand	440,370	295,199
Bank balances:		
Current accounts	4,320,735	6,218,002
Fixed deposits	270,980,141	270,242,907
	275,741,246	276,756,108

Fixed deposits with banks as at 31 March 2012 include AED 10 million (31 December 2011: AED 10 million) deposited in the name of the Group to the order of the Minister of Economy of the United Arab Emirates as required by the Federal Law Number (6) of 2007 concerning Insurance Authority.

Fixed deposits amounting to AED 180 million (31 December 2011: AED 180 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 reporting date and carrying an interest of 3.0% to 4.0% (31 December 2011: 3.0% to 4.5% per annum).

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

8. Bank balances and cash (continued)

For cash flow purposes, the cash and cash equivalents is analyzed as follows:

	31 March 2012 Un-audited AED	31 March 2011 Un-audited AED
Bank balances and cash	275,741,246	274,453,877
Long term fixed deposits	(190,969,634)	(246,193,974)
Cash and cash equivalents	84,771,612	28,259,903

9. Share capital

	31 March 2012 Un-audited AED	31 December 2011 Audited AED
Issued and fully paid: 230,000,000 shares of AED 1 each (31 December 2011: 230,000,000 shares of AED 1 each)	230,000,000	230,000,000

10. Bank borrowings

	31 March 2012 Un-audited AED	31 December 2011 Audited AED
<i>Secured at amortised cost</i> Bank overdrafts	210,768,561	207,456,809

The Group has bank facilities in the form of overdraft repayable upon demand and bearing interest ranging from 3.5% to 4.6% per annum (31 December 2011: 3.5% to 4.6% per annum). These facilities are secured by lien on fixed deposits amounting to AED 180 million (31 December 2011: AED 180 million). The bank overdraft limit provided under the facilities is AED 247 million (31 December 2011: AED 258 million).

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

11. Basic earnings per share

	Three months period ended	
	31 March	
	2012	2011
	Un-audited	Un-audited
Profit for the period attributable to equity holders of the parent - AED	14,604,571	12,748,740
Weighted average numbers of shares	230,000,000	230,000,000
Basic earnings per share - AED	0.06	0.05

Basic earnings per share are calculated by dividing the profit for the period attributable to the equity holders of the parent by the weighted average number of shares outstanding as of the reporting date.

12. 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. The management decides on the terms and conditions of services received from/rendered to related parties as well as on other charges.

a) At the reporting date, amounts due from/to related parties were included in the following accounts:

	31 March	31 December
	2012	2011
	Un-audited	Audited
	AED	AED
Included in insurance and other receivables		
Due from policyholders	1,738,529	767,906
Due from shareholders	8,104,497	1,316,599
Included in due from related parties		
Due from related parties	218,526,870	217,133,700
Allowance for doubtful debts	(12,000,000)	(12,000,000)
	<u>206,526,870</u>	<u>205,133,700</u>

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

12. Related party transactions (continued)

	31 March 2012 Un-audited AED	31 December 2011 Audited AED
Included in due to related parties		
Due to shareholders [Note 12 (b)]	18,220,930	18,073,204
Advances received	1,117,545	1,117,545
Included in insurance and other payables		
Gross outstanding claims	1,714,528	-
Others		
Investment properties	81,658,177	111,023,672
Held to maturity investments (Note 6)	6,799,474	6,799,474

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

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

	Three months period ended 31 March	
	2012 Un-audited AED	2011 Un-audited AED
Gross premium	3,220,642	9,668,505
Claims paid	280,439	1,018,539

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

- b) Due to shareholders includes the portion of the amount paid by the shareholders on behalf of the Group against the investment in one of its associate - Al Sagr Company for Co Operative Insurance, Kingdom of Saudi Arabia.

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

Compensation of key management personnel

	Three months period ended 31 March	
	2012 Un-audited AED	2011 Un-audited AED
Salaries and benefits	1,746,224	1,871,626

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

13. Insurance and other receivables

Insurance and other receivables include an allowance for doubtful debts amounting to AED 24.6 million (31 December 2011: AED 24.6 million).

14. Contingent liabilities

	31 March 2012 Un-audited AED	31 December 2011 Audited AED
Letters of guarantee	18,726,096	13,363,539
Capital commitments	46,610,000	46,610,000

15. Seasonality of results

No income of seasonal nature was recorded in the condensed consolidated statement of income for the three month period ended 31 March 2012 and 2011.

16. Segment information

For operating purposes, the Group is organised into two main business segments:

Underwriting of general insurance business - incorporating all classes of general insurance fire, marine, motor, general accident and miscellaneous.

Investments - incorporating investments in U.A.E. marketable equity securities, term deposits with banks, investment properties, managed portfolios and other securities.

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

16. Segment information (continued)

Primary segment information- business segment

The following is an analysis of the Group's revenue and results by operating segment:

	Three-months period ended 31 March (Un-audited)					
	Underwriting		Investments		Total	
	2012	2011	2012	2011	2012	2011
	AED	AED	AED	AED	AED	AED
Segment revenue	118,284,445	138,794,927	7,503,629	4,769,196	125,788,074	143,564,123
Segment result	12,427,477	15,155,453	5,395,323	(1,107,747)	17,822,800	14,047,706
Unallocated expenses					(3,376,287)	(1,432,328)
Net profit for the period					14,446,513	12,615,378

The following is an analysis of the Group's assets and liabilities by operating segment:

	Totals					
	Underwriting		Investments		Total	
	31 March	31 December	31 March	31 December	31 March	31 December
	2012	2011	2012	2011	2012	2011
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	AED	AED	AED	AED	AED	AED
Segment assets	625,349,325	572,884,476	577,868,947	573,581,413	1,203,218,272	1,146,465,889
Segment liabilities	383,765,402	344,914,317	230,107,036	226,647,558	613,872,438	571,561,875

Notes to the condensed consolidated financial statements (continued)
For the three months period ended 31 March 2012

16. Segment information (continued)

There are no transactions between the business segments.

Secondary segment information - revenue from underwriting departments

The following is an analysis of the Group's revenues classified by major underwriting departments.

	Three months period ended	
	31 March	
	2012	2011
	AED	AED
Accidents and liabilities	78,909,009	82,876,725
Fire and general accidents	9,904,227	11,271,818
Marine and aviation	<u>29,471,209</u>	<u>44,646,384</u>
	<u><u>118,284,445</u></u>	<u><u>138,794,927</u></u>

17. Approval of the condensed consolidated financial statements

The condensed consolidated financial statements for the three months period ended 31 March 2012 were approved by the Management and authorized for issue on 14 May 2012.