

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

**Review report and interim financial information
for the six months period ended 30 June 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 30 June 2012 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months period then ended. Management of the Group is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Anis Sadek
Registration Number 521
8 August 2012



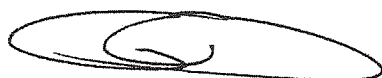
Condensed consolidated statement of financial position
As at 30 June 2012

	Notes	30 June 2012 (Un-audited) AED	31 December 2011 (Audited) AED
ASSETS			
Non-current assets			
Property and equipment		4,314,383	4,845,992
Investment properties	4	238,123,186	238,123,186
Investment in associates	5	69,424,358	65,530,928
Held to maturity investments	6	6,799,474	6,799,474
Available for sale investments	6	675,364	3,979,973
Total non-current assets		319,336,765	319,279,553
Current assets			
Reinsurance contract assets	7	122,036,672	107,354,952
Insurance and other receivables	13	233,791,703	183,927,424
Due from related parties	12(a)	197,815,873	205,133,700
Held for trading investments	6	54,367,674	54,014,152
Bank balances and cash	8	279,722,750	276,756,108
Total current assets		887,734,672	827,186,336
Total Assets		1,207,071,437	1,146,465,889

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

Condensed consolidated statement of financial position (continued)
As at 30 June 2012

	Notes	30 June 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		(35,731)	(32,976)
Retained earnings		101,693,527	91,567,776
		<hr/>	<hr/>
Equity attributable to equity holders of the Parent		580,867,470	570,744,474
Non-controlling interest		4,201,049	4,159,540
		<hr/>	<hr/>
Total Equity		585,068,519	574,904,014
		<hr/>	<hr/>
Non-current liabilities			
Due to related parties	12(a)	18,974,252	18,073,204
Provision for employees' end of service indemnity		10,956,615	10,910,440
		<hr/>	<hr/>
Total non-current liabilities		29,930,867	28,983,644
		<hr/>	<hr/>
Current liabilities			
Insurance contract liabilities	7	264,522,650	236,383,850
Bank borrowings	10	211,476,500	207,456,809
Insurance and other payables		114,955,356	97,620,027
Advances from related parties	12(a)	1,117,545	1,117,545
		<hr/>	<hr/>
Total current liabilities		592,072,051	542,578,231
		<hr/>	<hr/>
Total Liabilities		622,002,918	571,561,875
		<hr/>	<hr/>
Total Equity and Liabilities		1,207,071,437	1,146,465,889
		<hr/> <hr/>	<hr/> <hr/>



Director and CEO

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

Condensed consolidated statement of income (Un-audited)
For the six months period ended 30 June 2012

	Three months period ended 30 June		Six months period ended 30 June	
	2012 AED	2011 AED	2012 AED	2011 AED
Gross insurance premium revenue	100,408,943	108,788,855	218,693,388	247,583,782
Less: Insurance premium ceded to reinsurers	(35,346,021)	(43,968,307)	(83,633,319)	(115,007,129)
Net retained premium revenue	65,062,922	64,820,548	135,060,069	132,576,653
Net change in unearned premium	(7,290,529)	(8,081,235)	(18,942,555)	(19,531,373)
Net insurance premium revenue	57,772,393	56,739,313	116,117,514	113,045,280
Gross claims settled	(70,363,843)	(74,805,674)	(147,775,922)	(167,594,685)
Insurance claims recovered from reinsurers	18,898,997	22,838,462	41,417,601	67,459,966
Net claims settled	(51,464,846)	(51,967,212)	(106,358,321)	(100,134,719)
Net change in outstanding claims	3,581,170	(320,875)	7,173,771	3,694,233
Net claims incurred	(47,883,676)	(52,288,087)	(99,184,550)	(96,440,485)
Gross commission earned and documentation fees	15,665,507	17,427,946	39,154,893	39,952,482
Less: Commission incurred	(7,026,554)	(6,785,530)	(17,350,007)	(18,194,328)
Net commission and documentation fees earned	8,638,953	10,642,416	21,804,886	21,758,154
Underwriting profit	18,527,670	15,093,642	38,737,850	38,362,949
General and administrative expenses relating to underwriting activities	(10,500,181)	(8,668,546)	(18,282,884)	(16,782,400)
Net underwriting profit	8,027,489	6,425,096	20,454,966	21,580,549
Investment revenue – net	435,884	2,193,736	7,282,388	3,832,284
Share of profit from associate	3,236,305	2,216,037	3,893,430	2,455,257
Finance costs	(2,273,202)	(3,222,381)	(4,381,508)	(6,207,896)
Other income/(expense)	1,091,651	(1,038,617)	1,297,693	949,327
Unallocated general and administrative expenses	(3,296,985)	(2,031,281)	(6,879,314)	(5,451,553)
Profit for the period	7,221,142	4,542,590	21,667,655	17,157,968
Attributable to:				
Equity holders of the Parent	7,021,180	4,346,625	21,625,751	17,095,365
Non-controlling interest	199,962	195,965	41,904	62,603
	7,221,142	4,542,590	21,667,655	17,157,968
Basic earnings per share (Note 11)	0.03	0.02	0.09	0.07

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

Condensed consolidated statement of comprehensive income (Un-audited)
For the six months period ended 30 June 2012

	Three months period ended 30 June		Six months period ended 30 June	
	2012	2011	2012	2011
	AED	AED	AED	AED
Profit for the period	7,221,142	4,542,590	21,667,655	17,157,968
Other comprehensive income/(loss)				
Gain/(loss) on revaluation of available for sale investments	1,543	(1,007)	(3,150)	(3,889)
Total comprehensive income for the period	7,222,685	4,541,583	21,664,505	17,154,079
Total comprehensive income attributable to:				
Equity holders of the Parent	7,022,529	4,345,778	21,622,996	17,092,097
Non-controlling interest	200,156	195,805	41,509	(61,982)
	7,222,685	4,541,583	21,664,505	17,154,079

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

Al-Sagr National Insurance Company (Public Shareholding Company)

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Condensed consolidated statement of changes in equity
For the six months period ended 30 June 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 1 January 2011 (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	-	-	-	-	17,095,365	17,095,365	62,603	17,157,968
Other comprehensive loss	-	-	-	(3,268)	-	(3,268)	(621)	(3,889)
Total comprehensive (loss)/income for the period	-	-	-	(3,268)	17,095,365	17,092,097	61,982	17,154,079
Balance at 30 June 2011 (Un-audited)	230,000,000	46,953,554	200,000,000	(93,177)	100,162,726	577,023,103	5,412,730	582,435,833
Balance at 1 January 2012 (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	-	-	-	-	21,625,751	21,625,751	41,904	21,667,655
Other comprehensive loss	-	-	-	(2,755)	-	(2,755)	(395)	(3,150)
Total comprehensive (loss)/income for the period	-	-	-	(2,755)	21,625,751	21,622,996	41,509	21,664,505
Dividend paid	-	-	-	-	(11,500,000)	(11,500,000)	-	(11,500,000)
Balance at 30 June 2012 (Un-audited)	230,000,000	49,209,674	200,000,000	(35,731)	101,693,527	580,867,470	4,201,049	585,068,519

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

Condensed consolidated statement of cash flows (Un-audited)
For the six months period ended 30 June 2012

	Six months period ended 30 June	
	2012 AED	2011 AED
Cash flows from operating activities		
Profit for the period	21,667,655	17,157,968
Adjustments for:		
Depreciation of property and equipment	1,044,511	1,042,148
Investment revenue - net	(6,404,467)	(5,930,597)
Share of profit from associate	(3,893,430)	(2,455,257)
Loss on revaluation of held for trading investments	866,333	6,829,556
Provision for employees' end of service indemnity	711,158	664,853
Finance costs	4,381,508	6,207,896
Operating cash flows before movements in working capital	18,373,268	23,516,567
Decrease in fixed deposits with banks	55,399,058	66,653,812
Increase in insurance and other receivables	(49,864,279)	(35,478,694)
(Increase)/decrease in reinsurance contract assets	(14,681,720)	12,568,259
Increase in insurance contract liabilities	28,138,800	3,268,880
Decrease/(increase) in due from/(due to) related parties	8,218,875	(513,406)
Increase/(decrease) in insurance and other payables and advances	17,335,329	(17,799,567)
Cash generated from operations	62,919,331	52,215,851
Interest paid	(4,381,508)	(6,207,896)
Employees' end of service indemnity paid	(664,983)	(595,791)
Net cash from operating activities	57,872,840	45,412,164
Cash flows from investing activities		
Proceeds from/(purchases of) available for sale investments	3,301,459	(3,915,000)
(Purchase of)/proceeds from held for trading investments	(1,219,855)	6,995,298
Purchase of property and equipment	(512,902)	(664,974)
Interest received	4,463,767	5,630,179
Dividends received	1,940,700	-
Net cash from investing activities	7,973,169	8,045,503
Cash flows from financing activities		
Increase in bank borrowings	4,019,691	9,146,840
Dividend paid	(11,500,000)	-
Net cash (used in)/from financing activities	(7,480,309)	9,146,840
Net increase in cash and cash equivalents	58,365,700	62,604,507
Cash and cash equivalents at beginning of the period	6,574,608	14,442,502
Cash and cash equivalents at end of the period (Note 8)	64,940,308	77,047,009

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

**Notes to the interim financial information
For the six months period ended 30 June 2012**

1. General information

Al-Sagr National Insurance Company (Public Shareholding 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 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 interim financial information incorporates 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 interim financial information

The following new and revised IFRSs have been adopted in preparation of these interim financial information. 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 interim financial information (continued)
For the six months period ended 30 June 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</i> - <i>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 interim financial information of the Group in the period of initial application.

3. Summary of significant accounting policies

3.1. Basis of preparation

The interim financial information 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 interim financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2011.

The interim financial information have been prepared on the historical cost basis, except for the revaluation of financial instruments and investment properties that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The interim financial information 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 for the year ended 31 December 2011. In addition, results for the six months period ended 30 June 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

Notes to the interim financial information (continued)
For the six months period ended 30 June 2012

3. Summary of significant accounting policies (continued)

3.2. Significant judgments and key sources of estimation uncertainty

The preparation of interim financial information 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 interim 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.

3.3. 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

	30 June 2012 AED (Un-audited)	31 December 2011 AED (Audited)
Cost 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	(67,223,928)	(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 30 June 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 30 June 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 interim financial information (continued)
For the six months period ended 30 June 2012

5. Investments in associates

	30 June 2012 AED (Un-audited)	31 December 2011 AED (Audited)
Al Sagr Cooperative Insurance Company, Kingdom of Saudi Arabia [Note 5 (a)]	68,847,521	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>69,424,358</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 interim financial information (continued)
For the six months period ended 30 June 2012

6. Investments in securities

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

	30 June 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 additions/(disposals) during the period/year	1,219,855	(9,275,857)
Decrease in fair value	(866,333)	(13,287,966)
Fair value at end of the period/year	54,367,674	54,014,152
b) Available for sale investments:		
Fair value at beginning of the period/year	3,979,973	89,779
Net (disposals)/additions during the period/year	(3,301,459)	3,825,090
(Decrease)/increase in fair value	(3,150)	65,104
Fair value at end of the period/year	675,364	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)
Cost at end of the period/year	6,799,474	6,799,474

7. Insurance contract liabilities and reinsurance contract assets

	30 June 2012 (Un-audited) AED	31 December 2011 (Audited) AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	121,611,805	121,295,712
Claims incurred but not reported	7,778,627	7,758,165
Unearned premiums	135,132,218	107,329,973
Total insurance contract liabilities (gross)	264,522,650	236,383,850
Recoverable from reinsurers		
Claims reported unsettled	80,065,456	74,243,425
Unearned premiums	41,971,216	33,111,527
Total reinsurers' share of insurance contract liabilities	122,036,672	107,354,952
Net		
Claims reported unsettled	41,546,349	47,052,287
Claims incurred but not reported	7,778,627	7,758,165
Unearned premiums	93,161,002	74,218,446
	142,485,978	129,028,898

Notes to the interim financial information (continued)
For the six months period ended 30 June 2012

8. Bank balances and cash

	30 June 2012 (Un-audited) AED	31 December 2011 (Audited) AED
Cash on hand	1,955,610	295,199
Bank balances:		
Current accounts	545,899	6,218,002
Fixed deposits	277,221,241	270,242,907
	<u>279,722,750</u>	<u>276,756,108</u>

Fixed deposits with banks as at 30 June 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 5.3% (31 December 2011: 3.0% to 4.5% per annum).

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

	30 June 2012 (Un-audited) AED	30 June 2011 (Un-audited) AED
Bank balances and cash	279,722,750	276,634,138
Deposits with maturity over three months	(214,782,442)	(199,587,129)
Cash and cash equivalents	<u>64,940,308</u>	<u>77,047,009</u>

9. Share capital

	30 June 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)	<u>230,000,000</u>	<u>230,000,000</u>

Notes to the interim financial information (continued)
For the six months period ended 30 June 2012

10. Bank borrowings

	30 June 2012 (Un-audited) AED	31 December 2011 (Audited) AED
<i>Secured at amortised cost</i>		
Bank overdrafts	211,476,500	207,456,809

The Group has bank facilities in the form of overdraft repayable upon demand and bearing interest ranging from 3.5% to 4.1% 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).

11. Basic earnings per share

	Three months period ended 30 June		Six months period ended 30 June	
	2012 (Un-audited)	2011 (Un-audited)	2012 (Un-audited)	2011 (Un-audited)
Profit for the period attributable to equity holders of the Parent - AED	7,021,180	4,346,625	21,625,751	17,095,365
Weighted average numbers of shares	230,000,000	230,000,000	230,000,000	230,000,000
Basic earnings per share - AED	0.03	0.02	0.09	0.07

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.

Notes to the interim financial information (continued)
For the six months period ended 30 June 2012

12. Related party transactions (continued)

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

	30 June 2012 (Un-audited) AED	31 December 2011 (Audited) AED
Included in insurance and other receivables		
Due from policyholders	1,999,705	767,906
Due from shareholders	7,810,096	1,316,599
Included in due from related parties		
Due from related parties	209,815,873	217,133,700
Allowance for doubtful debts	(12,000,000)	(12,000,000)
	<u>197,815,873</u>	<u>205,133,700</u>
Included in due to related parties		
Due to shareholders [Note 12 (b)]	18,974,252	18,073,204
Advances received	1,117,545	1,117,545
Included in insurance and other payables		
Gross outstanding claims	107,768	10,000
Others		
Investment properties	111,023,672	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 provision has been recognized during the period for 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		Six months period ended	
	30 June 2012 (Un-audited) AED	2011 (Un-audited) AED	30 June 2012 (Un-audited) AED	2011 (Un-audited) AED
Gross premium	6,508,857	971,301	9,729,499	10,639,806
Gross claims (recovered)/paid	(76,914)	58,356	203,525	1,076,895
	<u>6,431,943</u>	<u>1,029,657</u>	<u>9,525,974</u>	<u>11,716,701</u>

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 Co Operative Insurance Company, Kingdom of Saudi Arabia.

Notes to the interim financial information (continued)
For the six months period ended 30 June 2012

12. Related party transactions (continued)

Compensation of key management personnel

	Three months period ended 30 June		Six months period ended 30 June	
	2012 (Un-audited) AED	2011 (Un-audited) AED	2012 (Un-audited) AED	2011 (Un-audited) AED
Salaries and benefits	1,444,830	1,181,453	3,191,054	3,248,177

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

	30 June 2012 (Un-audited) AED	31 December 2011 (Audited) AED
Letters of guarantee	13,246,292	13,363,539
Capital commitments	46,570,000	46,610,000

15. Seasonality of results

No income of seasonal nature was recorded in the condensed consolidated statement of income for the six months period ended 30 June 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 interim financial information (continued)
For the six months period ended 30 June 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:

	Six months period ended 30 June (Un-audited)					
	Underwriting		Investments		Total	
	2012 AED	2011 AED	2012 AED	2011 AED	2012 AED	2011 AED
Segment revenue	218,693,388	247,583,782	11,175,818	6,287,541	229,869,206	253,871,323
Segment result	20,454,966	21,580,549	6,794,310	79,645	27,249,276	21,660,194
Unallocated expenses					(5,581,621)	(4,502,226)
Profit for the period					21,667,655	17,157,968

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

	Six months period ended 30 June (Un-audited)					
	Underwriting		Investments		Total	
	30 June 2012 (Un-audited) AED	31 December 2011 (Audited) AED	30 June 2012 (Un-audited) AED	31 December 2011 (Audited) AED	30 June 2012 (Un-audited) AED	31 December 2011 (Audited) AED
Segment assets	639,865,508	572,884,476	567,205,929	573,581,413	1,207,071,437	1,146,465,889
Segment liabilities	379,478,006	344,914,317	242,524,912	226,647,558	622,002,918	571,561,875

Notes to the interim financial information (continued)
For the six months period ended 30 June 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 30 June		Six months period ended 30 June	
	2012 AED (Un-audited)	2011 AED (Un-audited)	2012 AED (Un-audited)	2011 AED (Un-audited)
Accidents and liabilities	83,421,904	84,739,225	162,330,913	167,615,950
Fire and general accidents	4,120,355	4,403,944	14,024,582	15,675,762
Marine and aviation	12,866,684	19,645,686	42,337,893	64,292,070
	<u>100,408,943</u>	<u>108,788,855</u>	<u>218,693,388</u>	<u>247,583,782</u>

17. Approval of the interim financial information

The interim financial information for the six months period ended 30 June 2012 were approved by the Management and authorized for issue on 8 August 2012.