# Dubai Insurance Company
# (Public Shareholding Company)

## UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

**30 JUNE 2010**

ERNST & YOUNG

P.O. Box 9267
28th Floor - Al Attar Business Tower
Sheikh Zayed Road
Dubai, United Arab Emirates
Tel: +971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
www.ey.com/me

**REPORT ON REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF DUBAI INSURANCE COMPANY (PSC)**

***Introduction***

We have reviewed the accompanying interim condensed financial statements of Dubai Insurance Company (PSC) as at 30 June 2010, comprising of the interim statements of financial position as at 30 June 2010, and the related interim statements of income and comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements 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 on Auditing. Consequently, it 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Signed by
Joseph A. Murphy
Partner
Registration number: 492

27 July 2010

Dubai, United Arab Emirates

# INTERIM STATEMENT OF INCOME

For the six months ended 30 June 2010 (Unaudited)

| | | *Three months ended 30 June* | | *Six months ended 30 June* | |
|---|---|---|---|---|---|
| | *Note* | ***2010 AED '000*** | *2009 AED '000* | ***2010 AED '000*** | *2009 AED '000* |
| **UNDERWRITING INCOME** | | | | | |
| Gross premium | | **32,783** | 25,773 | **115,534** | 97,786 |
| Movement in provision for unearned premium | | **5,755** | 6,429 | **(13,443)** | (12,394) |
| Insurance premium revenue | | **38,538** | 32,202 | **102,091** | 85,392 |
| Reinsurance share of premium | | **(23,776)** | (16,850) | **(52,501)** | (40,348) |
| Net insurance premium revenue | | **14,762** | 15,352 | **49,590** | 45,044 |
| Commission income | | **3,012** | 3,969 | **7,540** | 8,250 |
| Other income (expense) | | **1,292** | (28) | **767** | 12 |
| | | **19,066** | 19,293 | **57,897** | 53,306 |
| **UNDERWRITING EXPENSES** | | | | | |
| Claims | | **22,286** | 19,848 | **46,827** | 38,140 |
| Reinsurers' share of claims | | **(13,967)** | (9,850) | **(28,061)** | (21,289) |
| Commission expenses | | **5,475** | 5,243 | **20,398** | 18,520 |
| Excess of loss reinsurance premium | | **234** | 225 | **468** | 450 |
| General and administrative expenses relating to underwriting activities | | **2,221** | 2,084 | **4,568** | 3,983 |
| | | **16,249** | 17,550 | **44,200** | 39,804 |
| **NET UNDERWRITING INCOME** | | **2,817** | 1,743 | **13,697** | 13,502 |
| **INVESTMENT INCOME** | | | | | |
| Realised gains on investments | | **-** | - | **-** | 718 |
| Fair value (losses) gains | | **(514)** | 137 | **(484)** | 622 |
| Other investment income | | **4,051** | 6,975 | **8,307** | 8,318 |
| | | **3,537** | 7,112 | **7,823** | 9,658 |
| **OTHER INCOME AND EXPENSES** | | | | | |
| General and administrative expenses not allocated | | **(730)** | (676) | **(1,487)** | (1,286) |
| Other (expenses) income | | **(706)** | (51) | **(684)** | 5 |
| | | **(1,436)** | (727) | **(2,171)** | (1,281) |
| **PROFIT FOR THE PERIOD** | | **4,918** | 8,128 | **19,349** | 21,879 |
| Basic and diluted earnings per share (AED) | 3 | **0.048** | 0.081 | **0.192** | 0.219 |

The attached explanatory notes 1 to 13 form part of the interim condensed financial statements.

## INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2010 (Unaudited)

| | *Three months ended 30 June* | | *Six months ended 30 June* | |
|---|---|---|---|---|
| | ***2010*** ***AED '000*** | *2009* *AED '000* | ***2010*** ***AED '000*** | *2009* *AED '000* |
| Profit for the period | **4,918** | 8,128 | **19,349** | 21,879 |
| **OTHER COMPREHENSIVE INCOME** | | | | |
| Net unrealised losses on available for sale investments | **(24,370)** | (1,834) | **(32,088)** | (5,980) |
| **Other comprehensive income for the period** | **(24,370)** | (1,834) | **(32,088)** | (5,980) |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **(19,452)** | 6,294 | **(12,739)** | 15,899 |

The attached explanatory notes 1 to 13 form part of the interim condensed financial statements.

Dubai Insurance Company (PSC)

## INTERIM STATEMENT OF FINANCIAL POSITION
At 30 June 2010 (Unaudited)

| | *Notes* | ***30 June 2010 AED '000*** | *Audited 31 December 2009 AED '000* |
|---|---|---|---|
| **ASSETS** | | | |
| Office equipment and vehicles | | **1,415** | 1,602 |
| Investment property | | **2,054** | 2,421 |
| Advance for investment property | | **38,315** | 32,315 |
| Financial instruments | | | |
| Financial assets at fair value through profit or loss | 5 | **47,037** | 64,607 |
| Available-for-sale financial assets | 5 | **138,747** | 170,835 |
| Reinsurance assets | | **102,291** | 91,900 |
| Insurance receivables | | **79,339** | 78,322 |
| Prepayments and other receivables | | **3,553** | 3,945 |
| Statutory deposits | | **10,000** | 10,000 |
| Cash and cash equivalents | 9 | **33,296** | 12,200 |
| **TOTAL ASSETS** | | **456,047** | 468,147 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 6 | **100,000** | 100,000 |
| Statutory reserve | 7 | **46,941** | 46,941 |
| General reserve | 8 | **3,500** | 3,500 |
| Retained earnings | | **102,067** | 82,868 |
| Proposed dividends – cash | | **-** | 25,000 |
| Available-for-sale (AFS) reserve | | **12,405** | 44,493 |
| **Total equity** | | **264,913** | 302,802 |
| **Liabilities** | | | |
| Insurance contract liabilities | | **141,029** | 124,818 |
| Amounts held under reinsurance treaties | | **10,465** | 8,969 |
| Reinsurance balances payable | | **23,283** | 13,041 |
| Trade and other payables | | **16,357** | 18,517 |
| **Total liabilities** | | **191,134** | 165,345 |
| **TOTAL EQUITY AND LIABILITIES** | | **456,047** | 468,147 |

Approved by Management on 27 July 2010.

Director

General Manager

The attached explanatory notes 1 to 13 form part of the interim condensed financial statements.

## INTERIM STATEMENT OF CASH FLOWS
For the six months ended 30 June 2010 (Unaudited)

| | Note | *Six month period ended 30 June* 2010 AED '000 | 2009 AED '000 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Profit for the period | | **19,349** | 21,879 |
| Adjustments for: | | | |
| Depreciation on office equipment and vehicles | | **399** | 381 |
| Depreciation on investment property | | **367** | 367 |
| Provision for employees' end of service benefits | | **130** | 173 |
| Gain on sale of available-for-sale investment securities | | **-** | (718) |
| | | **20,245** | 22,082 |
| Changes in operating assets and liabilities: | | | |
| Financial assets at fair value through profit or loss | | **17,570** | (52,662) |
| Reinsurance assets | | **(10,391)** | (10,185) |
| Insurance receivables | | **(1,017)** | (5,085) |
| Prepayments and accrued income | | **392** | (1,111) |
| Insurance contract liabilities | | **16,211** | 18,551 |
| Amounts held under reinsurance treaties | | **1,496** | (549) |
| Reinsurance balances payable | | **10,242** | 4,188 |
| Trade and other payables | | **(1,203)** | (5,424) |
| Cash from operations | | **53,545** | (30,195) |
| Employees' end of service paid | | **(187)** | (4) |
| Net cash from (used in) operating activities | | **53,358** | (30,199) |
| **INVESTING ACTIVITIES** | | | |
| Proceeds from sale of available-for-sale securities | | **-** | 1,399 |
| Advance made on purchase of investment property | | **(6,000)** | (8,662) |
| Purchase of office equipment and vehicles | | **(212)** | (406) |
| Net cash used in investing activities | | **(6,212)** | (7,669) |
| **FINANCING ACTIVITIES** | | | |
| Dividends paid | | **(25,000)** | (30,000) |
| Directors' fees paid | | **(1,050)** | - |
| Net cash used in financing activities | | **(26,050)** | (30,000) |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | | **21,096** | (67,868) |
| Cash and cash equivalents at 1 January | | **12,200** | 89,583 |
| **CASH AND CASH EQUIVALENTS AT 30 JUNE** | 9 | **33,296** | 21,715 |

The attached explanatory notes 1 to 13 form part of the interim condensed financial statements.

# INTERIM STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2010 (Unaudited)

| | *Share capital AED '000* | *Statutory reserve AED '000* | *General reserve AED '000* | *Retained earnings AED '000* | *Proposed dividend AED '000* | *Available for -sale reserve AED '000* | *Total AED '000* |
|---|---|---|---|---|---|---|---|
| Balance at 1 January 2010 | 100,000 | 46,941 | 3,500 | 82,868 | 25,000 | 44,493 | 302,802 |
| Profit for the period | - | - | - | 19,349 | - | - | 19,349 |
| Other comprehensive income | - | - | - | - | - | (32,088) | (32,088) |
| Total comprehensive income for the period | - | - | - | 19,349 | - | (32,088) | (12,739) |
| Cash dividend paid | - | - | - | - | (25,000) | - | (25,000) |
| Director's fee | - | - | - | (150) | - | - | (150) |
| **Balance at 30 June 2010** | **100,000** | **46,941** | **3,500** | **102,067** | - | **12,405** | **264,913** |
| Balance at 1 January 2009 | 100,000 | 44,217 | 3,500 | 84,249 | 30,000 | 48,517 | 310,483 |
| Profit for the period | - | - | - | 21,879 | - | - | 21,879 |
| Other comprehensive income | - | - | - | - | - | (5,980) | (5,980) |
| Total comprehensive income for the period | - | - | - | 21,879 | - | (5,980) | 15,899 |
| Cash dividend paid | - | - | - | - | (30,000) | - | (30,000) |
| Balance at 30 June 2009 | 100,000 | 44,217 | 3,500 | 106,128 | - | 42,537 | 296,382 |

The attached explanatory notes 1 to 13 form part of the interim condensed financial statements.

## 1 ACTIVITIES

Dubai Insurance Company (PSC) is a public shareholding Company and is registered under the Federal Law No. 8 of 1984 (as amended) relating to commercial companies in the UAE. The Company mainly issues short term insurance contracts in connection with motor, marine, fire, engineering and general accident risks (collectively known as general insurance) and medical and group life risks (included within life insurance). The Company also invests its funds in investment securities. The registered address of the Company is P.O. Box 3027, Dubai, United Arab Emirates. The Company operates from Dubai and most of the insurance policies are issued in the United Arab Emirates.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

The interim condensed financial statements of the Company are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

**Interim reporting**
The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six months ended 30 June 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

### 2.2 ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Company is prepared in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting ("IAS 34"). The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2009, except for the adoptions of new standards and interpretations as of 1 January 2010.

During the period, the Company has adopted the following standards effective for the annual periods beginning on or after 1 January 2010.

*IFRS 1 and IAS 27, Cost of an investment in a subsidiary, jointly-controlled entity or associate*
The amended standard allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and requires an entity to present dividends from investments in subsidiaries, jointly controlled entities and associates as income in the separate financial statements of the investor.

*IFRS 3, 'Business combinations'*
The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of income. There is a choice, on an acquisition-by-acquisition basis, to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Company will apply IFRS 3 (revised) prospectively to all business combinations from 1 January 2010.

*IAS 27, 'Consolidated and separate financial statements'*
The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost; any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Company will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 January 2010. In the future, this guidance will also tend to produce higher volatility in equity and/or earnings in connection with the acquisition of interests by the Company.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

### 2.2 ACCOUNTING POLICIES (continued)

*IAS 39, 'Financial instruments: Recognition and measurement – Eligible hedged items'*
The amendment 'Eligible hedged items' was issued in July 2008. It provides guidance for two situations. On the designation of a one-sided risk in a hedged item, IAS 39 concludes that a purchased option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations.

The adoption of these standards did not have any impact on the interim condensed consolidated financial statements of the Company or its financial performance for the current period.

*Improvements to IFRS*
'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2009 and 1 January 2010 respectively, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

**Investment properties**
Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of income in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

Fair value is determined by open market values based on valuations performed by independent surveyors and consultant or broker's quotes.

**Fair value of financial instruments**
The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

**2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

**2.2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial assets**
The Company classifies its investments into financial assets at fair value through profit or loss and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired or originated.

Financial assets at fair value through profit or loss, has two sub categories namely financial assets held for trading and those designated at fair value through profit or loss at inception. Investments typically bought with the intention to sell in the near future are classified as held for trading. For investments designated as at fair value through profit or loss, the following criteria must be met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis, or
- the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis.

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realised gains and losses are recognised in the income statement.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or which are not classified in any of the above categories. These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are remeasured at fair value. Fair value gains and losses are reported as a separate component of equity until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity is transferred to the income statement.

**Impairment and uncollectibility of financial assets**
An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the income statement;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

**Derecognition of financial instruments**
The derecognition of a financial instrument takes place when the Company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

## 3 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

| | *Three months ended 30 June* | | *Six months ended 30 June* | |
|---|---|---|---|---|
| | ***2010*** | *2009* | ***2010*** | *2009* |
| Profit for the period, net of directors' fees (AED '000) | **4,768** | 8,128 | **19,199** | 21,879 |
| Weighted average number of shares outstanding during the period ('000) | **100,000** | 100,000 | **100,000** | 100,000 |
| Earnings per share (AED) | **0.048** | 0.081 | **0.192** | 0.219 |

The basic earnings per share as reported for the prior period has been adjusted for the effect of stock split during the period.

No figures for diluted earnings per share have been presented because the Company has not issued any instruments which would have an impact on earnings per share when exercised.

## 4 INVESTMENT PROPERTY

Investment property represents the Company's investment in freehold land and building situated in the Emirate of Dubai, United Arab Emirates.

## 5 FINANCIAL INSTRUMENTS

| | *Carrying value* | | *Fair value* | |
|---|---|---|---|---|
| | ***30 June 2010 AED'000*** | *31 December 2009 AED'000* | ***30 June 2010 AED'000*** | *31 December 2009 AED'000* |
| Financial instruments | | | | |
| at fair value through profit or loss (note 5.1) | **47,037** | 64,607 | **47,037** | 64,607 |
| available for sale (note 5.2) | **138,747** | 170,835 | **138,747** | 170,835 |
| | **185,784** | 235,442 | **185,784** | 235,442 |

## 5.1 FINANCIAL INSTRUMENTS AT FAIR VALUES THROUGH PROFIT OR LOSS

| | | ***30 June 2010 AED'000*** | *31 December 2009 AED'000* |
|---|---|---|---|
| *a)* | *Shares - quoted* | **3,704** | 4,188 |
| *b)* | *Designated upon initial recognition* | | |
| | Deposits matured over three months | **43,333** | 60,419 |
| | | **47,037** | 64,607 |

## 5 FINANCIAL INSTRUMENTS - *continued*

### 5.2 AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS

| | *30 June 2010 AED'000* | *31 December 2009 AED'000* |
|---|---|---|
| Shares – quoted | **128,547** | 160,635 |
| Shares – unquoted | **10,200** | 10,200 |
| | **138,747** | 170,835 |

Unquoted shares are carried at cost less impairment in value due to the unpredictable nature of future cash flows and the lack of other suitable methods for arriving at a reliable fair value.

## 6 SHARE CAPITAL

| | *30 June 2010 AED '000* | *31 December 2009 AED '000* |
|---|---|---|
| Issued and fully paid 100,000,000 shares of AED 1 each (2009: – 10,000,000 shares of AED 10 each) | **100,000** | 100,000 |

## 7 STATUTORY RESERVE

In accordance with the Commercial Companies Law and the Company's Articles of Association, 10% of the net profit for the year is required to be transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the statutory reserve is equal to 50% of the paid up share capital. No transfers have been made during the six months period to 30 June 2010, as this will be based on the results for the year. The reserve is not available for distribution except in the circumstances stipulated by the law.

## 8 GENERAL RESERVE

No transfer has been made to the general reserve during the six month period to 30 June 2010, as this will be based on the results for the year.

## 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

| | *30 June 2010 AED '000* | *30 June 2009 AED '000* |
|---|---|---|
| Bank balances and cash | **33,296** | 21,715 |

The entire bank balance and bank deposits are within United Arab Emirates.

## 10 SEGMENTAL INFORMATION

***Primary segment information***

For management purposes the Company is organised into three business segments; general insurance, life insurance and investment. The general insurance segment comprises motor, marine, fire, engineering, general accident and medical. The life segment includes individual and group life insurance. Investment comprises investment and cash management for the Company's own account. These segments are the basis on which the Company reports its primary segment information. Transactions between segments are conducted at estimated market rates on an arm's length basis. Segmental information is presented below:

***Three months ended 30 June***

| | *General insurance* | | *Life assurance* | | *Total* | |
|---|---|---|---|---|---|---|
| | ***30 June 2010 AED'000*** | *30 June 2009 AED'000* | ***30 June 2010 AED'000*** | *30 June 2009 AED'000* | ***30 June 2010 AED'000*** | *30 June 2009 AED'000* |
| **TOTAL UNDERWRITING INCOME** | **12,570** | 11,485 | **6,496** | 7,808 | **19,066** | 19,293 |
| **NET UNDERWRITING INCOME (LOSS)** | **3,838** | 2,453 | **(1,021)** | (709) | **2,817** | 1,743 |
| **TOTAL INVESTMENT INCOME** | | | | | **3,537** | 7,112 |
| Other expenses | | | | | **(706)** | (51) |
| Unallocated general and administration expenses | | | | | **(730)** | (676) |
| **PROFIT FOR THE PERIOD** | | | | | **4,918** | 8,128 |

***Six months ended 30 June***

| | *General insurance* | | *Life assurance* | | *Total* | |
|---|---|---|---|---|---|---|
| | ***30 June 2010 AED'000*** | *30 June 2009 AED'000* | ***30 June 2010 AED'000*** | *30 June 2009 AED'000* | ***30 June 2010 AED'000*** | *30 June 2009 AED'000* |
| **TOTAL UNDERWRITING INCOME** | **29,774** | 24,555 | **28,123** | 28,751 | **57,897** | 53,306 |
| **NET UNDERWRITING INCOME** | **12,040** | 8,163 | **1,657** | 5,339 | **13,697** | 13,502 |
| **TOTAL INVESTMENT INCOME** | | | | | **7,823** | 9,658 |
| Other (expenses) income | | | | | **(684)** | 5 |
| Unallocated general and administration expenses | | | | | **(1,487)** | (1,286) |
| **PROFIT FOR THE PERIOD** | | | | | **19,349** | 21,879 |

For operational and management reporting purposes, the Company is organised as one geographical segment. Consequently, no segment information is required to be provided.

## 11 SEASONALITY OF RESULTS

Dividend income of AED 3,322 thousand and AED 6,661 thousand for three month and six month periods ended 30 June 2010, respectively, and AED 6,244 and AED 6,244 for three month and six month periods ended 30 June 2009, respectively, is of seasonal nature.

## 12 CAPITAL COMMITMENTS

| | ***30 June 2010 AED '000*** | *31 December 2009 AED '000* |
|---|---|---|
| Commitment in respect of purchase of investment properties (plots of land in the UAE) | **4,992** | 10,992 |

## 13 CONTINGENCIES

At 30 June 2010, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 10,144 thousand (2009: AED 10,075 thousand).