

**Arab Orient Insurance Company (PSC)  
and its subsidiary**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**31 MARCH 2010**

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

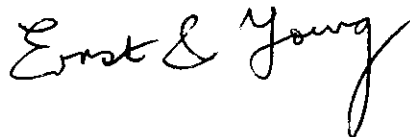
We have reviewed the accompanying interim condensed consolidated financial statements of Arab Orient Insurance Company (PSC) as at 31 March 2010 comprising of the interim consolidated statement of financial position as at 31 March 2010, the related interim consolidated statements of income and comprehensive income for the three month period then ended and the statement of changes in equity and cash flow for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated 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 consolidated 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 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 statements are not prepared, in all material respects, in accordance with IAS 34.



Signed by:  
Edward B. Quinlan  
Partner  
Registration No. 93

22 April 2010


Dubai, United Arab Emirates

Arab Orient Insurance Company (PSC) and its subsidiary

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2010 (Unaudited)

		<i>31 March</i> <b>2010</b>	<i>Audited</i> <b>31 December</b> <b>2009</b>	<b>31 March</b> <b>2009</b>
	<i>Notes</i>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>ASSETS</b>				
Office equipment and vehicles		6,677	6,263	4,399
Investment property	4	127,802	127,802	127,802
Investment in associated company	5	30,981	29,988	27,979
Investment securities	6	61,830	61,893	49,430
Reinsurance share of outstanding claims		261,212	274,901	287,553
Reinsurance share of unearned premium reserve		329,067	318,293	315,220
Insurance receivables		246,580	196,779	261,747
Prepayment and other receivables		21,400	13,902	19,878
Deposits with banks	7	805,778	808,591	634,943
Cash and cash equivalents		57,141	35,468	38,915
<b>TOTAL ASSETS</b>		<b>1,948,468</b>	<b>1,873,880</b>	<b>1,767,866</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	8	300,000	300,000	300,000
Statutory reserve	9	75,000	75,000	62,500
Legal reserve	9	91,682	91,682	73,051
Exceptional loss reserve	9	67,157	67,157	55,880
General reserve	9	142,132	142,132	58,240
Retained earnings		56,655	150	51,847
Available-for-sale (AFS) reserve		(1,735)	(977)	-
Foreign currency translation reserve	9	765	334	-
Proposed dividends		-	60,000	-
		<b>731,656</b>	<b>735,478</b>	<b>601,518</b>
<b>Non-controlling interest</b>		<b>12,532</b>	<b>12,858</b>	<b>-</b>
<b>Total equity</b>		<b>744,188</b>	<b>748,336</b>	<b>601,518</b>
<b>Liabilities</b>				
<b>Insurance contract liabilities:</b>				
Unearned premiums		439,723	431,111	432,115
Outstanding claims		366,615	381,831	393,912
		<b>806,338</b>	<b>812,942</b>	<b>826,027</b>
Reinsurance payable		170,304	138,650	135,125
Amounts held under insurance treaties		100,183	101,175	99,784
Other payables and accruals		67,455	72,777	55,412
Dividend payable		60,000	-	50,000
<b>Total liabilities</b>		<b>1,204,280</b>	<b>1,125,544</b>	<b>1,166,348</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,948,468</b>	<b>1,873,880</b>	<b>1,767,866</b>



Senior Managing Director  
22 April 2010

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Arab Orient Insurance Company (PSC) and its subsidiary

**INTERIM CONSOLIDATED STATEMENT OF INCOME**

For the three months ended 31 March 2010 (Unaudited)

		<i>Three months ended 31 March</i>	
	<i>Note</i>	<i>2010 AED'000</i>	<i>2009 AED'000</i>
<b>UNDERWRITING INCOME</b>			
<b>Gross premiums</b>			
Insurance contracts premium receivable		247,923	224,246
Movement in provision for unearned premium		(8,612)	(10,813)
Insurance premium revenue		<u>239,311</u>	<u>213,433</u>
<b>Less: Reinsurers' share of premium</b>			
Insurance contracts premium receivable		171,841	144,556
Movement in provision for unearned premium		(10,774)	(7,082)
		<u>161,067</u>	<u>137,474</u>
Net insurance premium revenue		78,244	75,959
Commission income		25,128	24,249
<b>Total underwriting income</b>		<u>103,372</u>	<u>100,208</u>
<b>UNDERWRITING EXPENSES</b>			
Claims paid		117,904	145,907
Less: re-insurance share		(91,293)	(116,699)
Net claims		26,611	29,208
Increase in outstanding claims		3,781	3,271
Claims incurred		30,392	32,479
Commission expenses		15,348	15,568
General and administration expenses		18,660	14,560
<b>Total underwriting expenses</b>		<u>64,400</u>	<u>62,607</u>
<b>NET UNDERWRITING INCOME</b>		<u>38,972</u>	<u>37,601</u>
<b>INVESTMENT INCOME</b>			
Interest income		9,944	9,721
Rental and other income		5,575	5,250
Fair value gain (loss) on investments at fair value through profit or loss		695	(1,702)
		<u>16,214</u>	<u>13,269</u>
Share of associate's profit		993	838
<b>PROFIT FOR THE PERIOD</b>		<u>56,179</u>	<u>51,708</u>
Attributable to:			
Equity holders of the parent		56,505	51,708
Non-controlling interests		(326)	-
		<u>56,179</u>	<u>51,708</u>
Basic and diluted earnings per share (AED)			
Attributable to equity holders of the parent	3	<u>18.83</u>	<u>17.24</u>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Arab Orient Insurance Company (PSC) and its subsidiary

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2010 (Unaudited)

	<i>Three months ended 31 March</i>	
	<i>2010 AED'000</i>	<i>2009 AED'000</i>
<b>Profit for the period</b>	<b>56,179</b>	<b>51,708</b>
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	431	-
Net unrealised losses on available for sale investments	(758)	-
<b>Total comprehensive income for the period</b>	<b>55,852</b>	<b>51,708</b>
<b>Attributable to:</b>		
Equity holders of parent	56,178	51,708
Non-controlling interests	(326)	-
	<b>55,852</b>	<b>51,708</b>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Arab Orient Insurance Company (PSC) and its subsidiary

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

31 March 2010 (Unaudited)

	<i>Three months ended 31 March</i>	
	<b>2010</b>	<b>2009</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	56,179	51,708
Adjustments for:		
Depreciation	426	320
Gain on sale of office equipment and vehicles	(49)	(37)
Interest income	(9,944)	(9,721)
Rental income	(5,575)	(5,250)
Share of associate's profit	(993)	(838)
Unrealised (gain) loss on investments at fair value through profit or loss	(695)	1,702
Re-insurer's share of unearned premium	(10,774)	(7,082)
Movement in unearned premiums	8,612	10,813
Operating profit before changes in operating assets and liabilities	37,187	41,615
Receivables arising from insurance and reinsurance contracts	(49,801)	(36,625)
Re-insurers' share of outstanding claims	13,689	42,422
Prepayments and other receivables	(7,498)	(11,202)
Outstanding claims	(15,216)	(39,151)
Reinsurance balances payable	30,662	(45,880)
Other payables and accruals	(5,322)	12,446
Net cash from (used in) operating activities	3,701	(36,375)
<b>INVESTING ACTIVITIES</b>		
Purchase of office equipment and vehicles	(935)	(802)
Proceeds from sale of office equipment and vehicles	144	76
Interest income	9,944	9,721
Rental income	5,575	5,250
Deposits with banks	2,813	-
Net cash from investing activities	17,541	14,245
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>21,242</b>	<b>(22,130)</b>
Cash and cash equivalents at 1 January	35,468	61,045
Movement in foreign currency translation reserve	431	-
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>57,141</b>	<b>38,915</b>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Arab Orient Insurance Company (PSC) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 March 2010 (Unaudited)

	Attributable to shareholders of the parent							Non-controlling interests AED '000	Total AED '000			
	Share capital AED '000	Statutory reserve AED '000	Legal reserve AED '000	Exceptional loss reserve AED '000	General reserve AED '000	Retained earnings AED '000	Proposed dividend AED '000			Available-for-sale (AFS) reserve AED '000	Foreign currency translation reserve AED '000	Total AED '000
Balance at 1 January 2010	300,000	75,000	91,682	67,157	142,132	150	60,000	(977)	334	735,478	12,858	748,336
Profit for the period	-	-	-	-	-	56,505	-	-	-	56,505	-	56,505
Other comprehensive income (expense) for the period	-	-	-	-	-	-	-	(758)	431	(327)	(326)	(980)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	-	(758)	431	56,178	(326)	55,525
Transfer to current liability	-	-	-	-	-	-	(60,000)	-	-	(60,000)	-	(60,000)
<b>At 31 March 2010</b>	<b>300,000</b>	<b>75,000</b>	<b>91,682</b>	<b>67,157</b>	<b>142,132</b>	<b>56,655</b>	<b>-</b>	<b>(1,735)</b>	<b>765</b>	<b>731,656</b>	<b>12,532</b>	<b>744,188</b>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Arab Orient Insurance Company (PSC) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 March 2010 (Unaudited)

	Attributable to shareholders of the parent							Non-controlling interests AED '000	Total AED '000			
	Share capital AED '000	Statutory reserve AED '000	Legal reserve AED '000	Exceptional loss reserve AED '000	General reserve AED '000	Retained earnings AED '000	Proposed dividend AED '000			Available-for-sale (AFS) reserve AED '000	Foreign currency translation reserve AED '000	
Balance at 1 January 2009	250,000	62,500	73,051	55,880	108,240	139	50,000	-	-	599,810	-	599,810
Profit for the period	-	-	-	-	-	51,708	-	-	-	51,708	-	51,708
Other comprehensive income (expense for the period)	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (expense) for the period	-	-	-	-	-	51,708	-	-	-	51,708	-	51,708
Transfers	50,000	-	-	-	(50,000)	-	-	-	-	-	-	-
Transfer to current liability	-	-	-	-	-	-	(50,000)	-	-	(50,000)	-	(50,000)
At 31 March 2009	300,000	62,500	73,051	55,880	58,240	51,847	-	-	-	601,518	-	601,518

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.



# Arab Orient Insurance Company (PSC) and its subsidiary

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2010 (Unaudited)

### 1 ACTIVITIES

Arab Orient Insurance Company (PSC) ("the Company") 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 and also registered in accordance with the UAE Federal Law No.6 of 2007, as amended ("The Insurance Companies Law"). The Company mainly issues short term insurance contracts in connection with property, motor, marine, fire and 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 and properties. The registered address of the Company is P.O. Box 27966, Dubai, United Arab Emirates.

The Company operates and issues insurance policies in the United Arab Emirates and Oman. During April 2009, the Company established a subsidiary company in Egypt.

These interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiary (collectively referred to as the "Group") and the group's share of the results.

The group comprises of the under-mentioned subsidiary company.

<u>Subsidiary</u>	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>Ownership</u>
Arab Orient Takaful Company	General insurance	Egypt	60%

### 2 ACCOUNTING POLICIES

#### **Basis of preparation**

The interim condensed consolidated financial information of the Group 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 as noted below.

During the period, the Group 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 Group 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 Group 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 Group.

# Arab Orient Insurance Company (PSC) and its subsidiary

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2010 (Unaudited)

### 2 ACCOUNTING POLICIES (continued)

#### Basis of preparation (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 Group 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.

#### Interim reporting

The interim condensed consolidated financial statements do not contain all 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 annual financial statements as at 31 December 2009. In addition, results for the three months ended 31 March 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

### 3 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit attributable to the shareholders by the weighted average number of shares outstanding during the period of 3,000,000 shares.

No figure for diluted earnings has been presented because the Group has not issued any instrument which would have an impact on earnings per share when exercised.

### 4 INVESTMENT PROPERTY

	<i>31 March</i> <i>2010</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>AED'000</i>	<i>31 March</i> <i>2009</i> <i>AED'000</i>
At cost (within UAE)	<u>127,802</u>	<u>127,802</u>	<u>127,802</u>

Investment properties are initially measured at cost, including transaction costs. Subsequent expenditure is added to the carrying value of investment property when it is probable that future economic benefits in excess of the originally assessed standard of performance will flow to the Group. Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance expenses and is charged to the statement of income in the period in which it is incurred.

No depreciation is charged on freehold land.

# Arab Orient Insurance Company (PSC) and its subsidiary

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2010 (Unaudited)

### 5 INVESTMENT IN ASSOCIATED COMPANY

	<i>31 March 2010 AED'000</i>	<i>Audited 31 December 2009 AED'000</i>	<i>31 March 2009 AED'000</i>
Cost	29,988	27,141	27,141
Add: share of associated company's retained earnings	993	2,847	838
Balance at the end	<u>30,981</u>	<u>29,988</u>	<u>27,979</u>

The investment in associated Company represents a 40% interest in Arab Orient Insurance Company, Syria, a public shareholding Company registered and incorporated in Syria.

The Group's investments in associates are accounted for under the equity method of accounting. These are entities over which the Group exercises significant influence and which are neither subsidiaries nor joint ventures. Investments in associates are carried in the statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The consolidated statement of income reflects the Group's share of the results of its associates.

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate.

### 6 INVESTMENT SECURITIES

	<i>31 March 2010 AED'000</i>	<i>Audited 31 December 2009 AED'000</i>	<i>31 March 2009 AED'000</i>
<b>Investments carried at fair value through profit or loss</b>			
Managed portfolios			
- within UAE	1,613	1,820	5,456
- outside UAE	18,637	17,664	10,968
	<u>20,250</u>	<u>19,484</u>	<u>16,424</u>
Held for trading – Quoted shares (within UAE)	5,940	6,011	4,611
	<u>26,190</u>	<u>25,495</u>	<u>21,035</u>
<b>Available for sale investments</b>			
<i>Debt</i>			
Quoted (within UAE)	7,300	8,030	10,000
<i>Equity</i>			
Quoted (within UAE)	3,963	3,991	5,198
Unquoted (within UAE)	24,377	24,377	13,197
	<u>35,640</u>	<u>36,398</u>	<u>28,395</u>
	<u>61,830</u>	<u>61,893</u>	<u>49,430</u>

All investment securities are initially recognised at cost, being the fair value of the consideration given including acquisition costs.

## Arab Orient Insurance Company (PSC) and its subsidiary

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 31 March 2010 (Unaudited)

#### 6 INVESTMENT SECURITIES (continued)

##### Investments carried at fair value through value profit or loss

After initial recognition, all investments carried at fair value through profit or loss are remeasured at fair value. All related realised and unrealised gains or losses are recognised in the consolidated statement of income.

##### Available for sale investments

After initial recognition, securities which are classified as "available-for-sale" are remeasured at fair value. Unrealised gains or losses are reported as a separate component of equity until the security is derecognised or until the security is determined to be impaired. On derecognition or impairment the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income for the period.

In the case of unquoted investments in shares where fair value cannot reliably be measured, such investments are carried at cost less provision for impairment.

#### 7 DEPOSITS WITH BANKS

Included in deposit with banks are AED 10,000,000, AED 14,100,450 and AED 477,500 representing statutory deposits that cannot be withdrawn without the prior approval of the Ministry of Economy in accordance with the Article 42 of the UAE Federal Law No. 6 of 2007, the Insurance Company Law of the Sultanate of Oman and Omani Unified Bureau for the orange Card (SAOC), respectively.

Except for the statutory deposits of AED 14,100,450 and AED 477,500 as stated above, the balance of deposits with banks are within United Arab Emirates.

#### 8 SHARE CAPITAL

	<i>31 March</i> <i>2010</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>AED'000</i>	<i>31 March</i> <i>2009</i> <i>AED'000</i>
Issued and fully paid- shares of AED 100 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

#### 9 RESERVES

##### Nature and purpose of reserves

- **STATUTORY RESERVE**

In accordance with the Company's Articles of Association, 10% of the net profit for the year is required to be transferred to statutory reserve. The Group may resolve to discontinue such annual transfers when the statutory reserve is equal to 25% of paid up capital. No transfer has been made during the three month period to 31 March 2010, as this will be based on the results for the year. The reserve can be used for any purpose to be decided by the shareholders upon the recommendation of the Board of Directors.

- **LEGAL RESERVE**

In accordance with the Commercial Companies Law and the Company's Articles of Association, 10% of the profit for the year is required to be transferred to the legal reserve. The Group may resolve to discontinue such transfers when the reserve totals 50% of the paid up share capital. No transfer has been made during the three month period to 31 March 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.

## Arab Orient Insurance Company (PSC) and its subsidiary

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2010 (Unaudited)

#### 9 RESERVES (continued)

##### • EXCEPTIONAL LOSS RESERVE

An amount equal to 10% of the net underwriting income for the year is to be transferred to an exceptional loss reserve to ensure that the Group has sufficient solvency to meet exceptional, non-recurring claims which may arise in future years. No transfer has been made during the three month period to 31 March 2010, as this will be based on the results for the year.

##### • GENERAL RESERVE

Transfers to the general reserve are made on the recommendation of the Board of Directors. This reserve may be used for such purposes as deemed appropriate by the Board of Directors. No transfer has been made to the general reserve during the three month period to 31 March 2010, as this will be based on the results for the year.

##### • AVAILABLE-FOR-SALE (AFS) RESERVE

This reserve records fair value changes on available-for-sale financial assets.

##### • FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

#### 10 SEGMENTAL INFORMATION

##### Primary segment information

For management purposes the Company is organised into two business segments; insurance and investment. The insurance segment comprises property, engineering, motor, marine, miscellaneous accident, medical and group life insurance. Investment comprises investment and cash management for the Group's own account. These segments are the basis on which the Group reports its primary segment information. Segmental information is presented below:

	<i>General insurance</i>		<i>Life insurance</i>		<i>Total</i>	
	<i>31 March 2010 AED'000</i>	<i>31 March 2009 AED'000</i>	<i>31 March 2010 AED'000</i>	<i>31 March 2009 AED'000</i>	<i>31 March 2010 AED'000</i>	<i>31 March 2009 AED'000</i>
<b>Three months ended 31 March</b>						
<b>TOTAL UNDERWRITING INCOME</b>	<b>94,123</b>	<b>92,955</b>	<b>9,249</b>	<b>7,253</b>	<b>103,372</b>	<b>100,208</b>
<b>NET UNDERWRITING INCOME</b>	<b>35,334</b>	<b>35,891</b>	<b>3,638</b>	<b>1,710</b>	<b>38,972</b>	<b>37,601</b>
<b>TOTAL INVESTMENT INCOME</b>					<b>16,214</b>	<b>13,269</b>
Share of associates' profit					<b>993</b>	<b>838</b>
<b>PROFIT FOR THE PERIOD</b>					<b>56,179</b>	<b>51,708</b>

##### Secondary segment information

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

# Arab Orient Insurance Company (PSC) and its subsidiary

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2010 (Unaudited)

### 11 CONTINGENT LIABILITIES

	<i>31 March 2010 AED'000</i>	<i>Audited 31 December 2009 AED'000</i>	<i>31 March 2009 AED'000</i>
<i>Guarantees</i>			
Bank guarantees other than those relating to claims for which provisions are held	<u>2,127</u>	<u>5,793</u>	<u>2,178</u>
Bank guarantees have been issued in the normal course of business.			
<i>Capital commitment</i>			
Commitment for investments	33,343	33,343	43,972
Uncalled capital of subsidiary company	19,710	19,710	-
	<u>53,053</u>	<u>53,053</u>	<u>43,972</u>