

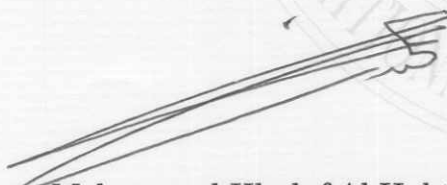


Dated : 12th May 2009

Directors' Report
For the First Quarter Ended 31st March 2009

The Board of Directors is pleased to present the unaudited results for the first quarter ended 31st March 2009.

- The gross premium written increased in the first quarter of 2009 by 105% to AED 65.019 Million as compared to AED 31.773 Million in the same period last year.
- The net underwriting income also rose in the first quarter of 2009 by 51% to AED 9.856 Million as compared to AED 6.548 Million as of March 2008.
- The company achieved net profit of AED 11.989 Million in the first quarter of 2009 compared to AED 8.325 Million in the same period last year.


Mohammed Khalaf Al Habtoor
Managing Director

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C.
DUBAI - UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL INFORMATION
MARCH 31, 2009 (UN-AUDITED)

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C
DUBAI - UNITED ARAB EMIRATES

Index to interim condensed financial information (un-audited)
March 31, 2009

	Pages
Review report of independent auditor	1
Interim statement of financial position	2
Interim income statement	3
Interim statement of comprehensive income	4
Interim statement of changes in shareholders' equity	5
Interim statement of cash flows	6
Explanatory notes to interim financial information	7-11

**REVIEW REPORT OF INDEPENDENT AUDITOR
TO THE SHAREHOLDERS OF
DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C
DUBAI, UAE**

Public Accountants
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Introduction

We have reviewed the accompanying interim statement of financial position of Dubai National Insurance & Reinsurance P.S.C (the "Company") as of March 31, 2009 and the related interim income statement, interim statement of comprehensive income, interim statement of changes in shareholders' equity and interim statement of cash flows for the three months period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 "Interim financial reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagement 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 financial information is not prepared, in all material respect in accordance with International Accounting Standard 34 "Interim financial reporting".



Grant Thornton
Farouk Mohamed
Insurance Registration No: 54

Dubai, United Arab Emirates
May 12, 2009

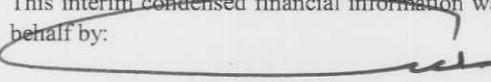
DUBAI NATIONAL INSURANCE & REINSURANCE (P.S.C.)

Dubai - United Arab Emirates

Interim statement of financial position as at March 31, 2009

		(Unaudited)	(Audited)
	Notes	March 31, 2009 AED '000	December 31, 2008 AED '000
ASSETS			
Non-current			
Statutory deposits	3	17,975	17,975
Property and equipment		1,913	2,033
Investment property	4	93,927	94,382
		<u>113,815</u>	<u>114,390</u>
Current			
Financial assets	5	88,963	87,195
Insurance receivables		49,778	33,966
Other receivables		810	2,062
Due from related parties		29,718	21,374
Re-insurer's share of outstanding claims		122,779	46,446
Cash in hand and at banks including deposits	6	57,062	37,947
		<u>349,110</u>	<u>228,990</u>
TOTAL ASSETS		<u><u>462,925</u></u>	<u><u>343,380</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		100,000	100,000
Legal reserve		50,000	50,000
Obligatory reserve		25,000	25,000
General reserve		220,000	220,000
Retained earnings		15,528	43,539
Fair value reserve on available for sale investments		(282,636)	(284,338)
Net equity		<u>127,892</u>	<u>154,201</u>
Liabilities			
Non-current			
Employees' end of service benefits		1,348	1,254
Current			
Outstanding claims provision		149,170	72,280
Technical provisions		48,007	44,382
Insurance payables		82,627	53,390
Proposed dividend		40,000	-
Other payables		13,769	17,777
Due to related parties		112	96
		<u>333,685</u>	<u>187,925</u>
Total liabilities		<u>335,033</u>	<u>189,179</u>
TOTAL EQUITY AND LIABILITIES		<u><u>462,925</u></u>	<u><u>343,380</u></u>

This interim condensed financial information was approved by the Board of Directors on May 12, 2009 and signed on their behalf by:


Sultan Ahmed Al Habtoor
Vice Chairman


Mohammed K. Al Habtoor
Managing Director

The notes on pages 7 to 11 form an integral part of this interim condensed financial information.

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DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C
Dubai - United Arab Emirates

Interim income statement
for the period ended March 31, 2009

	(Un-audited) Three months ended March 31, 2009 AED'000	(Un-audited) Three months ended March 31, 2008 AED'000
Gross premium	65,019	31,773
Reinsurance share of premium	(43,732)	(20,487)
Net premium	21,287	11,286
Net transfer to unearned premium reserve	(3,371)	(2,106)
Net premium earned	17,916	9,180
Commission earned	4,380	2,794
Commission paid	(6,776)	(1,315)
Others	177	-
Gross underwriting income	15,697	10,659
 Gross claims paid	 13,170	 5,798
Reinsurance share	(8,031)	(3,251)
Net claims paid	5,139	2,547
Provision for outstanding claims and technical provisions	77,035	(1,295)
Reinsurance share of outstanding claims	(76,333)	2,859
Net claims incurred	5,841	4,111
 Net underwriting income	 9,856	 6,548
Income from investment	821	844
Income from investment property	4,429	3,696
Other charges	-	(616)
Gross income	15,106	10,472
General and administrative expenses	(3,117)	(2,147)
 Net profit for the period	 <u>11,989</u>	 <u>8,325</u>
 Earnings per share:		
Basic	<u>AED 0.12</u>	<u>AED 0.08</u>

The notes on pages 7 to 11 form an integral part of this interim condensed financial information.

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C
Dubai - United Arab Emirates

Interim statement of comprehensive income
for the period ended March 31, 2009

	(Un-audited) Three months ended March 31, 2009 AED'000	(Un-audited) Three months ended March 31, 2008 AED'000
Net profit for the period	11,989	8,325
Other comprehensive income		
Net unrealized profit/(losses) on investments	1,702	(52,354)
Translation of operating assets and liabilities of overseas branch	-	(1)
Total comprehensive income for the period	<u>13,691</u>	<u>(44,030)</u>

The notes on pages 7 to 11 form an integral part of this interim condensed financial information.

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C
Dubai - United Arab Emirates

**Interim statement of changes in shareholders' equity
for the period ended March 31, 2009**

	Share capital AED'000	Legal reserve AED'000	Obligatory reserve AED'000	General reserve AED'000	Fair value reserve on available for sale investments AED'000	Retained earnings AED'000	Total AED'000
As at 1 January 2008 (Audited)	100,000	50,000	25,000	220,000	3,583	36,936	435,519
Total comprehensive income (expense) for the period							
As at March 31, 2008 (Un-audited)	100,000	50,000	25,000	220,000	(52,354)	8,324	(44,030)
Transactions with shareholders							
Proposed dividend	-	-	-	-	-	(35,000)	(35,000)
Directors' remuneration	-	-	-	-	-	(1,926)	(1,926)
Total comprehensive income (expense) for the period							
As at 31 December 2008 (Audited)	100,000	50,000	25,000	220,000	(235,567)	35,205	(200,362)
Transactions with shareholders							
Proposed dividend	-	-	-	-	(284,338)	43,539	154,201
Total comprehensive income (expense) for the period							
As at March 31, 2009 (Un-audited)	100,000	50,000	25,000	220,000	1,702	11,989	13,691
					(282,636)	15,528	127,892

* At Annual General Meeting held on March 26, 2009, for the year ended December 31, 2008 the shareholders approved a cash dividend of AED 40,000,000 (2007: 35,000,000) representing 40% of paid up share capital.

The notes on pages 7 to 11 form an integral part of this interim condensed financial information.

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C
Interim statement of cash flows
for the period ended March 31, 2009 (Un-audited)

	(Un-audited) 3 Months ended March 31, 2009 AED'000	(Un-audited) 3 Months ended March 31, 2008 AED'000
Operating activities		
Net profit for the period	11,989	8,325
Adjustments for,		
Depreciation on property and equipment	169	104
Depreciation on investment property	455	457
Gain on translation of foreign currency	-	(1)
Profit on sale of property and equipment	-	616
Net transfer to employees' end-of-service benefits	94	57
Transfer to unearned premium	3,371	2,106
Provision for outstanding claims and technical provision	77,035	(1,295)
Reinsurance share in outstanding claims	(76,333)	2,859
Dividend and interest on long-term deposits	(821)	(844)
Income from investment property	(4,884)	(4,152)
Operating profit before working capital changes	11,075	8,232
Changes in working capital:		
Insurance receivables	(15,812)	2,431
Other receivables	1,252	(1,288)
Insurance and other payables	25,272	6,248
Due from related parties	(8,328)	(10,088)
Net cash generated from operations	13,459	5,535
Investing activities		
Purchase of investments	-	(18,082)
Purchase of property and equipment	(49)	(126)
Income from investment property	4,884	4,152
Proceeds from disposal of property and equipment	-	1,011
Dividend and interest on long-term deposits income	821	844
Net cash generated from / (used in) investing activities	5,656	(12,201)
Net increase / (decrease) in cash and cash equivalents	19,115	(6,666)
Cash and cash equivalents on 01, January	37,947	52,746
Cash and cash equivalents on 31, March	57,062	46,080

The notes on pages 7 to 11 form an integral part of this interim condensed financial information.

Dubai National Insurance & Reinsurance P.S.C
Notes to the interim condensed financial information (un-audited)
For the period ended March 31, 2009

1. Legal status and activities

Dubai National Insurance & Reinsurance P.S.C (the "Company") is a public shareholding company incorporated in Dubai on January 06, 1992 with a branch in Beirut, Lebanon.

The Company is engaged in insurance and reinsurance of all classes of business in accordance with the provisions of the UAE Federal Law No. 9 of 1984 relating to insurance companies and insurance agents.

The registered address of the Company is Office no. 104-107, Aghaadir Building, Al Mankool Road, Bur Dubai, P.O Box 1806, Dubai, U.A.E.

The overseas branch in Beirut is in the process of being closed down. Accordingly, the related license as required by local regulations has been terminated. All related guarantees are blocked with the Ministry of Economic & Commerce, Insurance Affairs Department in Lebanon until it meets all its obligations, as published in official gazette in April 2004.

2. Significant accounting policies

The interim condensed financial information of the Company are prepared in accordance with International Financial Reporting Standard, (IAS-34 on "Interim Financial Reporting"). The accounting policies used in the preparation of the interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2008m except as noted below.

During the period, the Company has adopted the following standards effective for the annual periods beginning on as after January, 01 2009.

IAS 1 'Presentation of Financial Statements' (Revised):

The revised standard requires changes in equity arising from transaction with owners in their capacity as owners (i.e owner changes in income) to be presented in the statement of changes in equity. All other changes in equity (i.e. non-owner changes in equity) are required to be presented separately in a performance statement (statement of comprehensive income).

Dubai National Insurance & Reinsurance P.S.C
Notes to the interim condensed financial information (un-audited)
March 31, 2009

Significant accounting policies (continued)

IFRS 8 'Operating segments':

The new standard which replaced IAS 14 'Segment reporting' requires a 'management approach' under which segment information is prepared on the same basis as that used for internal reporting purposes. This has not been resulted in any significant change to the reportable segments presented by the Company, as the segments reported by the Company were consistent with the internal reporting provided to the chief operating decision maker.

Accounting policies related to investments have been disclosed along with related quantitative disclosures as required by Securities and Commodities Authority of the UAE.

a) Financial assets

Available-for-sale investment

Investments in securities are classified as available for sale. They are initially recognised at fair value, which is equivalent to consideration given and acquisition charges associated with the investment.

After initial recognition, quoted securities are measured at fair value, with unrealised gains or losses reported through the fair value reserve, and shown as part of shareholders' equity until the investment is derecognised. On de-recognition, the cumulative gain or loss previously reported in equity is included in the income statement for that period.

b) Investment property

Investment property is measured as per Cost Model and are carried net of accumulated depreciation. Depreciation is determined on a straight-line basis over the estimated useful life of the property which is considered to be 40 years.

Dubai National Insurance & Reinsurance P.S.C
Notes to the interim condensed financial information (un-audited)
March 31, 2009

3. Statutory deposit

	(Un-audited) March 31, 2009 AED'000	(Audited) December 31, 2008 AED'000
Held with a local bank in Dubai	10,000	7,500
Held with bank outside UAE	7,975	7,975
	<u>17,975</u>	<u>15,475</u>

Statutory deposits held in UAE is in accordance with Article 41 of the UAE Federal Law No 9 of 1984 (as amended) relating to insurance companies & brokers and cannot be withdrawn from the Ministry of Economy and Planning. The Deposit amount was increased during the period from AED 7.5 Million to AED 10 Million as per the UAE Insurance Authority.

Statutory deposits held outside UAE represents Restricted Fixed Deposit in favour of the Ministry of Economy & Commerce, Government of Lebanon, as per law no. 31/91 of Insurance companies held under lien by bank against guarantees issued.

4. Investment property

Within UAE		
Balance at 1 January	105,720	105,720
Accumulated depreciation	(11,793)	(11,338)
Balance at 31 March /December	<u>93,927</u>	<u>94,382</u>

Dubai National Insurance & Reinsurance P.S.C
Notes to the interim condensed financial information (un-audited)
March 31, 2009

5. Financial assets

	(Un-audited) March 31, 2009 AED'000	(Audited) December 31, 2008 AED'000
Available for sale		
In UAE		
<i>Quoted securities and funds, at cost</i>	361,057	358,991
Cumulative changes in fair value transferred to equity	(282,636)	(284,338)
	78,422	74,653
<i>Unquoted securities</i>	18,437	18,437
Less: Provision for diminution in value	(7,895)	(7,895)
	10,542	10,542
<i>Financial assets at fair value through profit and loss</i>		
Equity Profit Participation Note *	-	12,100
Less: Fair value adjustment	-	(10,100)
	88,963	87,195

* The balance represents an equity participation note of EMAAR Properties purchased by the company matured during the period and was converted into 1 million shares of EMAAR Properties at market value being AED 2.07 each.

6. Cash in hand and at banks including deposits

Held at UAE banks	56,426	33,897
Held with bank outside UAE	636	4,050
	57,062	37,947

Dubai National Insurance & Reinsurance P.S.C
Notes to the interim condensed financial information (un-audited)
March 31, 2009

7. Segment information

a) Primary Segment Information

	(Un- audited) March 31, 2009 AED'000			(Un-audited) March 31, 2008 AED'000		
	General business	Life & Health	Total	General business	Life & Health	Total
Gross Premium written	23,273	41,746	65,019	20,186	11,587	31,773
Net Underwriting income	5,733	4,123	9,856	4,967	1,581	6,548

b) Secondary segment information

The Company's business is mainly conducted within the UAE.

8. Guarantees

The Company's bankers have issued in the normal course of business letter of guarantee in favour of third parties amounting to AED 7.9 million (December 31, 2008: AED 7.9 million) which were secured by way of deposits held.