



Dated : 4th August 2009

Directors' Report
For the Half Year Ended 30th June 2009

The Board of Directors is pleased to present the unaudited results for the half year ended 30th June 2009.

- The gross premium written increased in the half year ended 30th June 2009 by 59% to AED 104.547 Million as compared to AED 65.731 Million in the same period last year.
- The net underwriting income also rose in the half year ended 30th June 2009 by 41% to AED 18.229 Million as compared to AED 12.888 Million as of June 2008.
- The company achieved net profit of AED 26.007 Million for the half year ended 30th June 2009 compared to AED 20.643 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
FOR THE PERIOD ENDED
JUNE 30, 2009 (UN-AUDITED)

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

Index to the interim condensed financial information (un-audited)
for the period ended June 30, 2009

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

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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 June 30, 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 six 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 Financial Reporting Standards. 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 Financial Reporting Standards.



Grant Thornton

Farouk Mohamed
Insurance Registration No: 54

Dubai, United Arab Emirates
July 22, 2009

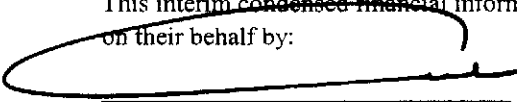
DUBAI NATIONAL INSURANCE & REINSURANCE (P.S.C.)

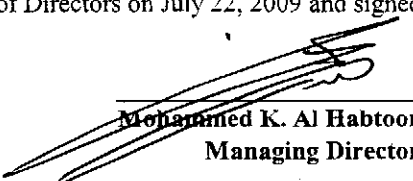
Dubai - United Arab Emirates

Interim statement of financial position as at June 30, 2009

	Notes	(Unaudited) June 30, 2009 AED '000	(Audited) December 31, 2008 AED '000
ASSETS			
Non-current			
Statutory deposits	3	17,975	17,975
Property and equipment		871	2,033
Investment property	4	93,466	94,382
		112,312	114,390
Current			
Financial assets	5	105,337	87,195
Insurance receivables		45,345	33,966
Other receivables		2,002	2,062
Due from related parties		29,673	21,374
Re-insurer's share of outstanding claims		170,152	46,446
Cash in hand and at banks including deposits	6	43,367	37,947
		395,876	228,990
TOTAL ASSETS		508,188	343,380
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		29,546	43,539
Fair value reserve on available for sale investments		(266,262)	(284,338)
Net equity		158,284	154,201
Liabilities			
Non-current			
Employees' end of service benefits		1,171	1,254
Current			
Outstanding claims provision		197,236	72,280
Technical provisions		45,055	44,382
Insurance payables		92,362	53,390
Other payables		14,080	17,777
Due to related parties		-	96
		348,733	187,925
Total liabilities		349,904	189,179
TOTAL EQUITY AND LIABILITIES		508,188	343,380

This interim condensed financial information was approved by the Board of Directors on July 22, 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.





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

Interim income statement
for the period ended June 30, 2009

	(Un-audited) Six months ended June 30, 2009 AED'000	(Un-audited) Six months ended June 30, 2008 AED'000	(Un-audited) Three months ended June 30, 2009 AED'000	(Un-audited) Three months ended June 30, 2008 AED'000
Gross premium	104,547	65,731	39,528	33,958
Reinsurance share of premium	(73,867)	(45,214)	(30,135)	(24,727)
Net premium	30,680	20,517	9,393	9,231
Net transfer to unearned premium reserve	(516)	51	2,855	2,157
Net premium earned	30,164	20,568	12,248	11,388
Commission earned	9,481	5,016	5,101	2,222
Commission paid	(10,280)	(4,667)	(3,504)	(3,352)
Others	556	149	379	149
Gross underwriting income	29,921	21,066	14,224	10,407
 Gross claims paid	 30,453	 12,019	 17,283	 6,221
Reinsurance share	(20,169)	(6,428)	(12,138)	(3,177)
Net claims paid	10,284	5,591	5,145	3,044
Provision for outstanding claims and technical provisions	125,114	24	48,079	1,319
Reinsurance share of outstanding claims	(123,706)	2,563	(47,373)	(296)
Net claims incurred	11,692	8,178	5,851	4,067
 Net underwriting income	 18,229	 12,888	 8,373	 6,340
Income from investment	6,585	4,968	5,764	4,124
Income from investment property	8,435	8,169	4,006	4,473
Other charges	(891)	(574)	(891)	42
Gross income	32,358	25,451	17,252	14,979
General and administrative expenses	(6,351)	(4,808)	(3,234)	(2,661)
Net profit for the period	26,007	20,643	14,018	12,318
 Earnings per share:				
Basic	0.26	0.21	0.14	0.12

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 June 30, 2009

	(Un-audited) Six months ended June 30, 2009 AED'000	(Un-audited) Six months ended June 30, 2008 AED'000	(Un-audited) Three months ended June 30, 2009 AED'000	(Un-audited) Three months ended June 30, 2008 AED'000
Net profit for the period	26,007	20,643	14,018	12,318
Other comprehensive income				
Net unrealized profit/(losses) on investments	18,076	(34,567)	16,374	17,787
Translation of operating assets and liabilities of overseas branch	-	(2)	-	(1)
Total comprehensive income for the period	<u><u>44,083</u></u>	<u><u>(13,926)</u></u>	<u><u>30,392</u></u>	<u><u>30,104</u></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 June 30, 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 January 1, 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 June 30, 2008 (Un-audited)	100,000	50,000	25,000	220,000	(30,984)	57,577	421,593
Transactions with shareholders							
Proposed dividend	-	-	-	-	-	20,641	(13,926)
Directors' remuneration	-	-	-	-	-	(1,926)	(1,926)
Total comprehensive income (expense) for the period							
As at December 31, 2008 (Audited)	100,000	50,000	25,000	220,000	(253,354)	22,888	(230,466)
Transactions with shareholders							
Dividend paid *	-	-	-	-	-	(40,000)	(40,000)
Total comprehensive income (expense) for the period							
As at June 30, 2009 (Un-audited)	100,000	50,000	25,000	220,000	(266,262)	29,546	158,284

* At the 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 June 30, 2009 (Un-audited)

	(Un-audited) six Months ended June 30, 2009 AED'000	(Un-audited) six Months ended June 30, 2008 AED'000
Operating activities		
Net profit for the period	26,007	20,643
Adjustments for,		
Depreciation on property and equipment	338	200
Property and equipment written off	891	-
Depreciation on investment property	916	912
Gain on translation of foreign currency	-	(2)
Profit on sale of property and equipment	-	574
Net transfer to employees' end-of-service benefits	(83)	273
Transfer to unearned premium	516	(51)
Provision for outstanding claims and technical provision	125,114	24
Reinsurance share in outstanding claims	(123,706)	2,563
Dividend and interest on long-term deposits	(6,585)	(4,968)
Income from investment property	(9,351)	(9,082)
Operating profit before working capital changes	<u>14,057</u>	<u>11,086</u>
Changes in working capital:		
Insurance receivables	(11,379)	(7,223)
Other receivables	60	(1,045)
Insurance and other payables	35,277	21,271
Due from related parties	(8,395)	(5,778)
Net cash generated from operations	<u>29,620</u>	<u>18,311</u>
Investing activities		
Purchase of investments	-	(24,916)
Purchase of property and equipment	(66)	(240)
Income from investment property	9,351	9,082
Proceeds from disposal of property and equipment	-	1,055
Dividend and interest on long-term deposits income	6,515	4,968
Net cash generated from / (used in) investing activities	<u>15,800</u>	<u>(10,051)</u>
Financing activities		
Dividend paid	(40,000)	(35,000)
Net cash used in financing activities	<u>(40,000)</u>	<u>(35,000)</u>
Net increase / (decrease) in cash and cash equivalents	5,420	(26,740)
Cash and cash equivalents on 01, January	37,947	52,746
Cash and cash equivalents on 30, June	<u>43,367</u>	<u>26,006</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
Notes to the interim condensed financial information (un-audited)
For the period ended June 30, 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.

With effect from June 25, 2009, the registered address of the Company has been changed from Office no. 104-107, Aghaadir Building, Al Mankool Road, Bur Dubai, P.O Box 1806, Dubai, U.A.E to Dubai National Insurance Building Port Saeed, Deira 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 the 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, 2008 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)
June 30, 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 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 the Cost Model and is 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)
June 30, 2009

3. Statutory deposit

	(Un-audited) June 30, 2009	(Audited) December 31, 2008
	AED'000	AED'000
Held with a local bank in Dubai	10,000	10,000
Held with a bank outside UAE	7,975	7,975
	<u>17,975</u>	<u>17,975</u>
	<u>=====</u>	<u>=====</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.

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	(12,254)	(11,338)
	<u>93,466</u>	<u>94,382</u>
	<u>=====</u>	<u>=====</u>
Balance at 30 June / 31 December		

Dubai National Insurance & Reinsurance P.S.C
Notes to the interim condensed financial information (un-audited)
June 30, 2009

5. Financial assets

	(Un-audited) June 30, 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	(266,262)	(284,338)
	<u>94,795</u>	<u>74,653</u>
<i>Unquoted securities</i>	18,437	18,437
Less: Provision for diminution in value	(7,895)	(7,895)
	<u>105,337</u>	<u>85,195</u>
<i>Financial assets at fair value through profit and loss</i>		
Equity Profit Participation Note *	-	12,100
Less: Fair value adjustment	-	(10,100)
	<u>105,337</u>	<u>87,195</u>
	<u><u>105,337</u></u>	<u><u>87,195</u></u>

* 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	42,731	33,897
Held with bank outside UAE	636	4,050
	<u>43,367</u>	<u>37,947</u>
	<u><u>43,367</u></u>	<u><u>37,947</u></u>

Dubai National Insurance & Reinsurance P.S.C
Notes to the interim condensed financial information (un-audited)
June 30, 2009

7. Segment information

a) Primary Segment Information

	(Un- audited) June 30, 2009 AED'000			(Un-audited) June 30, 2008 AED'000		
	General business	Life & Health	Total	General business	Life & Health	Total
Gross Premium written	57,907	46,640	104,547	29,772	35,959	65,731
Net Underwriting income	13,158	5,071	18,229	9,651	3,237	12,888

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.

9. Commitments

The Company has entered into contracts for capital expenditure amounting to AED 1.459 million (2008: Nil).