

NATIONAL GENERAL INSURANCE CO. (P.S.C)

BALANCE SHEET AS AT 31ST MARCH 2004

	Unaudited 31.03.2004 AED	Audited 31.12.2003 AED
<u>ASSETS EMPLOYED:</u>		
PROPERTY & EQUIPMENT	955347	1057144
INVESTMENT PROPERTIES	56000000	56000000
INVESTMENTS HELD TO MATURITY	3426142	3426142
INVESTMENTS AVAILABLE FOR SALE	26809320	21463337
ORIGINATED DEBT SECURITIES	5000000	5000000
CURRENT ASSETS		
Trade accounts receivable	15927742	13635062
Other receivables	3091897	1728382
Cash & bank balances	<u>19094592</u>	<u>20469639</u>
	38114231	35833083
CURRENT LIABILITIES		
Accounts payable & accruals	20496785	19996881
Unearned premium reserve	16599316	11682082
Additional technical reserve	1000000	1000000
Outstanding claims reserve (net)	<u>8059448</u>	<u>7521847</u>
	46155549	40200810
NET CURRENT ASSETS (LIABILITIES)	-8041318	-4367727
LIFE ASSURANCE FUND	-26382	-26382
ASSETS EMPLOYED	<u>84123109</u>	<u>82552514</u>
<u>FINANCED BY:</u>		
SHAREHOLDER'S EQUITY		
Share capital	63000000	60000000
Legal reserve	3518331	3518331
General reserve	2902345	2902345
Proposed dividends	-	4200000
Proposed bonus shares	-	3000000
Retained earnings	8931838	8931838
Profit for the period	5770595	-
	<u>84123109</u>	<u>82552514</u>

NATIONAL GENERAL INSURANCE CO. (P.S.C)

INCOME STATEMENT FOR THE THREE MONTHS ENDED 31.03.2004

	Unaudited 31.03.2004 AED	Unaudited 31.03.2003 AED
NET UNDERWRITING RESULTS FROM INSURANCE OPERATIONS :		
FIRE	152,953	59,678-
MARINE CARGO & HULL	427,086	26,604
ACCIDENT	1,399,880	1,444,318
LIFE	346,019	53574
	15	
NET UNDERWRITING PROFIT	2,325,938	1,464,818
 INVESTMENT & OTHER INCOME	 3,735,335	 1,330,161
LESS : UNALLOCATED ADMN. EXPENSES	290,678-	325,248-
 NET PROFIT FOR THE PERIOD	 <u>5770595</u>	 <u>2469731</u>
 EARNINGS PER SHARE (AED)	 0.92	 0.41

NATIONAL GENERAL INSURANCE CO. (P.S.C)

CONSOLIDATED REVENUE ACCOUNT FOR ALL CLASSES OF INSURANCE FOR THE THREE MONTHS ENDED 31.03.2004

	Unaudited 31.03.2004 AED	Unaudited 31.03.2003 AED
WRITTEN PREMIUMS	20,527,730	17,685,170
LESS: RE-INSURANCE SHARE	<u>7,239,438-</u>	<u>10,513,632-</u>
RETAINED PREMIUMS	13,288,292	7,171,538
UNEARNED PREMIUM RESERVE :		
AT 31ST DEC. 2002	12,708,464	8,913,510
AT 30TH SEPT. 2003	<u>17,625,698-</u>	<u>10,345,549-</u>
NET EARNED PREMIUMS	8,371,058	5,739,499
NET COMMISSION INCOME	933,490	1,694,555
TOTAL INCOME	<u>9,304,548</u>	<u>7,434,054</u>
GROSS CLAIMS PAID	9,342,286-	8,888,576-
LESS : REINSURANCE	<u>5,256,879</u>	<u>5,275,871</u>
NET CLAIMS PAID	4,085,407-	3,612,705-
NET OUTSTANDING CLAIMS:		
AT 31ST DEC. 2002	7,521,847	6,397,307
AT 31TH SEPT. 2003	<u>8,059,448-</u>	<u>6,649,840-</u>
NET CLAIMS INCURRED	<u>4,623,008-</u>	<u>3,865,238-</u>
GROSS UNDERWRITING PROFIT	4,681,540	3,568,816
GENERAL & ADMN. EXPENSES	2,355,602-	2,103,998-
NET UNDERWRITNG PROFIT	<u>2,325,938</u>	<u>1,464,818</u>

**STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE THREE MONTHS ENDED 31.03.2004 (UNAUDITED)**

	Share Capital	Legal Reserves	Other Reserves	Retained Profits	Proposed Dividends	Proposed Bonus	Total AED
Opening balance at 01 January 2004	60000000	3518331	2902345	8931838	4200000	3000000	82552514
Dividends paid					-4200000		-4200000
Bonus shares issued	3000000					-3000000	-
Profit for the period				5770595			5770595
Balance at 31.03.2004	63000000	3518331	2902345	14702433	-	-	84123109

NATIONAL GENERAL INSURANCE CO. (P.S.C)

FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED 31.03.2004

INCOME STATEMENT :

Net profit for the three months to March 2004 amounted to AED 5.77 million compared to AED 2.46 million for the corresponding period of 2003 - an increase of 134% .

Earnings per share for the period increased from AED 0.41 in 2003 to AED 0.92 in 2004.

Written premium income increased from AED 17.68 million in 2003 to AED 20.52 million in 2004 an increase of 16% .

BALANCE SHEET :

Total assets increased from AED 122.77 million at 31 December 2003 to AED 130.3 million at 31st March 2004 , an increase of 6% .

Technical reserves increased from AED 12.68 million to AED 17.59 million and outstanding loss reserves increased from AED 7.52 million to AED 8.05 million.

Shareholders equity increased from AED 82.55 million to AED 84.12 million.