

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

BALANCE SHEET AS AT 31ST MAR 2005

	UN AUDITED 31.03.2005 AED	AUDITED 31.12.2004 AED
ASSETS EMPLOYED:		
PROPERTY & EQUIPMENT	982,318	956,482
INVESTMENT PROPERTIES	56,000,000	56,000,000
INVESTMENTS AVAILABLE FOR SALE	58,988,435	35,113,094
FIXED TERM SECURITIES	19,183,750	19,183,750
ORIGINATED DEBT SECURITIES	5,000,000	5,000,000
CURRENT ASSETS		
Trade accounts receivable	33,055,414	17,272,013
Other receivables	54,160,800	2,954,001
Cash & bank balances	30,222,742	39,131,535
	117,438,956	59,357,549
CURRENT LIABILITIES		
Bank Overdraft	49,227,502	
Accounts payable & accruals	21,554,744	21,715,862
Unearned premium/Tech reserve	30,647,017	22,464,280
Outstanding claims reserve (net)	12,359,184	11,236,460
	113,788,447	55,416,602
NET CURRENT ASSETS	3,650,509	3,940,947
LIFE ASSURANCE FUND	(3,664,627)	(2,760,788)
ASSETS EMPLOYED	140,140,385	117,433,485
FINANCED BY:		
SHAREHOLDER'S EQUITY		
Share capital	72,450,000	63,000,000
Legal reserve	7,522,428	7,522,428
General reserve	6,906,442	6,906,442
Proposed dividends	0	6,300,000
Proposed bonus Shares	0	9,450,000
Retained earnings	14,088,076	14,088,076
Fair Value Reserve	15,543,829	10,166,539
Profit for the period	23,629,610	0
TOTAL	140,140,385	117,433,485

NATIONAL GENERAL INSURANCE CO. (P.S.C)
INCOME STATEMENT FOR THE PERIOD ENDED 31ST MAR 2005

	UN AUDITED 31.03.2005 AED	AUDITED 31.03.2004 AED
NET UNDERWRITING RESULTS FROM INSURANCE OPERATIONS :		
FIRE	235,439	152,953
MARINE CARGO & HULL	217,935	427,086
ACCIDENT	3,073,356	1,399,880
LIFE	146,599	346,019
NET UNDERWRITING PROFIT	3,673,329	2,325,938
INVESTMENT & OTHER INCOME	20,355,552	3,434,798
LESS: UNALLOCATED ADMIN EXPENSES	(399,271)	(290,678)
NET PROFIT FOR THE PERIOD	23,629,610	5,470,058
EARNINGS PER SHARE	3.26	0.86

NATIONAL GENERAL INSURANCE CO. (P.S.C)
CONSOLIDATED REVENUE ACCOUNT FOR ALL CLASSES OF INSURANCE
FOR THE PERIOD ENDED 31.03.2005

	UN AUDITED 31.03.2005 AED	AUDITED 31.03.2004 AED
WRITTEN PREMIUM	35,936,423	20,527,730
LESS: RE-INSURANCE SHARE	(10,721,847)	(7,239,438)

RETAINED PREMIUMS	25,214,576	13,288,292
UNEARNED PREMIUM RESERVE :		
AT 31ST DEC. 2004	25,225,068	12,708,464
AT 31ST MAR 2005	(34,311,644)	(17,625,698)
NET EARNED PREMIUMS	16,128,000	8,371,058
NET COMMISSION INCOME	975,891	933,490
TOTAL INCOME	17,103,891	9,304,548
GROSS CLAIMS PAID	(11,672,838)	(9,342,286)
LESS : REINSURANCE	2,068,314	5,256,879
NET CLAIMS PAID	(9,604,524)	(4,085,407)
NET OUTSTANDING CLAIMS:		
AT 31ST DEC. 2004	11,236,460	7,521,847
AT 31ST MAR 2005	(12,359,184)	(8,059,448)
NET CLAIMS INCURRED	(10,727,248)	(4,623,008)
GROSS UNDERWRITING PROFIT	6,376,643	4,681,540
GENERAL & ADMN. EXPENSES	(2,703,314)	(2,355,602)
NET UNDERWRITNG PROFIT	3,673,329	2,325,938

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

Statement of Changes in shareholder's equity

for the period ended 31 March 2005

	Share Capital AED	Legal Reserve AED	General Reserve AED	Proposed Dividends AED	Proposed Bonus shares AED	Retained Earnings AED	Fair Value Reserve AED	Total AED
As at 1 January 2005	63,000,000	7,522,428	6,906,442	6,300,000	9,450,000	14,088,076	10,166,539	117,433,485
Net profit for the period	-	-	-	-	-	23,629,610		23,629,610
Fair Value Reserve (Net of Adj)							5,377,290	5,377,290
Issue of Bonus Shares	9,450,000				(9,450,000)			-
Dividends paid	-	-	-	(6,300,000)	-	-		(6,300,000)
Transfer to legal reserve	-	-	-	-	-	-		-
Transfer to general reserve	-	-	-	-	-	-		-
Proposed dividends	-	-	-	-	-	-		-
Proposed bonus shares	-	-	-	-	-	-		-
Directors remuneration	-	-	-	-	-	-		-
As at 31st March 2005	72,450,000	7,522,428	6,906,442	-	-	37,717,686	15,543,829	140,140,385

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

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR

THE PERIOD ENDING 31ST MARCH 2005 (UNAUDITED)

	Share Capital	Legal Reserves	General Reserve	Retained Profits	Proposed Dividends	Proposed Bonus	Fair Value Reserve	Total AED
Op.Balance at 1.01.2005	63,000,000	7,522,428	6,906,442	14,088,076	6,300,000	9,450,000	10,166,539	117,433,485
Dividends paid					(6,300,000)			(6,300,000)
Bonus Shares Issued	9,450,000					(9,450,000)		0
Profit for the period				23,629,610				23,629,610
Fair Value Reserve (Net of Adj)							5,377,290	5,377,290
Balance as at 30.06.2004	72,450,000	7,522,428	6,906,442	37,717,686	0	0	15,543,829	140,140,385

FINANCIAL HIGHLIGHTS FOR THE PERIOD ENDED 31.03.2005

INCOME STATEMENT:

Net profit for the period ended 31st March 2005 amounted to AED 23.63 Million compared to AED 5.47 Million for the corresponding period of 2004, which is an increase of 332%.

Earnings per share for the period increased from 0.87 in 2004 to 3.26 in 2005 on the increased capital.

Written premium income increased from AED 20.53 Million in 2004 to AED 35.94 Million in 2005.

BALANCE SHEET:

The total assets increased from AED 175.61 Million as at 31st December 2004 to AED 208.37 Million as at 31st March 2005, an increase of 18.7%.

Technical reserves increased to AED 30.65 Million at the end of March 2005 from AED 22.46 Million as of 31st December 2004 and outstanding loss reserves increased to AED 12.36 Million in March 2005 from AED 11.24 Million as at 31st December 2004.

Shareholders equity increased to AED 140.14 Million at the end of 31st March 2005 from AED 117.43 Million as at 31st December 2004.