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DUBAI ISLAMIC INSURANCE & REINSURANCE CO. (AMAN) (PSC)
DUBAI - UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL INFORMATION AND REVIEW REPORT FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2010

Audit . Tax . Consulting . Financial Advisory .

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Interim Condensed Financial Information and Review Report For the Three-Month Period Ended March 31, 2010

Table of Contents

Deloitte.

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Report on Review of Interim Condensed Financial Information

The Board of Directors
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai- United Arab Emirates

We have reviewed the accompanying interim condensed statement of financial position of **Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)** as of March 31, 2010 and the related interim condensed statements of income, comprehensive income, changes in equity and cash flows for the period from January 1, 2010 to March 31, 2010. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting ("IAS 34")'. 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 Standard on Review Engagements 2410. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and 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 respects in accordance with International Accounting Standard No. 34.

Deloitte & Touche

Anis F. Sadek
Partner
(Registration No. 521)

Dubai
May 6, 2010

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Interim Condensed Statement of Financial Position
At March 31, 2010
(In Arab Emirates Dirhams)

	Note	March 31, 2010 (Un-audited)	December 31, 2009 (Audited)
ASSETS			
Cash and cash equivalents		5,504,357	21,083,736
Investment deposits		35,999,980	35,999,980
Reinsurance contract assets		166,146,526	156,195,229
Takaful receivables		96,872,623	87,428,624
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	3	73,108,146	72,807,344
Other financial assets measured at fair value through profit and loss (FVTPL)	3	50,581,438	54,371,191
Prepayments and other receivables		21,217,478	21,284,469
Investment property	4	62,308,055	62,308,055
Furniture and equipment		2,008,039	1,558,257
Total Assets		513,746,642	513,036,885
LIABILITIES, POLICY HOLDERS' FUND AND EQUITY			
Liabilities			
Due to a bank		4,491,073	-
Trade and other payables		26,233,233	42,977,614
Takaful payables		56,027,211	61,158,376
Reinsurance contract liabilities		258,499,558	247,768,291
Ijara payables		13,611,776	15,313,248
Amounts held under reinsurance treaties		5,304,010	5,844,803
Total liabilities		364,166,861	373,062,332
Policyholders' fund			
Deficit in policyholders' fund		(31,166,941)	(33,277,634)
Qard Hasan from shareholders		31,166,941	33,277,634
Proposed profit distribution to policyholders		1,766,919	1,767,561
Investments revaluation reserve	5	(27,131,580)	(29,319,957)
Total deficit in policyholders' fund		(25,364,661)	(27,552,396)
Total Liabilities and Policyholders' Fund		338,802,200	345,509,936
Equity			
Share capital	6	210,000,000	200,000,000
Statutory reserve	10	14,335,464	14,335,464
General reserve	11	14,335,464	14,335,464
Retained earnings		13,042,834	13,737,766
Investments revaluation reserve - FVTOCI		(76,769,320)	(74,881,745)
Total Equity		174,944,442	167,526,949
Total Liabilities, Policyholders' Fund and Equity		513,746,642	513,036,885

The accompanying notes form an integral part of this interim condensed financial information.

The interim condensed financial information on pages 2 to 14 were approved by the Board of Directors and authorized for issue on May 6, 2010.

Hussein Mohammed Al Meeza
Managing Director / CEO

Basel Mohammad Al Kufairy
Finance Manager

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Interim Condensed Statement of Income
For the Three-Month Period Ended March 31, 2010
(In Arab Emirates Dirhams)

		Three-month period ended March 31,	
		2010 (un-audited)	2009 (un-audited)
Attributable to policyholders			
Takaful income			
Takaful contributions		129,444,945	90,981,083
Takaful contributions ceded to reinsurers		(94,244,081)	(49,413,077)
Net Takaful contributions		35,200,864	41,568,006
Commission received on ceded reinsurance		3,029,596	3,853,955
Policy and survey fees		1,037,944	682,505
		39,268,404	46,104,466
Takaful expenses			
Gross claims incurred		35,788,018	34,810,401
Reinsurers' share of claims		(17,510,830)	(11,115,343)
Claims incurred		18,277,188	23,695,058
Commissions paid		4,764,696	4,950,611
Excess of loss of Takaful contributions		739,531	1,090,410
		23,781,415	29,736,079
Net Takaful income		15,486,989	16,368,387
Wakala fees		(13,980,214)	(14,386,365)
Net income from Takaful operations		1,506,775	1,982,022
Investment income	7	805,222	1,234,311
Mudarib's fees		(201,304)	(308,578)
Income for the period		2,110,693	2,907,755
Attributable to shareholders			
Income			
Investment income	7	2,278,397	1,929,409
Wakala fees from policyholders		13,980,214	14,386,365
Mudarib's fees from policyholders		201,304	308,578
		16,459,915	16,624,352
Expenses			
General and administrative expenses		(9,265,540)	(9,329,357)
Write back of Qard Hasan to policyholders' fund		2,110,693	2,907,755
Profit for the period		9,305,068	10,202,750
Earnings per share	9	0.04	0.05

The accompanying notes form an integral part of this interim condensed financial information.

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Interim Condensed Statement of Comprehensive Income
For the Three-Month Period Ended March 31, 2010
(In Arab Emirates Dirhams)

	Three-month period ended March 31,	
	2010	2009
	(un-audited)	(un-audited)
Profit for the period	**9,305,068**	10,202,750
Other comprehensive income:		
Unrealised loss on revaluation of financial assets measured at FVTOCI	**(1,887,575)**	-
Unrealised gain on revaluation of available-for-sale assets	**-**	14,625,216
Other comprehensive (loss)/income for the period	**(1,887,575)**	14,625,216
Total comprehensive income for the period	**7,417,493**	24,827,966

The accompanying notes form an integral part of this interim condensed financial information.

Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)
Dubai - United Arab Emirates

Interim Condensed Statement of Changes in Equity
For the Three-Month Period Ended March 31, 2010
(In Arab Emirates Dirhams)

	Share capital	Statutory reserve	General reserve	Investments revaluation reserve AFS	Investments revaluation reserve FVTOCI	(Accumulated losses)/ retained earnings	Total
Balance at December 31, 2008 - audited	200,000,000	12,278,225	12,278,225	(80,649,079)	-	(1,491,974)	142,415,397
Effect of the change in accounting policy for classification and measurement of financial assets - IFRS 9 (Note 2)	-	-	-	80,649,079	(80,649,079)	-	-
Balance at January 1, 2009 (restated) - audited	200,000,000	12,278,225	12,278,225	-	(80,649,079)	(1,491,974)	142,415,397
Profit for the period	-	-	-	-	-	10,202,750	10,202,750
Other comprehensive income for the period	-	-	-	-	14,625,216	-	14,625,216
Total other comprehensive income for the period	-	-	-	-	14,625,216	10,202,750	24,827,966
Balance at March 31, 2009 - unaudited	200,000,000	12,278,225	12,278,225	-	(66,023,863)	8,710,776	167,243,363
Balance at January 1, 2010 - audited	200,000,000	14,335,464	14,335,464	-	(74,881,745)	13,737,766	167,526,949
Profit for the period	-	-	-	-	-	9,305,068	9,305,068
Other comprehensive loss	-	-	-	-	(1,887,575)	-	(1,887,575)
Total other comprehensive income for the period	-	-	-	-	(1,887,575)	9,305,068	7,417,493
Bonus shares issued during the period	10,000,000	-	-	-	-	(10,000,000)	-
Balance at March 31, 2010 - unaudited	210,000,000	14,335,464	14,335,464	-	(76,769,320)	13,042,834	174,944,442

The accompanying notes form an integral part of this interim condensed financial information.

Interim Condensed Statement of Cash Flows
For the Three-Month Period Ended March 31, 2010
(In Arab Emirates Dirhams)

	Three-month period ended March 31,	
	2010	2009
	(un-audited)	(un-audited)
Operating activities		
Profit for the period	**9,305,068**	10,202,750
Adjustments for:		
Depreciation	**201,620**	231,909
Gain on revaluation of other financial assets measured at FVTPL	**(400,738)**	(4,826)
Provision for employees' end of service benefits	**173,159**	251,779
	9,279,109	10,681,612
Changes in operating assets and liabilities:		
Increase in reinsurance contract assets	**(9,951,297)**	(2,074,793)
Increase in Takaful receivables	**(9,443,999)**	(8,614,132)
Decrease in financial assets measured at FVTPL	**4,190,491**	5,107,424
Decrease/(increase) in prepayments and other receivables	**66,991**	(537,196)
Increase/(decrease) in reinsurance contract liabilities	**10,731,267**	(10,014,853)
(Decrease)/increase in amounts held under reinsurance treaties	**(540,793)**	301,332
(Decrease)/increase in Takaful payables	**(5,131,165)**	(400,867)
Decrease in trade and other payables	**(16,408,821)**	(491,675)
Cash used in from operations	**(17,208,217)**	(6,043,148)
Employees' end of service benefits paid	**(3,830)**	(32,634)
Zakat paid	**(504,889)**	(118,525)
Net cash used in operating activities	**(17,716,936)**	(6,194,307)
Investing activities		
Purchase of property and equipment	**(651,402)**	(462,940)
Net movement on financial assets measured at FVTOCI	**-**	5,688,594
Investment deposit	**-**	(17,000,000)
Net cash used in investing activities	**(651,402)**	(11,774,346)
Financing activities		
Ijara repaid	**(1,701,472)**	(1,701,473)
Increase in due to a bank	**4,491,073**	-
Decrease in policyholders' funds before Zakat	**(642)**	-
Net cash generated from/(used in) financing activities	**2,788,959**	(1,701,473)
Decrease in cash and cash equivalents	**(15,579,379)**	(19,670,126)
Cash and cash equivalents at the beginning of the period	**21,083,736**	40,106,802
Cash and cash equivalents at the end of the period	**5,504,357**	20,436,676

The accompanying notes form an integral part of this interim condensed financial information.

1. General information

Dubai Islamic Insurance & Reinsurance Company (Aman) (PSC) (the "Company") is a public shareholding company and is registered under the Commercial Companies Law of 1984 (as amended). The Company carries out general Takaful (insurance) business in accordance with the teachings of Islamic Sharia'a. The Company is also licensed to engage in reinsurance and life Takaful business. The registered address of the Company is P.O. Box 157, Dubai, United Arab Emirates.

The Company obtained its commercial license on March 12, 2003 and commenced operations on April 8, 2003.

The Company mainly issues short term Takaful contracts in connection with motor, marine, fire and engineering, general accident risks and group life and medical risks (collectively known as general Takaful). The Company also invests in investment securities and properties.

The Company's business activities are subject to the supervision of its Fatwa and Sharia'a Board consisting of three members appointed by the shareholders. The Sharia'a Board performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Sharia'a rules and principles.

2. Accounting policies

The interim condensed financial information have been prepared on the historical cost basis, except for certain financial instruments, which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets

The interim condensed financial information of the Company is prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting,* issued by the International Accounting Standard Board and also comply with the applicable requirements of the laws in the U.A.E. The accounting policies used in the preparation of the interim condensed financial information are consistent with those used in the preparation of the audited annual financial statements for the year ended December 31, 2009.

The interim condensed financial information does not include all the information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's financial statements as of December 31, 2009. In addition, results for the three months ended March 31, 2010 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2010.

2. Accounting policies (continued)

The Company adopted IFRS 9 *Financial Instruments* (IFRS 9) in 2009 in advance of its effective date. The Standard was applied retrospectively and the Company had chosen the limited exemption not to restate comparative information in the year of initial application. As a result, the difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application were recognised in the opening retained earnings (or other component of equity, as appropriate).

(a) Estimates

The preparation of interim condensed financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended December 31, 2009.

(b) Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2009.

3. Other financial assets

	March 31, 2010 (un-audited) AED	December 31, 2009 (audited) AED
-Within U.A.E.	**70,900,231**	74,498,514
-Outside U.A.E.	**52,789,353**	52,680,021
	123,689,584	127,178,535

4. Investment property

Investment property comprises a plot of land purchased in 2007. The property is mortgaged as security against an Ijara payable.

5. Investments revaluation reserve

The Company transfers to the policyholders their share of investment revaluation reserve FVTOCI from the shareholders' equity in the same ratio as the policyholders share of investment gains. When the Company disposes of these investments, any gains or losses realized will be distributed between the shareholders and policyholders and, should such disposal result in a realized loss, the portion allocated to policyholders would require an additional Qard Hasan of an equivalent amount from the shareholders.

6. Share capital

	March 31, 2010 (un-audited) AED	December 31, 2009 (audited) AED
Issued and fully paid:		
210,000,000 (2009: 200,000,000) ordinary shares of AED 1each	**210,000,000**	200,000,000

At the General Assembly Meeting held on March 16, 2010, the shareholders of the Company resolved to distribute 5% of the share capital value as bonus shares.

7. Investment income

	Three-month period ended March 31,	
	2010 AED (un-audited)	2009 AED (un-audited)
Fair value gains and losses		
Fair value gain on investments carried at FVTPL	**400,738**	4,826
Realized gains and losses		
Gain from sale of investments carried at fair value through income statement	**1,769,786**	1,738,598
Other investment income		
Income from investment deposits	**283,558**	275,889
Income from investment in real estate funds	**39,662**	154,410
Dividend received	**693,000**	1,387,731
Investment related costs	**(103,125)**	(397,734)
	3,083,619	3,163,720

7. Investment income (continued)

	Three-month period ended March 31,	
	2010	2009
	AED	AED
	(un-audited)	(un-audited)
Allocated to:		
Policyholders	**805,222**	1,234,311
Shareholders	**2,278,397**	1,929,409
	3,083,619	3,163,720

Investment income and losses are allocated amongst the shareholders and the policyholders on a pro rata basis. This allocation to policyholders is approved by the Company's Fatwa and Sharia'a Supervisory Board on an annual basis.

8. Segmental information

The Company has adopted IFRS 8 Operating Segments with effect from January 1, 2009. The segments identified in accordance with IFRS 8 do not differ materially from those previously disclosed under IAS 14.

Operating Segments are identified on the basis of internal reports about the components of the company that are regularly reviewed by the Company's Chief Executive Officer (CEO)/Managing Director (MD) in order to allocate resources to the segment and to assess its performance. Information reported to the Company's CEO for the purpose of resource allocation and assessment of performance is based on following strategic business activities:

- **Takaful activities** include the general, life and medical insurance business undertaken by the Company.

- **Investment activities** represent investment and cash management for the Company's own account.

Notes to the Interim Condensed Financial Information - continued
For the Three-Month Period Ended March 31, 2010

8. Segmental information (continued)

The following table presents segment information for the period ended March 31, 2010 and March 31, 2009.

	Three-month period ended March 31					
	2010		2009			
	Attributable to		Attributable to		**Total**	
	Policyholders	**Shareholders**	Policyholders	Shareholders	**2010**	2009
	AED	**AED**	AED	AED	**AED**	AED
Takaful						
Takaful income	**39,268,404**	-	46,104,466	-	**39,268,404**	46,104,466
Takaful expenses	**(23,781,415)**	-	(29,736,079)	-	**(23,781,415)**	(29,736,079)
Net Takaful income	**15,486,989**		16,368,387	-	**15,486,989**	16,368,387
Wakala fees	**(13,980,214)**	**13,980,214**	(14,386,365)	14,386,365	-	-
Mudarib fees	**(201,304)**	**201,304**	(308,578)	308,578	-	-
	1,305,471	**14,181,518**	1,673,444	14,694,943	**15,486,989**	16,368,387
Investment						
Investment income	**805,222**	**2,278,397**	1,234,311	1,929,409	**3,083,619**	3,163,720
Unallocated other income and expenses	-	**(9,265,540)**	-	(9,329,357)	**(9,265,540)**	(9,329,357)
Profit attributable to policyholders	**2,110,693**		2,907,755			
Write back of Qard Hasan to policyholders' fund		**2,110,693**		2,907,755		
Profit for the period		**9,305,068**		10,202,750	**9,305,068**	10,202,750

8. Segmental information (continued)

Other information

	Takaful		Investment		Total	
	March 31, 2010	December 31, 2009	**March 31, 2010**	December 31, 2009	**March 31, 2010**	December 31, 2009
	AED	AED	**AED**	AED	**AED**	AED
Segment assets	**291,749,024**	257,550,315	**221,997,619**	255,486,570	**513,746,643**	513,036,885
Segment liabilities	**325,190,424**	330,196,688	**13,611,776**	15,313,248	**338,802,200**	345,509,936

9. Basic and diluted earnings per share

Earnings per share are calculated by dividing profit attributable to the shareholders for the period by the weighted average number of shares outstanding during the period as follows:

	Three-month period ended March 31,	
	2010	2009
	AED	AED
	(un-audited)	(un-audited)
Profit for the period	**9,305,068**	10,202,750
Number of shares outstanding during the period	**210,000,000**	210,000,000
Earnings per share (AED)	**0.04**	0.05

The number of shares outstanding as of March 31, 2009 has been adjusted to reflect the bonus shares issued during 2010 (Note 6).

10. Statutory reserve

In accordance with the Commercial Companies Law and the Company's Articles of Association, 10% of the net profit for the year is required to be transferred to statutory reserve. No transfers have been made during the three-month period ended March 31, 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.

11. General reserve

The Company is required to transfer 10% of the profit for the year to a general reserve in accordance with its Articles of Association. No transfer has been made to the general reserve during the three-month period ended March 31, 2010, as this will be based on the results for the year.

12. Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

The Managing Director of the Company is also a key management executive of Al Salam Bank in Algeria and Al Salam Bank in Bahrain. The Company has invested in equity in both banks a total amount of AED 31.22 million (2009: AED 31.29 million). The pricing policies and terms of these transactions were approved by the Board of Directors.

13. Contingencies and commitments

Contingent liabilities

At March 31, 2010, the Company had contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 38,063 (December 31, 2009: AED 779,951).

Legal claims

The Company, in common with the majority of insurers, is subject to litigation in the normal course of its business. Based on independent legal advice, the management does not believe that the outcome of these court cases will have a material impact on the Company's income or financial position.

Commitments

The Company has a commitment for AED 12.6 million (2009: AED 15.3 million) on account of investments made in securities. The Company has to pay for investment securities as and when calls are made by the investee company.