DUBAI INSURANCE CO.psc.

BALANCE SHEET AS AT MARCH 31, 2006

(In Arab Emirates Dirhams)

	31st March 2006	31st March 2005	31st Dec. 2005
ASSETS			
Current assets			
Bank balances	82,646,073	45,946,668	75,201,991
Investments in marketable securities - held for trading	50,361,000	100,369,029	74,209,118
Insurance and other receivables	7,690,505	8,409,428	6,375,873
Reinsurance contract assets	17,032,355	16,507,464	20,783,579
Total current assets	**157,729,933**	**171,232,589**	**176,570,561**
Non-current assets			
Investments in marketable securities - available for sale	297,176,020	192,868,224	326,577,020
Investment property	5,180,355	5,916,015	5,364,270
Property and equipment	129,273	67,397	113,176
Total non-current assets	**302,485,648**	**198,851,636**	**332,054,466**
Total Assets	**460,215,581**	**370,084,225**	**508,625,027**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Insurance contract liabilites	23,813,500	25,481,747	29,239,835
Insurance and other payables	29,010,066	8,973,163	5,156,815
Total current liabilites	**52,823,566**	**34,454,910**	**34,396,650**
Non-current liabilities			
Provision for employee's end of service indemnity	2,728,482	2,295,415	2,728,482
Total Liabilities	**55,552,048**	**36,750,325**	**37,125,132**
Shareholders' Equity			
Share capital	75,000,000	75,000,000	75,000,000
Stautory reserve	37,500,000	37,500,000	37,500,000
General reserve	3,500,000	3,500,000	3,500,000
Cumulative change in investments - in marketable securities	202,314,000	148,100,000	265,720,000
Retained earnings	86,349,533	69,233,900	89,779,895
Total Shareholders' Equity	**404,663,533**	**333,333,900**	**471,499,895**
Total Liabilities and Shareholders' Equity	**460,215,581**	**370,084,225**	**508,625,027**

DUBAI INSURANCE CO.psc.

INCOME STATEMENT FOR THE 3 MONTHS ENDED MARCH 31, 2006

(In Arab Emirates Dirhams)

	3 Months as at 31.03.2006	3 Months as at 31.03.2005
Insurance premium revenue	12,537,279	12,261,909
Insurance premium ceded to reinsurers	(7,584,533)	(5,842,952)
Net insurance premium revenue	**4,952,746**	**6,418,957**
Gross claims incurred	(723,389)	3,680,628
Insurance claims recovered from reinsurers	(389,884)	(706,629)
Net claims incurred	**(1,113,273)**	**(2,973,999)**
Gross commission earned	1,450,681	1,136,567
Less: Commision incurred	(255,948)	(213,443)
Net commission earned	**1,194,733**	**923,124**
Underwriting profit	**5,034,206**	4,368,082
General and administrative expenses-relating to underwriting activities	(663,850)	(630,357)
Net underwriting profit	**4,370,356**	**3,737,725**
Investment revenue	15,070,415	34,927,574
Other income	150	1,880
Unallocated general and administrative expenses	(221,283)	(210,119)
Net profit for the period	**19,219,638**	**38,457,060**
Basic earnings per share	**2.56**	**5.13**

DUBAI INSURANCE COMPANY psc

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD AS AT 31 MARCH 2006

	SHARE CAPITAL AED.	STATUTORY RESERVE AED.	GENERAL RESERVE AED.	CHANGES IN FAIR VALUE OF INVESTMENTS AED.	RETAINED EARNINGS AED.	TOTAL AED.
Balance as of December 31, 2004	75,000,000	37,500,000	3,500,000	120,400,000	43,426,840	279,826,840
Changes in fair value of investments at December 31,2005	--	--	--	146,414,418	--	146,414,418
Transfer to profit or loss on sale of available for sale investments	--	--	--	(1,094,418)	--	(1,094,418)
Net profit for the year 2005	--	--	--	--	59,003,055	59,003,055
Dividends for 2004 distributed in 2005	--	--	--	--	(12,500,000)	(12,500,000)
Director's remuneration for 2004 paid in 2005	--	--	--	--	(150,000)	(150,000)
Balance as at Dec.31, 2005	**75,000,000**	**37,500,000**	**3,500,000**	**265,720,000**	**89,779,895**	**471,499,895**
Changes in fair value of investments at March 31, 2006	--	--	--	(63,406,000)	--	(63,406,000)
Dividends for 2005 distributed in 2006	--	--	--	--	(22,500,000)	(22,500,000)
Director's remuneration for 2005 paid in 2006	--	--	--	--	(150,000)	(150,000)
Net profit for the quarter ended March 31, 2006	--	--	--	--	19,219,638	19,219,638
Balance as at March 31, 2006	**75,000,000**	**37,500,000**	**3,500,000**	**202,314,000**	**86,349,533**	**404,663,533**

DUBAI INSURANCE CO psc.

CASH FLOW STATEMENT FOR THE 3 MONTHS AS AT MARCH 31,2006

	31.03.2006 AED
Operating activities:-	
Profit as at 31.03.2006	19,219,638
Adjustments for:	
Decrease in insurance contract liabilities	(5,426,355)
Increase in reinsurance contract assets	3,751,224
Increase in fair value of trading investments	23,846,000
Depreciation of property and equipment	15,008
Depreciation of investment property	183,915
Gain on securities	(31,703,000)
Operating cash flows before movements in working capital	**9,886,430**
Decrease in insurance and other receivables	(1,314,632)
Increase in insurance and other payables	23,853,251
Net cash from operating activities	**32,425,049**
Investing activities	
Purchase of property and equipment	(30,967)
Purchase of available for sale investments	(2,300,000)
Net cash from investing activities	**(2,330,967)**
Financing activities	
Dividends paid	(22,500,000)
Board of directrs' remuneration	(150,000)
Net cash used in financing activities	**(22,650,000)**
Net increase in cash and cash equivalents	**7,444,082**
Cash and cash equivalents, at the beginning of the year	**67,701,991**
Cash and cash equivalents, as at 31st March, 2006	**75,146,073**
Non-cash activities	
Decrease in fair value of available for sale investments	**63,406,000**

DUBAI INSURANCE COMPANY Psc.

NOTES ON INCOME FOR THE 3 MONTHS ACTIVITIES AS AT 31.03.2006

Net underwriting revenue for the 1st quarter of 2006 amounted to AED. 4,370,356 against AED. 3,737,725 for the same period of last year.

The investment income decreased from AED. 34.9 Million for the 1st quarter of 2005 to AED. 15. 1 Million for the 1st quarter of 2006 due to the decrease in the listed shares on Dubai and Abu Dhabi Stock Markets.