

[*exploring progress*]

Pursuit of Excellence

Innovation

Beyond the Horizon

Stability and Growth

For The Half Year Ended
30 June 2009 (Unaudited)



Leadership from strength

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VISION

Our will is to Explore, Innovate and Differentiate.

Our passion is to provide leadership to
the Insurance Industry.



CORE VALUES

Integrity: Transparency and Honesty without Compromise

Humility: Empathy, Self Esteem and Respect in all relationships

Fun at Workplace: Work Life Balance

Corporate Social Responsibility: Service to Humanity



COMPANY INFORMATION

Board of Directors

Umer Mansha	Chairman
Ahmad Alman Aslam	Director
Ahmed Ebrahim Hasham	Director
Ali Munir	Director
Atif Bajwa	Director
Hassan Mansha	Director
Ibrahim Shamsi	Director
Khalid Qadeer Qureshi	Director
Nabiha Shahnawaz Cheema	Director
S. M. Jawed	Director
Muhammad Ali Zeb	Managing Director & CEO

Advisor

Mian Mohammad Mansha

Audit Committee

Umer Mansha	Chairman
Ahmed Ebrahim Hasham	Member
Ali Munir	Member
Ibrahim Shamsi	Member
S. M. Jawed	Member

Human Resource Committee

Hassan Mansha	Chairman
Ibrahim Shamsi	Member
Umer Mansha	Member
Muhammad Ali Zeb	Member

Risk Management Committee

S. M. Jawed	Chairman
Ali Munir	Member
Umer Mansha	Member

Strategic Committee

Umer Mansha	Chairman
Ahmad Alman Aslam	Member
S. M. Jawed	Member
Muhammad Ali Zeb	Member

Secretary

Tameez-ul-Haque, F.C.A.

Chief Financial Officer

Mudassar Zubair Ahmed Mirza, A.C.A., A.C.M.A. (UK)

Advisor To MD

Akber D.Vazir, A.C.I.I. (London)

Executive Directors

Jehangir Bashir Nawaz

Manzar Mushtaq

Naim Anwar

Auditors

Riaz Ahmad & Co.

Chartered Accountants, Karachi

Shares Registrar

Technology Trade (Pvt) Limited

Dagia House, 241-C, Block-2, P.E.C.H.S.,

Off Shahrah-e-Quaideen, Karachi

Bankers

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

Bank Al-Habib Limited

Barclays Bank PLC, Pakistan

Citibank N.A.

Faysal Bank Limited

Habib Bank Limited

HSBC Middle East Bank Limited

MCB Bank Limited

NIB Bank Limited

Standard Chartered Bank Limited

United Bank Limited

Zarai Taraqati Bank Limited

Registered Office

Adamjee House

P.O. Box No. 4850

I. I. Chundrigar Road, Karachi-74000, Pakistan

Phone: PABX (92-21) 2412623

Fax: (92-21) 2412627

E-mail: info@adamjeeinsurance.com

Website: www.adamjeeinsurance.com

COMPANY PROFILE

PURSUIT OF EXCELLENCE

At AICL we are committed towards providing excellence in service and operations. Our dedication to be the leading insurance brand comes from years of experience and the drive to innovate in products and technology. The company profile illustrates our strengths; and vows of the pursuit of excellence.



DIRECTORS' REPORT TO THE MEMBERS

For the Half year ended 30 June 2009

On behalf of the Board, I am pleased to present the financial statements of the company for the half year ended 30 June 2009.

The highlights for the period under review are as under:

	30 June 2009	30 June 2008
	(Rupees '000)	
Gross Premium	5,172,654	5,339,180
Net Premium	3,578,555	3,519,502
Underwriting results	401,007	30,195
Investment Income	560,130	3,026,050
Profit Before Tax	762,399	2,900,949
Profit After Tax	582,529	2,998,307
Earnings per Share (Rupees)	5.18	26.66

In the first six months of year 2009, there is a nominal increase in Net Premium by 2% over the corresponding period of last year. Net claims decreased by Rs. 302 million resulting in improved combined ratio from 99% in June 2008 to 89% in June 2009. The underwriting results registered a growth of 1,228% over the same period of last year.

The company's investment income declined by 81% as compared to last year, due to the overall position of stock markets in the country and in the world markets. The Profit Before and After Tax have decreased by 74% and 81% respectively from comparative period of last year.

I am pleased to inform you that the Board of Directors has declared interim Cash Dividend of Rs. 1.5 per share.

The company is focused on strengthening the core business and improving its operations in Pakistan and overseas.

We thank our employees for their dedication and commitment and also our valued customers for their continued support and confidence in us.

On behalf of the Board of Directors



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

August 26, 2009

FINANCIAL STATEMENTS

STABILITY AND GROWTH

We are firmly set on the path to progress and accomplish greater feats than ever before. Here, you will be able to observe this very greatness, and how we, during the hardest of times have held our heads high and inspirationally moved forward with the utmost of dedication.



AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying:

- (i) condensed interim balance sheet;
- (ii) condensed interim profit and loss account;
- (iii) condensed interim statement of changes in equity;
- (iv) condensed interim cash flow statement;
- (v) condensed interim statement of premiums;
- (vi) condensed interim statement of claims;
- (vii) condensed interim statement of expenses; and
- (viii) condensed interim statement of investment income

of Adamjee Insurance Company Limited as at and for the six-month period ended 30 June 2009 together with the notes forming part thereof (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed profit and loss account for the quarter ended 30 June 2009 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 30 June 2009.

Scope of Review

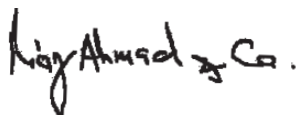
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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 financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The interim financial information for the half year ended 30 June 2008, and financial statements for the year ended 31 December 2008 were reviewed / audited by another firm of Chartered Accountants who expressed unqualified opinion in their review / audit reports dated 27 August 2008 and 09 March 2009 respectively.



RIAZ AHMAD & COMPANY

Chartered Accountants
Karachi

Muhammad Kamran Nasir

Dated: 27 August 2009

CONDENSED INTERIM BALANCE SHEET

As at 30 June 2009 (Unaudited)

Note	(Unaudited) 30 June 2009	(Audited) 31 December 2008
	(Rupees '000)	
Share capital and reserves		
Authorised share capital	<u>1,500,000</u>	<u>1,500,000</u>
Paid-up share capital	1,124,586	1,022,351
Retained earnings	6,836,776	6,458,717
Reserves	963,123	963,123
	<u>7,799,899</u>	<u>7,421,840</u>
TOTAL EQUITY	8,924,485	8,444,191
Underwriting provisions		
Provision for outstanding claims (including IBNR)	4,004,246	4,562,553
Provision for unearned premium	4,224,385	4,014,822
Commission income unearned	205,993	176,500
Total underwriting provisions	8,434,624	8,753,875
Deferred liabilities		
Deferred taxation	81,409	-
Staff retirement benefits	12,005	9,166
	93,414	9,166
Creditors and Accruals		
Premiums received in advance	28,945	101,247
Amounts due to other insurers / reinsurers	710,303	596,123
Accrued expenses	56,844	79,626
Taxation - provision less payments	23,825	-
Other creditors and accruals	1,094,951	994,367
	1,914,868	1,771,363
Borrowings		
Liabilities against assets subject to finance lease	33,094	-
Other liabilities		
Unclaimed dividends	29,061	25,055
TOTAL LIABILITIES	10,505,061	10,559,459
TOTAL EQUITY AND LIABILITIES	19,429,546	19,003,650

CONTINGENCIES AND COMMITMENTS

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The annexed notes form an integral part of this interim financial information. The details of valuation of investments, impairment and impact on profit and loss account are given in note 7.2.

	Note	(Unaudited) 30 June 2009	(Audited) 31 December 2008
		(Rupees '000)	
Cash and bank deposits			
Cash and other equivalents		4,598	41,622
Current and other accounts		788,242	483,534
Deposits maturing within 12 months		1,544,866	1,198,950
		2,337,706	1,724,106
Loans			
To employees		23,830	26,852
Investments			
	7	7,630,384	7,576,749
Current assets - others			
Premiums due but unpaid	8	3,518,220	3,449,898
Amounts due from other insurers / reinsurers	9	772,988	993,802
Salvage recoveries accrued		138,668	228,147
Premium and claim reserves retained by cedants		28,368	28,682
Accrued investment income		69,979	39,465
Reinsurance recoveries against outstanding claims		2,121,904	2,188,101
Taxation - payments less provision		-	132,876
Deferred commission expense		318,819	414,701
Prepayments		1,264,397	1,057,783
Sundry receivables		247,643	202,578
		8,480,986	8,736,033
Fixed Assets - Tangible & Intangible			
Owned			
Land and buildings		176,224	177,793
Furniture and fixtures		28,613	27,052
Motor vehicles		220,520	228,869
Machinery and equipment		390,633	395,443
Computers and related accessories		57,519	65,032
Intangible asset - computer software		40,884	45,721
		914,393	939,910
Leased			
Motor vehicles		42,247	-
TOTAL ASSETS		19,429,546	19,003,650


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	312,458	268,303	676,330	290,930	117	1,548,138	1,715,685
Net claims	(175,032)	(102,805)	(483,862)	(255,558)	(209)	(1,017,466)	(1,088,345)
Expenses	(57,603)	(46,465)	(128,057)	(64,543)	601	(296,067)	(318,508)
Net commission	(10,111)	(50,367)	(54,141)	(8,303)	(20)	(122,942)	(186,543)
Underwriting result	69,712	68,666	10,270	(37,474)	489	111,663	122,289
Investment income						175,203	2,683,932
Rental income						123	123
Other income						41,595	18,753
						328,584	2,825,097
General and administration expenses						(138,127)	(122,816)
Exchange gain - net						254	138
Finance charge on lease rentals						(850)	-
Profit before tax						189,861	2,702,419

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	625,040	490,918	1,370,760	577,650	117	3,064,485	3,215,865
Net claims	(315,770)	(182,231)	(1,033,030)	(479,013)	(10,642)	(2,020,686)	(2,426,773)
Expenses	(113,512)	(89,155)	(248,941)	(104,906)	(21)	(556,535)	(577,543)
Net commission	(38,830)	(77,982)	(117,756)	(20,871)	(20)	(255,459)	(305,036)
Underwriting result	156,928	141,550	(28,967)	(27,140)	(10,566)	231,805	(93,487)
Investment income						560,130	3,026,050
Rental income						247	247
Other income						77,183	29,294
						869,365	2,962,104
General and administration expenses						(281,714)	(192,152)
Exchange gain - net						254	138
Finance charge on lease rentals						(850)	-
Profit before tax						587,055	2,770,090

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


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	13,335	24,914	205,599	6,605	-	250,453	183,640
Net claims	(1,614)	(977)	(108,045)	(138)	-	(110,774)	(78,620)
Expenses	(1,155)	(2,110)	(17,663)	(561)	-	(21,489)	(8,327)
Net commission	(912)	(4,564)	(22,925)	237	-	(28,164)	(13,595)
Underwriting result	9,654	17,263	56,966	6,143	-	90,026	83,098
Investment income						-	-
Rental income						-	-
Other income						5,609	87
						95,635	83,185
General and administration expenses						(4,133)	(2,520)
Exchange gain - net						558	14,977
Finance charge on lease rentals						-	-
Profit before tax						92,060	95,642

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	28,779	47,496	424,963	12,832	-	514,070	303,637
Net claims	(3,478)	(3,848)	(238,621)	(331)	-	(246,278)	(142,093)
Expenses	(2,239)	(3,695)	(33,057)	(998)	-	(39,989)	(19,900)
Net commission	(1,900)	(9,347)	(47,822)	468	-	(58,601)	(17,962)
Underwriting result	21,162	30,606	105,463	11,971	-	169,202	123,682
Investment income						-	-
Rental income						-	-
Other income						13,529	107
						182,731	123,789
General and administration expenses						(8,043)	(8,116)
Exchange gain - net						656	15,186
Finance charge on lease rentals						-	-
Profit before tax						175,344	130,859

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


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

	Share Capital	Capital Reserves			Revenue Reserves		Total
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	Reserve for exceptional losses	Investment fluctuation reserve	General reserve	Retained earnings	
	(Rupees in '000)						
Balance as at 31 December 2007	1,022,351	-	22,859	3,764	936,500	5,666,273	7,651,747
Profit after tax for the half year ended 30 June 2008	-	-	-	-	-	2,998,307	2,998,307
Final dividend for the year ended 31 December 2007	-	-	-	-	-	(153,353)	(153,353)
Balance as at 30 June 2008	<u>1,022,351</u>	<u>-</u>	<u>22,859</u>	<u>3,764</u>	<u>936,500</u>	<u>8,511,227</u>	<u>10,496,701</u>
Balance as at 31 December 2008	1,022,351	-	22,859	3,764	936,500	6,458,717	8,444,191
Profit after tax for the half year ended 30 June 2009	-	-	-	-	-	582,529	582,529
Final Dividend for the year 31 December 2008	-	-	-	-	-	(102,235)	(102,235)
Transferred to reserve for issue of bonus shares	-	102,235	-	-	-	(102,235)	-
Issue of bonus shares for the year ended 31 December 2008	102,235	(102,235)	-	-	-	-	-
Balance as at 30 June 2009	<u>1,124,586</u>	<u>-</u>	<u>22,859</u>	<u>3,764</u>	<u>936,500</u>	<u>6,836,776</u>	<u>8,924,485</u>

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


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

	Half year ended 30 June 2009	Half year ended 30 June 2008
	(Rupees '000)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	5,070,411	5,161,732
Reinsurance premiums paid	(1,450,493)	(1,646,063)
Claims paid	(3,361,625)	(3,769,775)
Surrenders paid	(38,421)	(34,888)
Reinsurance and other recoveries received	913,158	971,896
Commissions paid	(467,928)	(591,771)
Commissions received	243,716	217,380
Other underwriting payments	(478,164)	(485,609)
Net cash flow from / (used in) underwriting activities	430,654	(177,098)
b) Other operating activities		
Income tax refunded/ (paid)	58,239	(25,654)
General and management expenses paid	(294,693)	(157,240)
Loans advanced	(31,081)	(30,193)
Loan repayments received	37,558	35,935
Deposits received	-	6,374
Other receipts	8,252	22,579
Net cash used in other operating activities	(221,725)	(148,199)
Total cash flow from / (used in) all operating activities	208,929	(325,297)
Investment activities		
Profit/ return received	55,975	14,032
Return on Pakistan Investment Bonds	3,722	-
Income received on TFCs	14,941	9,805
Dividends received	174,405	230,467
Payments for investments	(1,919,721)	(4,438,822)
Proceeds from disposal of investments	2,231,188	10,835,413
Fixed capital expenditure - Tangible assets	(75,090)	(221,755)
Fixed capital expenditure - Intangible assets	(650)	(2,832)
Proceeds from disposal of fixed assets	19,746	5,217
Total cash flow from investing activities	504,516	6,431,525
Financing activities		
Dividends paid	(98,229)	(110,517)
Payments on finance lease	(1,616)	-
Total cash used in financing activities	(99,845)	(110,517)
Net cash inflow from all activities	613,600	5,995,711
Cash at the beginning of the period	1,719,655	943,695
Cash at the end of the period	2,333,255	6,939,406

Reconciliation to Profit and Loss Account

Operating cash flows
Depreciation expense
Provision for gratuity
Other income - bank deposits
Profit on disposal of fixed assets
Finance charge on lease obligations
Rental income
Decrease in assets other than cash
Decrease in liabilities other than running finance

Others

Profit on sale of investments
Amortization expense
Increase in unearned premium
Amortisation of income on Government Securities - net
Gain on sale of mutual fund units
Return on Pakistan Investment Bonds
Decrease in loans
Income tax (refund)/ paid
Reversal / (provision) for diminution in value of investments
Dividend income
Deposits received
Other income - TFCs

Profit before taxation

Definition of cash

Cash comprises of cash in hand, bank balances excluding Rupees 4.451 million (2008: Rupees 4.128 million) held under lien, and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

Cash for the purposes of the Statement of Cash Flows consists of:

Cash and other equivalent

Cash in hand

4,598

23,480

Current and other accounts

Current accounts

Savings accounts

238,509

549,733

788,242

222,265

6,480,011

6,702,276

Deposits maturing within 12 months

Fixed and term deposits accounts

1,540,415

213,650

Total cash and cash equivalents

2,333,255

6,939,406

Half year ended
30 June
2009
(Rupees '000)

Half year ended
30 June
2008

208,929	(325,297)
(77,060)	(57,838)
(2,839)	(1,810)
82,868	21,441
501	705
(850)	-
247	247
(134,058)	(80,812)
399,739	478,288
477,477	34,924
(35,027)	3,016,257
(5,487)	(2,057)
(209,565)	(237,946)
21,896	36,594
89,779	-
5,453	-
(1,917)	(5,742)
(58,239)	25,654
286,979	(199,039)
176,338	227,999
-	(6,374)
14,712	10,679
284,922	2,866,025
762,399	2,900,949

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


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Half year ended 30 June 2009	Half year ended 30 June 2008
	(Rupees '000)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	4,504,161	4,887,599
Reinsurance premiums paid	(1,310,960)	(1,504,960)
Claims paid	(2,903,680)	(3,584,387)
Surrenders paid	(38,421)	(34,208)
Reinsurance and other recoveries received	755,741	910,111
Commissions paid	(416,440)	(531,046)
Commissions received	222,443	201,844
Other underwriting payments	(452,088)	(467,644)
Net cash flow from / (used in) underwriting activities	360,756	(122,691)
b) Other operating activities		
Income tax refund/ (paid)	58,239	(25,654)
General and management expenses paid	(274,271)	(145,358)
Loans advanced	(28,563)	(30,008)
Loan repayments received	35,711	35,756
Deposits received	-	2,922
Other receipts	5,788	7,392
Net cash used in other operating activities	(203,096)	(154,950)
Total cash flow from / (used in) all operating activities	157,660	(277,641)
Investment activities		
Profit/ return received	46,171	21,608
Return on Pakistan Investment Bonds	3,722	-
Income received on TFCs	14,941	9,805
Dividends received	174,405	230,467
Payments for investments	(1,919,721)	(4,438,822)
Proceeds from disposal of investments	2,231,188	10,835,413
Fixed capital expenditure - Tangible assets	(75,090)	(220,707)
Fixed capital expenditure - Intangible assets	(650)	(2,832)
Proceeds from disposal of fixed assets	19,746	5,217
Total cash flow from investing activities	494,712	6,440,149
Financing activities		
Dividends paid	(98,229)	(110,517)
Payments on finance lease	(1,616)	-
Total cash used in financing activities	(99,845)	(110,517)
Net cash inflow from all activities	552,527	6,051,991
Cash at the beginning of the period	1,146,923	647,140
Cash at the end of the period	1,699,450	6,699,131

	Half year ended 30 June 2009	Half year ended 30 June 2008
	(Rupees '000)	
Reconciliation to Profit and Loss Account		
Operating cash flows	157,660	(277,641)
Depreciation expense	(76,094)	(57,258)
Provision for gratuity	-	-
Other income - bank deposits	71,147	21,334
Profit on disposal of fixed assets	501	705
Finance charge on lease obligations	(850)	-
Rental income	247	247
Decrease in assets other than cash	(171,865)	(513,761)
Decrease in liabilities other than running finance	370,669	505,340
	351,415	(321,034)
Others		
Profit on sale of investments	(35,027)	3,016,257
Amortization expense	(5,487)	(2,057)
Increase in unearned premium	(258,847)	(16,293)
Amortisation of income on Government Securities - net	21,896	36,594
Gain on sale of mutual fund units	89,779	-
Profit on Pakistan Investment Bonds	5,453	-
Decrease in loans	(1,917)	(5,748)
Income tax (refund)/ paid	(58,239)	25,654
Reversal / (provision) for diminution in value of investments	286,979	(199,039)
Dividend, investment and other income	176,338	227,999
Deposits received	-	(2,922)
Other Income - TFCs	14,712	10,679
	235,640	3,091,124
	587,055	2,770,090
Profit before taxation		
Definition of cash		
Cash comprises of cash in hand, bank balances excluding Rupees 4.451 million (2008: Rupees 1.500 million) held under lien, and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	4,377	23,295
Current and other accounts		
Current accounts	144,340	188,903
Savings accounts	549,733	6,480,011
	694,073	6,668,914
Deposits maturing within 12 months		
Fixed and term deposits accounts	1,001,000	6,922
Total cash and cash equivalents	1,699,450	6,699,131

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


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Half year ended 30 June 2009	Half year ended 30 June 2008
	(Rupees '000)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	566,250	274,133
Reinsurance premiums paid	(139,533)	(135,206)
Claims paid	(457,945)	(185,388)
Surrenders paid	-	(680)
Reinsurance and other recoveries received	157,417	55,888
Commissions paid	(51,488)	(60,725)
Commissions received	21,273	15,536
Other underwriting payments	(26,076)	(17,965)
Net cash flow from / (used in) underwriting activities	69,898	(54,407)
b) Other operating activities		
Income tax refund/ (paid)	-	-
General and management expenses paid	(20,422)	(11,882)
Loans advanced	(2,518)	(185)
Loan repayments received	1,847	179
Deposits received	-	3,452
Other receipts	2,464	15,187
Net cash (used in) / flow from other operating activities	(18,629)	6,751
Total cash flow from / (used in) all operating activities	51,269	(47,656)
Investment activities		
Profit/ return received	9,804	(7,576)
Return on Pakistan Investment Bonds	-	-
Income received on TFCs	-	-
Dividends received	-	-
Payments for investments	-	-
Proceeds from disposal of investments	-	-
Fixed capital expenditure - Tangible assets	-	(1,048)
Fixed capital expenditure - Intangible assets	-	-
Proceeds from disposal of fixed assets	-	-
Total cash flow from / (used in) investing activities	9,804	(8,624)
Financing activities		
Dividends paid	-	-
Payments on finance lease	-	-
Total cash flow from financing activities	-	-
Net cash inflow / (outflow) from all activities	61,073	(56,280)
Cash at the beginning of the period	572,732	296,555
Cash at the end of the period	633,805	240,275

Reconciliation to Profit and Loss Account

Operating cash flows
Depreciation expense
Provision for gratuity
Other income - bank deposits
Profit on disposal of fixed assets
Finance charge on lease obligations
Rental income
Increase in assets other than cash
Decrease / (Increase) in liabilities other than running finance

Others

Profit on sale of investments
Amortization expense
Increase in unearned premium
Amortisation of income on Government Securities - net
Gain on sale of mutual fund units
Return on Pakistan Investment Bonds
Increase in loans
Income tax paid
Gratuity paid
(Provision) / Reversal for diminution in value of investments
Dividend, investment and other income
Deposits paid
Other income-TFCs

Profit before taxation

Definition of cash

Cash comprises of cash in hand, bank balances excluding Rupees Nil (2008: Rupees 2.628 million) held under lien, and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

Cash for the purposes of the Statement of Cash Flows consists of:

Cash and other equivalent

Cash in hand

221

185

Current and other accounts

Current accounts

94,169

33,362

Savings accounts

-

-

94,169

33,362

Deposits maturing within 12 months

Fixed and term deposits accounts

539,415

206,728

Total cash and cash equivalents

633,805

240,275

Half year ended
30 June
2009
Half year ended
30 June
2008
(Rupees '000)

51,269	(47,656)
(966)	(580)
(2,839)	(1,810)
11,721	107
-	-
-	-
-	-
37,807	438,846
29,070	(32,949)
126,062	355,958
-	-
-	-
49,282	(221,653)
-	-
-	-
-	-
-	6
-	-
-	-
-	-
-	(3,452)
-	-
49,282	(225,099)
175,344	130,859

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


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF PREMIUMS

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	904,535	1,379,295	1,421,662	862,168	515,740	892,572	871,937	536,375	325,793	315,324
Marine, aviation and transport	346,402	85,059	93,935	337,526	37,374	19,553	12,618	44,309	293,217	373,344
Motor	1,037,416	1,683,123	1,812,499	908,040	74,488	1,882	50,259	26,111	881,929	937,560
Miscellaneous	521,574	770,302	896,289	395,587	193,039	154,608	249,595	98,052	297,535	259,961
Total	2,809,927	3,917,779	4,224,385	2,503,321	820,641	1,068,615	1,184,409	704,847	1,798,474	1,886,189
Treaty										
Proportional	117	-	-	117	-	-	-	-	117	13,136
Total	117	-	-	117	-	-	-	-	117	13,136
Grand Total	2,810,044	3,917,779	4,224,385	2,503,438	820,641	1,068,615	1,184,409	704,847	1,798,591	1,899,325

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	1,604,930	1,551,532	1,421,662	1,734,800	1,074,053	878,865	871,937	1,080,981	653,819	621,864
Marine, aviation and transport	635,255	91,984	93,935	633,304	86,144	21,364	12,618	94,890	538,414	662,002
Motor	1,859,992	1,789,404	1,812,499	1,836,897	89,523	1,910	50,259	41,174	1,795,723	1,747,861
Miscellaneous	1,072,360	581,902	896,289	757,973	314,994	102,092	249,595	167,491	590,482	474,639
Total	5,172,537	4,014,822	4,224,385	4,962,974	1,564,714	1,004,231	1,184,409	1,384,536	3,578,438	3,506,366
Treaty										
Proportional	117	-	-	117	-	-	-	-	117	13,136
Total	117	-	-	117	-	-	-	-	117	13,136
Grand Total	5,172,654	4,014,822	4,224,385	4,963,091	1,564,714	1,004,231	1,184,409	1,384,536	3,578,555	3,519,502

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


Umer Mansha
 Chairman


S. M. Jawed
 Director


Ibrahim Shamsi
 Director


Muhammad Ali Zeb
 Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF PREMIUMS

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	873,013	1,314,435	1,359,360	828,088	490,075	853,094	827,539	515,630	312,458	304,645
Marine, aviation and transport	333,986	44,456	69,567	308,875	37,374	13,623	10,425	40,572	268,303	347,079
Motor	768,623	1,216,008	1,301,108	683,523	8,043	1,882	2,732	7,193	676,330	792,388
Miscellaneous	515,976	749,238	880,442	384,772	191,262	146,220	243,640	93,842	290,930	258,437
Total	2,491,598	3,324,137	3,610,477	2,205,258	726,754	1,014,819	1,084,336	657,237	1,548,021	1,702,549
Treaty										
Proportional	117	-	-	117	-	-	-	-	117	13,136
Total	117	-	-	117	-	-	-	-	117	13,136
Grand Total	2,491,715	3,324,137	3,610,477	2,205,375	726,754	1,014,819	1,084,336	657,237	1,548,138	1,715,685

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	1,544,579	1,477,644	1,359,360	1,662,863	1,029,184	836,178	827,539	1,037,823	625,040	603,695
Marine, aviation and transport	618,786	30,146	69,567	579,365	86,144	12,728	10,425	88,447	490,918	606,615
Motor	1,400,956	1,286,286	1,301,108	1,386,134	16,196	1,910	2,732	15,374	1,370,760	1,520,093
Miscellaneous	1,059,579	557,554	880,442	736,691	310,057	92,624	243,640	159,041	577,650	472,326
Total	4,623,900	3,351,630	3,610,477	4,365,053	1,441,581	943,440	1,084,336	1,300,685	3,064,368	3,202,729
Treaty										
Proportional	117	-	-	117	-	-	-	-	117	13,136
Total	117	-	-	117	-	-	-	-	117	13,136
Grand Total	4,624,017	3,351,630	3,610,477	4,365,170	1,441,581	943,440	1,084,336	1,300,685	3,064,485	3,215,865

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


Umer Mansha
 Chairman


S. M. Jawed
 Director


Ibrahim Shamsi
 Director


Muhammad Ali Zeb
 Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF PREMIUMS FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	31,522	64,860	62,302	34,080	25,665	39,478	44,398	20,745	13,335	10,679
Marine, aviation and transport	12,416	40,603	24,368	28,651	-	5,930	2,193	3,737	24,914	26,265
Motor	268,793	467,115	511,391	224,517	66,445	-	47,527	18,918	205,599	145,172
Miscellaneous	5,598	21,064	15,847	10,815	1,777	8,388	5,955	4,210	6,605	1,524
Total	318,329	593,642	613,908	298,063	93,887	53,796	100,073	47,610	250,453	183,640
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	318,329	593,642	613,908	298,063	93,887	53,796	100,073	47,610	250,453	183,640

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	60,351	73,888	62,302	71,937	44,869	42,687	44,398	43,158	28,779	18,169
Marine, aviation and transport	16,469	61,838	24,368	53,939	-	8,636	2,193	6,443	47,496	55,387
Motor	459,036	503,118	511,391	450,763	73,327	-	47,527	25,800	424,963	227,768
Miscellaneous	12,781	24,348	15,847	21,282	4,937	9,468	5,955	8,450	12,832	2,313
Total	548,637	663,192	613,908	597,921	123,133	60,791	100,073	83,851	514,070	303,637
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	548,637	663,192	613,908	597,921	123,133	60,791	100,073	83,851	514,070	303,637

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


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	384,972	1,275,571	1,471,802	581,203	188,501	727,679	943,735	404,557	176,646	126,640
Marine, aviation and transport	144,877	448,217	433,912	130,572	31,691	276,912	272,011	26,790	103,782	89,058
Motor	884,695	1,712,336	1,503,594	675,953	142,524	733,658	675,180	84,046	591,907	721,768
Miscellaneous	302,286	564,001	571,977	310,262	50,842	365,922	369,646	54,566	255,696	228,372
Total	1,716,830	4,000,125	3,981,285	1,697,990	413,558	2,104,171	2,260,572	569,959	1,128,031	1,165,838
Treaty										
Proportional	256	23,008	22,961	209	-	-	-	-	209	1,127
Total	256	23,008	22,961	209	-	-	-	-	209	1,127
Grand Total	1,717,086	4,023,133	4,004,246	1,698,199	413,558	2,104,171	2,260,572	569,959	1,128,240	1,166,965

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	784,113	1,629,455	1,471,802	626,460	392,232	1,028,755	943,735	307,212	319,248	581,530
Marine, aviation and transport	286,643	499,471	433,912	221,084	39,914	276,920	272,011	35,005	186,079	236,542
Motor	1,692,175	1,833,234	1,503,594	1,362,535	156,428	740,724	675,180	90,884	1,271,651	1,344,487
Miscellaneous	591,596	580,662	571,977	582,911	103,770	369,849	369,646	103,567	479,344	405,180
Total	3,354,527	4,542,822	3,981,285	2,792,990	692,344	2,416,248	2,260,572	536,668	2,256,322	2,567,739
Treaty										
Proportional	7,412	19,731	22,961	10,642	-	-	-	-	10,642	1,127
Total	7,412	19,731	22,961	10,642	-	-	-	-	10,642	1,127
Grand Total	3,361,939	4,562,553	4,004,246	2,803,632	692,344	2,416,248	2,260,572	536,668	2,266,964	2,568,866

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


Umer Mansha
 Chairman


S. M. Jawed
 Director


Ibrahim Shamsi
 Director


Muhammad Ali Zeb
 Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	378,499	1,261,194	1,460,545	577,850	185,802	724,774	941,790	402,818	175,032	122,425
Marine, aviation and transport	144,748	414,771	399,997	129,974	31,691	269,068	264,546	27,169	102,805	82,379
Motor	616,308	1,045,362	861,784	432,730	585	182,782	131,065	(51,132)	483,862	654,159
Miscellaneous	302,010	562,062	570,116	310,064	50,824	365,922	369,604	54,506	255,558	228,255
Total	1,441,565	3,283,389	3,292,442	1,450,618	268,902	1,542,546	1,707,005	433,361	1,017,257	1,087,218
Treaty										
Proportional	256	23,008	22,961	209	-	-	-	-	209	1,127
Total	256	23,008	22,961	209	-	-	-	-	209	1,127
Grand Total	1,441,821	3,306,397	3,315,403	1,450,827	268,902	1,542,546	1,707,005	433,361	1,017,466	1,088,345

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	777,510	1,617,643	1,460,545	620,412	389,533	1,026,681	941,790	304,642	315,770	576,719
Marine, aviation and transport	283,482	466,009	399,997	217,470	39,914	269,221	264,546	35,239	182,231	225,723
Motor	1,244,270	1,166,441	861,784	939,613	1,728	226,210	131,065	(93,417)	1,033,030	1,218,169
Miscellaneous	591,320	578,916	570,116	582,520	103,752	369,849	369,604	103,507	479,013	405,035
Total	2,896,582	3,829,009	3,292,442	2,360,015	534,927	1,891,961	1,707,005	349,971	2,010,044	2,425,646
Treaty										
Proportional	7,412	19,731	22,961	10,642	-	-	-	-	10,642	1,127
Total	7,412	19,731	22,961	10,642	-	-	-	-	10,642	1,127
Grand Total	2,903,994	3,848,740	3,315,403	2,370,657	534,927	1,891,961	1,707,005	349,971	2,020,686	2,426,773

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


Umer Mansha
 Chairman


S. M. Jawed
 Director


Ibrahim Shamsi
 Director


Muhammad Ali Zeb
 Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	6,473	14,377	11,257	3,353	2,699	2,905	1,945	1,739	1,614	4,215
Marine, aviation and transport	129	33,446	33,915	598	-	7,844	7,465	(379)	977	6,679
Motor	268,387	666,974	641,810	243,223	141,939	550,876	544,115	135,178	108,045	67,609
Miscellaneous	276	1,939	1,861	198	18	-	42	60	138	117
Total	275,265	716,736	688,843	247,372	144,656	561,625	553,567	136,598	110,774	78,620
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	275,265	716,736	688,843	247,372	144,656	561,625	553,567	136,598	110,774	78,620

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	6,603	11,812	11,257	6,048	2,699	2,074	1,945	2,570	3,478	4,811
Marine, aviation and transport	3,161	33,462	33,915	3,614	-	7,699	7,465	(234)	3,848	10,819
Motor	447,905	666,793	641,810	422,922	154,700	514,514	544,115	184,301	238,621	126,318
Miscellaneous	276	1,746	1,861	391	18	-	42	60	331	145
Total	457,945	713,813	688,843	432,975	157,417	524,287	553,567	186,697	246,278	142,093
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	457,945	713,813	688,843	432,975	157,417	524,287	553,567	186,697	246,278	142,093

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


Umer Mansha
 Chairman


S. M. Jawed
 Director


Ibrahim Shamsi
 Director


Muhammad Ali Zeb
 Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

Class	Commissions paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees '000)									
Direct and facultative									
Fire and property damage	99,515	140,230	144,452	95,293	58,758	154,051	84,270	69,781	72,021
Marine, aviation and transport	55,547	13,568	12,062	57,053	48,575	105,628	2,122	103,506	147,092
Motor	69,190	129,557	120,302	78,445	145,720	224,165	1,379	222,786	231,501
Miscellaneous	1,044	71,316	42,003	30,357	65,104	95,461	22,291	73,170	68,270
Total	225,296	354,671	318,819	261,148	318,157	579,305	110,062	469,243	518,884
Treaty									
Proportional	20	-	-	20	(601)	(581)	-	(581)	8,089
Total	20	-	-	20	(601)	(581)	-	(581)	8,089
Grand Total	225,316	354,671	318,819	261,168	317,556	578,724	110,062	468,662	526,973

Class	Commissions paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees '000)									
Direct and facultative									
Fire and property damage	163,085	188,585	144,452	207,218	115,751	322,969	166,488	156,481	128,980
Marine, aviation and transport	89,693	14,340	12,062	91,971	92,850	184,821	4,642	180,179	236,118
Motor	124,794	162,862	120,302	167,354	281,998	449,352	1,776	447,576	428,113
Miscellaneous	54,811	48,914	42,003	61,722	105,904	167,626	41,319	126,307	119,141
Total	432,383	414,701	318,819	528,265	596,503	1,124,768	214,225	910,543	912,352
Treaty									
Proportional	20	-	-	20	21	41	-	41	8,089
Total	20	-	-	20	21	41	-	41	8,089
Grand Total	432,403	414,701	318,819	528,285	596,524	1,124,809	214,225	910,584	920,441

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


Umer Mansha
 Chairman


S. M. Jawed
 Director


Ibrahim Shamsi
 Director


Muhammad Ali Zeb
 Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commissions paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees '000)									
Direct and facultative									
Fire and property damage	93,823	127,212	132,358	88,677	57,603	146,280	78,566	67,714	74,100
Marine, aviation and transport	53,153	5,940	6,992	52,101	46,465	98,566	1,734	96,832	142,178
Motor	46,760	82,509	74,766	54,503	128,057	182,560	362	182,198	212,303
Miscellaneous	209	69,625	40,456	29,378	64,543	93,921	21,075	72,846	68,381
Total	193,945	285,286	254,572	224,659	296,668	521,327	101,737	419,590	496,962
Treaty									
Proportional	20	-	-	20	(601)	(581)	-	(581)	8,089
Total	20	-	-	20	(601)	(581)	-	(581)	8,089
Grand Total	193,965	285,286	254,572	224,679	296,067	520,746	101,737	419,009	505,051

Class	Commissions paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees '000)									
Direct and facultative									
Fire and property damage	152,754	173,385	132,358	193,781	113,512	307,293	154,951	152,342	133,042
Marine, aviation and transport	85,380	3,554	6,992	81,942	89,155	171,097	3,960	167,137	227,032
Motor	83,737	109,544	74,766	118,515	248,941	367,456	759	366,697	394,988
Miscellaneous	53,240	46,986	40,456	59,770	104,906	164,676	38,899	125,777	119,428
Total	375,111	333,469	254,572	454,008	556,514	1,010,522	198,569	811,953	874,490
Treaty									
Proportional	20	-	-	20	21	41	-	41	8,089
Total	20	-	-	20	21	41	-	41	8,089
Grand Total	375,131	333,469	254,572	454,028	556,535	1,010,563	198,569	811,994	882,579

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


Umer Mansha
 Chairman


S. M. Jawed
 Director


Ibrahim Shamsi
 Director


Muhammad Ali Zeb
 Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF EXPENSES FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Commissions paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Quarter ended 30 June 2009	Quarter ended 30 June 2008
(Rupees '000)									
Direct and facultative									
Fire and property damage	5,692	13,018	12,094	6,616	1,155	7,771	5,704	2,067	(2,079)
Marine, aviation and transport	2,394	7,628	5,070	4,952	2,110	7,062	388	6,674	4,914
Motor	22,430	47,048	45,536	23,942	17,663	41,605	1,017	40,588	19,198
Miscellaneous	835	1,691	1,547	979	561	1,540	1,216	324	(111)
Total	31,351	69,385	64,247	36,489	21,489	57,978	8,325	49,653	21,922
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	31,351	69,385	64,247	36,489	21,489	57,978	8,325	49,653	21,922

Class	Commissions paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Half year ended 30 June 2009	Half year ended 30 June 2008
(Rupees '000)									
Direct and facultative									
Fire and property damage	10,331	15,200	12,094	13,437	2,239	15,676	11,537	4,139	(4,062)
Marine, aviation and transport	4,313	10,786	5,070	10,029	3,695	13,724	682	13,042	9,086
Motor	41,057	53,318	45,536	48,839	33,057	81,896	1,017	80,879	33,125
Miscellaneous	1,571	1,928	1,547	1,952	998	2,950	2,420	530	(287)
Total	57,272	81,232	64,247	74,257	39,989	114,246	15,656	98,590	37,862
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	57,272	81,232	64,247	74,257	39,989	114,246	15,656	98,590	37,862

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


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

Quarter ended 30 June 2009	Quarter ended 30 June 2008	Half year ended 30 June 2009	Half year ended 30 June 2008
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(Rupees '000)

Income from non-trading investments

Available-for-sale

Return on fixed income securities	9,532	16,969	21,896	36,594
Return on Term Finance Certificates	7,785	4,539	14,712	10,679
Return on Pakistan Investment Bonds	4,281	-	5,390	-
Dividend income				
- associated undertakings	52,850	57,297	101,092	153,224
- others	17,907	26,056	75,309	74,775
	70,757	83,353	176,401	227,999
	92,355	104,861	218,399	275,272
Gain/ (Loss) on sale of 'available-for-sale' investments				
- associated undertakings	26,434	2,786,992	88,124	2,787,815
- others	128	68,946	(33,372)	228,442
	26,562	2,855,938	54,752	3,016,257
	118,917	2,960,799	273,151	3,291,529
Reversal/ (Charge) for impairment in value of 'available-for-sale' investments	56,286	(210,427)	286,979	(199,039)
Less: Investment related expenses	-	(66,440)	-	(66,440)
Net investment income	175,203	2,683,932	560,130	3,026,050

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


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED 30 JUNE 2009 (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Adamjee Insurance Company Limited (the company) is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984). The company is listed on all the stock exchanges in Pakistan and is engaged in the non-life insurance business.
- 1.2** The registered office of the company is situated at Adamjee House, I.I. Chundrigar Road, Karachi.
- 1.3** The company also operates branches in the United Arab Emirates (UAE), the Kingdom of Saudi Arabia (KSA) and the Export Processing Zone (EPZ). The branch in the KSA has closed down its operations and is in "run-off" status with effect from 01 October 2003.
- 1.4** "The company holds the majority stake in Adamjee Life Assurance Company Limited, a subsidiary company incorporated on 04 August 2008 and is required to produce consolidated interim financial information. However, Adamjee Life Assurance Company Limited intends to prepare its first financial statements for a period of more than twelve months, for which an application has been filed with the concerned office of Securities and Exchange Commission of Pakistan (SECP). Due to this, the consolidated interim financial information has not been produced.

2. BASIS OF PRESENTATION

- 2.1** This interim financial information is unaudited but subject to review by the auditors and is being submitted to the shareholders in accordance with the listing regulations of the Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) - 34 'Interim Financial Reporting' and in the format prescribed by Insurance Division of SECP in its Circular No. 7 of 2003 dated 27 August 2003.

This interim financial information do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual published financial statements for the year ended 31 December 2008.

- 2.2** According to SRO 149(1)/2009 dated 11 February 2009 issued by the SECP, International Financial Reporting Standard (IFRS)-4 'Insurance Contracts' was applicable to the companies engaged in insurance and re-insurance business for the period commencing from 01 January 2009. Subsequently, SECP deferred the applicability of significant requirements of IFRS-4 vide its Circular No. 22/2009 dated 30 June 2009 in respect of the quarterly accounts for first, second and third quarter of the year 2009. However, the aforesaid circular requires full compliance with the requirements of IFRS-4 in the annual financial statements for the year ending on 31 December 2009.

3. BASIS OF MEASUREMENT

This interim financial information has been prepared under the historical cost convention except that obligations under certain employee benefits are measured at present value.

4. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted in the preparation of this interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended 31 December 2008.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgments and estimates made by the management in the preparation of this interim financial information are the same as those applied to the preceding annual published financial statements of the company for the year ended 31 December 2008.

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

The income tax assessments of the company have been finalized up to and including the tax year 2008. However, the company has filed appeals in respect of certain assessment years mainly on account of following:

- (i) The Deputy Commissioner of Income Tax (DCIT) has finalized assessments for the assessment year 1999-2000 by taxing capital gains at the full rate of 33%. The aggregate tax liability assessed by the DCIT amounted to Rupees 48.205 million against which the company has made a total provision of Rupees 44.141 million resulting in a shortfall of Rupees 4.064 million. The company filed appeals with the Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal (ITAT) which were decided against the company. Consequently the company has filed an appeal before the Honorable High Court of Sindh which has reserved the judgment in this respect. Now the petition is fixed for regular rehearing;

- (ii) The Additional Commissioner / Taxation Officer has reopened assessments for the assessment years 2000-2001 and 2001-2002 by taxing bonus shares received by the company during the above mentioned periods resulting in an additional tax liability of Rupees 14.907 million. An appeal was filed before the Commissioner of Income Tax (Appeals) who cancelled the amended order passed by the Additional Commissioner and allowed relief to the company but the Tax department has filed an appeal before the ITAT against the order of the Additional Commissioner. The company has also filed an appeal before the ITAT which is currently pending for adjudication;
- (iii) While finalizing the assessment for the year 2002-2003, DCIT has reduced the business loss for the year by Rupees 88.180 million by adjusting the dividend income against this loss. The company maintains that it is entitled to carry the gross loss forward for adjustment against the future taxable income and dividend income for the year should be taxed separately at reduced rate. The appeals of the company in this respect have been rejected by the Commissioner of Income Tax (Appeals), the ITAT, and the Sindh High Court. The company has now filed a reference application with the Supreme Court of Pakistan. The management is confident that the matter will eventually be decided in favor of the company and has consequently not made any provision against the additional tax liability of Rupees 26.455 million which may arise in this respect; and
- (iv) The tax authorities have also amended the assessments for tax years 2003 to 2007 on the ground that the company has not apportioned management and general administration expenses against capital gain and dividend income. The company has filed constitution petition in the High Court of Sindh against the amendment in the assessment order and the Honorable Court has suspended two of notices for amendment and other notices are pending for hearing of petition. The company may be liable to pay Rupees 5.881 million in the event of decision against the company, out of which Rupees 2.727 million has been provided by the company resulting in a shortfall of Rupees 3.154 million.

Pending resolution of the above-mentioned appeals filed by the company, no provision has been made in this interim financial information for the aggregate amount of Rupees 48.580 million (31 December 2008: 48.580 million) as the management is confident that the eventual outcome of the above matters will be in favor of the company.

6.2 Commitments

There were no capital or other commitments as at 30 June 2009. (31 December 2008: Nil)

	Note	(Unaudited) 30 June 2009	(Audited) 31 December 2008
(Rupees '000)			
7. INVESTMENTS			
In related parties			
Available-for-sale			
Marketable securities		5,819,981	5,770,797
Less: Provision for impairment in value of investments	7.1	(1,216,554)	(1,108,681)
		<u>4,603,427</u>	<u>4,662,116</u>
Investment in subsidiary - Adamjee Life Assurance Company Limited		<u>294,086</u>	294,086
		<u>4,897,513</u>	<u>4,956,202</u>
Others			
Available-for-sale			
Marketable securities		3,158,812	3,095,736
Less: Provision for impairment in the value of investments	7.1	(910,968)	(1,305,820)
		<u>2,247,844</u>	<u>1,789,916</u>
Fixed income investments		<u>485,027</u>	830,631
		<u>7,630,384</u>	<u>7,576,749</u>

Market value of investments as at 30 June 2009 is Rupees 7,732.589 million (31 December 2008 : Rupees 6,735.364 million)

	Note	(Unaudited) 30 June 2009	(Audited) 31 December 2008
		(Rupees '000)	
7.1 Reconciliation of provision for impairment in value of investments			
Opening provision		2,414,501	28,322
(Reversal) / charge for the period		<u>(286,979)</u>	2,386,179
Closing provision		<u>2,127,522</u>	<u>2,414,501</u>

7.2 In the light of the Circular No. 3/2009 dated 16 February 2009 issued by SECP, the impairment loss on account of fall in value of certain 'available for sale' listed equity investments amounting to Rupees 1,097.586 million was considered temporary and was not recognized as at 31 December 2008. In accordance with the methodology prescribed under the above-referred Circular, the company was required to recognize the aforesaid fall in value through the profit and loss account equally, during each calendar quarter of the year 2009, after adjusting for the relevant quarter's price movement.

Therefore, in compliance with the above Circular, the portion of impairment loss relevant to the half year ended 30 June 2009 amounting to Rupees 118.872 million, having been adjusted with the price fluctuation occurred during the two quarters, is recognized in the profit and loss account in this interim financial information.

The remaining amount of unrecognized impairment loss as at 30 June 2009 shall be treated as a charge to profit and loss account for the purpose of distribution of dividend.

Had the entire impairment loss been recognized through profit and loss account as at the balance sheet date, the impact on this interim financial information of the company would have been as follows:

Increase in the provision for impairment in profit and loss account	Rupees in '000	118,872
Decrease in profit after tax during the half year	Rupees in '000	118,872
Decrease in the earnings per share – basic (there was no dilutive effect on basic EPS)	Rupees	1.06

8. PREMIUMS DUE BUT UNPAID Unsecured

Considered good		3,518,220	3,449,898
Considered doubtful		<u>61,793</u>	46,793
		3,580,013	3,496,691
Less: Provision for doubtful balances	8.1	<u>(61,793)</u>	(46,793)
		<u>3,518,220</u>	<u>3,449,898</u>

8.1 Reconciliation of provision for doubtful balances

Opening provision		46,793	86,202
Exchange loss		-	19,659
Charge for the period		15,000	30,000
Written off during the period / year		-	(89,068)
Closing provision		<u>61,793</u>	<u>46,793</u>

9. AMOUNTS DUE FROM OTHER INSURERS / REINSURERS

Unsecured

Considered good		772,988	993,802
Considered doubtful		<u>46,106</u>	61,396
		819,094	1,055,198
Less: Provision for doubtful balances	9.1	<u>(46,106)</u>	(61,396)
		<u>772,988</u>	<u>993,802</u>

	(Unaudited) 30 June 2009	(Audited) 31 December 2008
	----- (Rupees '000) -----	
9.1 Reconciliation of provision for doubtful balances		
Opening provision	61,396	45,396
Charge for the period	-	16,000
Written off during the period / year	(15,290)	-
Closing provision	46,106	61,396

	(Unaudited) 30 June 2009	30 June 2008
	----- (Rupees '000) -----	

10. FIXED ASSETS

10.1 The following capital expenditure was incurred during the period:

Owned

Furniture and fixtures	4,200	6,926
Motor vehicles	23,905	23,500
Machinery and equipment	44,358	181,260
Computer and related accessories	2,627	30,236
	75,090	241,922
Intangible asset - computer software	650	47,511

Leased

Motor vehicles	42,781	-
	118,521	289,433

10.2 The following are the written down values of fixed assets disposed of during the period:

Furniture and fixtures	435	302
Motor vehicles	15,327	2,763
Machinery and equipment	2,821	564
Computer and related accessories	662	882
	19,245	4,511

11. TRANSACTIONS WITH RELATED PARTIES

The company has related party relationships with its subsidiary company, associates, employee benefit plans, key management personnel and other parties. Transactions are entered into with certain related parties for the issuance of policies to and disbursements of claims incurred by them and payment of rentals for the use of premises rented from them.

Investment in related parties have been disclosed in note 7 to this interim financial information. Other transactions with related parties are summarized as follows:

Premium underwritten	491,486	438,484
Premium received	530,939	490,822
Claims paid	313,417	227,911
Rent paid	4,508	2,475
Dividends received	101,110	153,224
Dividend paid	36,155	49,335
Remuneration of directors and key management personnel	33,291	34,741

----- (Number of shares) -----

Bonus shares received	1,922,593	-
-----------------------	------------------	---

(Unaudited)
30 June
2009

(Audited)
31 December
2008

(Rupees '000)

11.1 Following balances are due to / from staff retirement benefit funds:

Receivable from Staff Gratuity Fund	77,210	63,950
Payable to Employee's Provident Fund	(112)	(709)

11.2 During the period an amount of Rupees 10.446 million (30 June 2008: Rupees 9.798 million) has been charged to profit and loss account in respect of the company's contributions to the Employees' Provident Fund.

12. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the condensed profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following is a schedule of class of business wise assets and liabilities:

Fire and property damage		Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets		Total	
30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008

(Rupees in thousand)

OTHER INFORMATION

Segment assets	3,300,377	3,578,291	827,151	961,666	2,398,994	2,608,424	1,556,757	1,152,182	98	6,999	-	-	8,083,377	8,307,562
Unallocated assets	-	-	-	-	-	-	-	-	-	-	11,346,169	10,696,088	11,346,169	10,696,088
Total assets	3,300,377	3,578,291	827,151	961,666	2,398,994	2,608,424	1,556,757	1,152,182	98	6,999	11,346,169	10,696,088	19,429,546	19,003,650
Segment liabilities	3,260,498	3,558,247	619,329	694,764	3,591,710	3,888,392	1,679,357	1,289,020	22,978	20,822	-	-	9,173,872	9,451,245
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	1,331,189	1,108,214	1,331,189	1,108,214
Total liabilities	3,260,498	3,558,247	619,329	694,764	3,591,710	3,888,392	1,679,357	1,289,020	22,978	20,822	1,331,189	1,108,214	10,505,061	10,559,459

(Unaudited) (Audited)
30 June 2009 31 December 2008
(Rupees '000)

Capital expenditure

118,521 323,657

13. AUTHORISATION FOR ISSUE

This interim financial information has been approved and authorised for issue on 26 August, 2009 by the Board of Directors of the company.

14. CORRESPONDING FIGURES

No significant rearrangement of corresponding figures has been made during the period except for 'amounts due to other insurers/reinsurers' and 'amounts due from other insurers/reinsurers'. Certain balances of Rupees 458.743 million that were off set in these account heads as at 31 December 2008 are now grossed up in the balance sheet.

15. GENERAL

Figures have been rounded off to the nearest thousand.


Umer Mansha
Chairman


S. M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive Officer



Leadership from strength

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