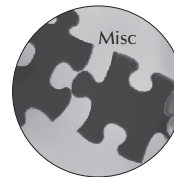




Quarterly Accounts
(Un-Audited)
for the Half Year Ended
June 30, 2009



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Company Information

BOARD OF DIRECTORS

A. Samad Dawood (Chairman)
Viqar Siddiqui (Chief Executive)
Isar Ahmad
Aleem A. Dani
Haroon Mahenti
Aziz Moon
Shahid Hamid Pracha

BOARD AUDIT COMMITTEE

Aleem A. Dani (Chairman)
Haroon Mahenti (Member)
Aziz Moon (Member)
Shahid Hamid Pracha (Member)

COMPANY SECRETARY & CFO

Ghulam Haider

EXECUTIVES AT HEAD OFFICE

Tariq Mehmood Awan
Mirza Akhtar Baig
Shehla Hashim

AUDITORS

KPMG Taseer Hadi & Co.
(Chartered Accountants)
Sheikh Sultan Building #2,
Beaumont Road, Karachi-75530
Website: www.kpmg.com.pk

BANKERS

Barclays Bank PLC Pakistan
Meezan Bank Limited
Bank Al Habib Limited
Atlas Bank Limited
Habib Bank Limited
Standard Chartered Bank

TAX CONSULTANTS

Tanuli Qazi Law Associates
346-Hotel Metropol, Club Road,
Karachi.

LEGAL ADVISORS

Zahid & Tariq Advocates
65 Hussain Manzil,
Chestnut Street,
Garden East, Karachi

REGISTERED OFFICE & SHARES DEPARTMENT

Dawood Centre,
M.T. Khan Road, Karachi-75530

BRANCH OFFICE LAHORE

35-A, Empress Road, Lahore-54000

Directors' Report

The Directors are pleased to present review of Accounts for the half year ended June 30, 2009.

The Gross Premium has decreased by 22% to Rs.46.62 M from Rs.59.65 M recorded in the corresponding period of last year, mainly due to reduction in lower premiums on Oil Imports. As a result, the net premium has also gone down to Rs.6.11 M as compared to Rs.9.41 M written in the first six months of 2008.

While the net Claims and Commission figures have shown an improvement by 17% and 19% respectively, the Underwriting result recorded a decline by 39% i.e. from Rs. 8.94 M recorded in the first half of 2008 to Rs. 5.47 M accounted for in the period under review this year.

As per IAS 39, an amount of Rs.845.20 M has been taken in the 2nd Quarter 2009 Profit & Loss Account as Impairment in the value of our Investments. As mentioned in our last Quarter's review, the Company opted for a relaxation in the application of IAS 39 which allows booking of the total impairment in four quarterly installments. Though the position in capital Markets shows slight improvement, we remain focused and vigilant in re-orienting our portfolio for a long term value addition.

on behalf of Board

Karachi
July 30, 2009

Viqar Siddiqui
Chief Executive and Principal Officer

Independent Report on Review of Condensed Interim Financial Information to the Members of Central Insurance Company Limited

Introduction

We have reviewed the accompanying:

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account / statement of comprehensive income;
- iii. condensed interim statement of changes in equity;
- iv. condensed interim statement of cash flows;
- 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 Central Insurance Company Limited as at 30 June 2009 and for the six months period then ended (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.

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 figures for the quarter ended 30 June 2009 and 30 June 2008 in the condensed interim profit and loss account/statement of comprehensive income, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income have not been reviewed and we do not express a conclusion on them.

Karachi:
June 30, 2009

KPMG Taseer Hadi & Co.
Chartered Accountants

BALANCE SHEET (UN-AUDITED)
As at June 30, 2009

	Note	30-Jun-09 (Un-Audited)	31-Dec-08 (Audited)
(Rupees in 000')			
Share Capital and Reserves			
Authorised Share Capital		300,000	300,000
Paid-up share capital		203,039	184,581
Retained earnings		2,827,280	3,869,401
Reserves		133,088	133,088
Total Equity		3,163,407	4,187,070
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		46,135	52,768
Provision for unearned premium		48,617	59,914
Commission income unearned		3,967	3,351
Total Underwriting Provision		98,719	116,033
Deferred Liabilities			
Staff Retirement Benefits		895	845
Creditors and Accruals			
Amounts due to other insurers/reinsurers		35,038	21,862
Accrued Expenses		1,482	2,833
Other Creditors and Accruals	6	6,437	5,430
		42,957	30,125
Other liabilities			
Unclaimed dividend		7,824	9,607
TOTAL LIABILITIES		150,395	156,610
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	7	3,313,802	4,343,680

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive and Principal Officer

BALANCE SHEET (UN-AUDITED)
As at June 30, 2009

	Note	30-Jun-09 (Un-Audited)	31-Dec-08 (Audited)
		(Rupees in 000')	
Cash and Bank Deposits			
Cash and other equivalent		417	183
Current and other account		25,460	61,969
Deposits maturing within 12 months		2,621	2,621
		28,498	64,773
Investments	8	3,147,464	4,124,141
Deferred Taxation		574	850
Other Assets			
Premiums due but unpaid		17,326	6,528
Amounts due from other insurers / reinsurers		27,673	10,730
Accrued investment income		825	1,229
Reinsurance recoveries against outstanding claims		23,906	32,528
Taxation - payments less provision		19,670	37,737
Deferred commission expense		230	269
Prepayments - prepaid reinsurance premium ceded		44,136	60,413
Sundry receivables		613	1,295
		134,379	150,729
Fixed Assets			
Tangible and Intangible	9		
Furniture, fixtures and office equipments		861	948
Motor vehicles		1,992	2,212
Intangible - computer software		34	27
		2,887	3,187
TOTAL EQUITY AND LIABILITIES		3,313,802	4,343,680

PROFIT & LOSS ACCOUNT (UN-AUDITED)
For the Period Ended June 30, 2009

		Three months period ended 30 June (Rupees in '000)						
		Fire and property	Marine, aviation and transport	Motor	Others	Treaty	Aggregate 2009	Aggregate 2008
Revenue account	Note							
Net premium revenue		420	795	1,924	(306)	-	2,833	4,412
Net claims		(151)	(257)	(1,226)	14	-	(1,620)	(1,947)
Expenses		(1,059)	(1,065)	(284)	(1,415)	-	(3,823)	(2,549)
Net commission		1,741	1,035	46	984	-	3,806	3,963
Underwriting result		<u>951</u>	<u>508</u>	<u>460</u>	<u>(723)</u>	<u>-</u>	<u>1,196</u>	<u>3,879</u>
Investment income							(468,617)	5,726
Other income							1,447	504
General and administration expenses							(3,535)	(1,687)
							<u>(470,705)</u>	<u>4,543</u>
(Loss)/Profit before tax							(469,509)	8,422
Provision for taxation	10						(1,481)	(995)
(Loss)/Profit after tax							<u>(470,990)</u>	<u>7,427</u>
Other comprehensive income							-	-
Total Comprehensive income for the period							<u>(470,990)</u>	<u>7,427</u>

		Six months period ended 30 June (Rupees in '000)						
		Fire and property	Marine, aviation and transport	Motor	Others	Treaty	Aggregate 2009	Aggregate 2008
Revenue Account								
Net premium revenue		591	1,351	4,185	(20)	-	6,107	9,409
Net claims		(149)	(754)	(1,553)	(301)	-	(2,757)	(3,306)
Expenses		(1,867)	(1,385)	(903)	(1,867)	-	(6,022)	(4,028)
Net commission		4,784	1,599	59	1,701	-	8,143	6,865
Underwriting result		<u>3,359</u>	<u>811</u>	<u>1,788</u>	<u>(487)</u>	<u>-</u>	<u>5,471</u>	<u>8,940</u>
Investment income							(1,004,594)	50,626
Other income							3,678	1,561
General and administration expenses							(5,984)	(4,379)
							<u>(1,006,900)</u>	<u>47,808</u>
(Loss) / Profit before tax							(1,001,429)	56,748
Provision for taxation	10						(3,776)	(4,992)
(Loss) / Profit after tax							<u>(1,005,205)</u>	<u>51,756</u>
Other comprehensive income							-	-
Total Comprehensive income for the period							<u>(1,005,205)</u>	<u>51,756</u>
Profit and loss appropriation account								
Balance at commencement of the six months							3,869,401	3,842,474
Issue of bonus shares @ 10% (2007: 20%)							(18,458)	(27,967)
Final dividend for the year ended 31 December 2008 at Rs. 1 per share (2007: Rs. 2 per share)							(18,458)	(27,967)
							<u>(36,916)</u>	<u>(55,934)</u>
Total Comprehensive income for the period							<u>(1,005,205)</u>	<u>51,756</u>
Balance of unappropriated profit at end of the six months							<u>2,827,280</u>	<u>3,838,296</u>
Earnings per share								Restated
(Loss) / earnings per share (Rupees)	13						<u>(49.51)</u>	<u>2.55</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

The details of valuation of investments, impairment and impact on profit and loss account are given in note 8.

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive and Principal Officer

Aziz Moon
Director

Shahid Hamid Pracha
Director

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the Period Ended June 30, 2009

	Share Capital		Capital Reserves			Revenue Reserve		Total
	Issued, Subscribed and paid-up	Reserve for exceptional losses	Reserve for bonus shares	Capital gain reserve	General Reserve	Retained earnings		
Balance as at 1 January 2008	139,834	10,535	-	2,553	120,000	3,842,474	4,115,396	
Changes in equity for the six months period ended 30 June 2008								
Final dividend for the year ended 31 December 2007 of Rs. 2 per share	-	-	-	-	-	(27,967)	(27,967)	
Issue of bonus share @ 20%	27,967	-	-	-	-	(27,967)		
Total comprehensive income for the six months ended 30 June 2008	-	-	-	-	-	51,756	51,756	
Balance as at 30 June 2008	167,801	10,535	-	2,553	120,000	3,838,296	4,139,185	
Changes in equity for the six months period ended 31 December 2008								
Issue of bonus share @ 10%	16,780	-	-	-	-	(16,780)	-	
1st Interim dividend of Re 1 per share	-	-	-	-	-	(16,780)	(16,780)	
Total comprehensive income for the six months ended 31 December 2008	-	-	-	-	-	64,665	64,665	
Balance as at 31 December 2008	184,581	10,535	-	2,553	120,000	3,869,401	4,187,070	
Changes in equity for the six months period ended 30 June 2009								
Final dividend for the year ended 31 December 2008 of Re 1 per share	-	-	-	-	-	(18,458)	(18,458)	
Issue of bonus shares @ 10%	18,458	-	-	-	-	(18,458)	-	
Total comprehensive income for the six months ended 30 June 2009	-	-	-	-	-	(1,005,205)	(1,005,205)	
Balance as at 30 June 2009	203,039	10,535	-	2,553	120,000	2,827,280	3,163,407	

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive and Principal Officer

Aziz Moon
Director

Shahid Hamid Pracha
Director

STATEMENT OF CASH FLOWS (UN-AUDITED)
For the Period Ended June 30, 2009

Operating activities	30 June 2009	30 June 2008
	(Rupees in '000)	
(a) Underwriting activities		
Premiums received	35,299	63,070
Reinsurance premiums paid	(25,731)	(16,682)
Claims paid	(3,506)	(3,935)
Reinsurance and other recoveries	(14,507)	3,135
Commission paid	(125)	(6,293)
Commission received	10,596	9,440
Other underwriting receipt	204	145
Other underwriting payments (management expenses)	(6,837)	(3,120)
Net cash (outflow)/inflow from underwriting activities	(4,607)	45,760
(b) Other operating activities		
Income tax	14,567	(2,935)
General management expenses paid	(3,330)	(3,049)
Other operating payments	(68)	-
Other operating receipts	1,710	11,956
Net cash inflow from other operating activities	12,879	5,972
Total cash inflow from all operating activities	8,272	51,732
Investment activities		
Profit / return received	3,731	1,574
Dividend received	26,137	27,975
Payments for investments	(743,258)	(635,121)
Proceeds from disposal of investments	689,151	524,205
Fixed capital expenditure	(82)	(1,079)
Proceeds from disposal of fixed assets	15	1,160
Total cash (outflow) from investing activities	(24,306)	(81,286)
Financing activities		
Dividends paid	(20,241)	(45,985)
Total cash (outflow) from financing activities	(20,241)	(45,985)
Net cash (outflow) from all activities	(36,275)	(75,539)
Cash and cash equivalent at beginning of the period	64,773	97,520
Cash and cash equivalent at end of the period	28,498	21,981

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive and Principal Officer

STATEMENT OF CASH FLOWS (UN-AUDITED)
For the Period Ended June 30, 2009

	30 June 2009	30 June 2008
	(Rupees in '000)	
Reconciliation to profit and loss account		
Operating cash flows	8,272	51,732
Depreciation expense	(366)	(675)
(Loss) / profit on disposal of fixed assets	(1)	-
(Decrease) in assets other than cash	(16,350)	(21,754)
(Increase) in liabilities other than running finance	4,432	(27,651)
	(4,013)	1,652
Others		
Investment and other income	(1,000,916)	52,246
Deferred taxation	(276)	(2,142)
(Loss) / profit after taxation	(1,005,205)	51,756
Definition of cash		
Cash in hand and at banks, stamps in hand and short term deposits with banks. Cash for the purposes of the Statement of Cash Flows consists of :		
Cash and Other Equivalents		
Cash in hand	16	25
Stamps in hand	401	74
	417	99
Current and Other Accounts		
Current Accounts	285	285
Profit or loss sharing accounts	25,175	18,987
	25,460	19,272
Deposits maturing within 12 months		
Statutory deposit with State Bank of Pakistan	368	368
Term deposit receipts with bank	2,253	2,242
	2,621	2,610
	28,498	21,981

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

STATEMENT OF PREMIUMS (UN-AUDITED)
For the Period Ended June 30, 2009

	Six months period ended 30 June										(Rupees in '000)	
	Premiums written		Unearned premium reserve		Premiums earned		Re-insurance ceded		Prepaid Re-insurance premium ceded		Re-insurance expense	Net premium revenue
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	2009	2008
Business underwritten inside Pakistan												
Class												
Direct and facultative												
1. Fire and property damage	1,005	18,549	8,852	10,702	945	18,107	8,770	10,282	420	419	420	419
2. Marine, aviation and transport	6,430	8,533	7,332	7,631	6,032	7,931	7,127	6,836	795	867	795	867
3. Motor	865	6,404	4,477	2,792	938	279	349	868	1,924	2,381	1,924	2,381
4. Miscellaneous	10,263	29,187	27,956	11,494	10,590	29,100	27,890	11,800	(306)	745	(306)	745
Total	18,563	62,673	48,617	32,619	18,505	55,417	44,136	29,786	2,833	4,412	2,833	4,412
5. Proportional / non-proportional	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	18,563	62,673	48,617	32,619	18,505	55,417	44,136	29,786	2,833	4,412	2,833	4,412

Six months period ended 30 June

	Six months period ended 30 June										(Rupees in '000)	
	Premiums written		Unearned premium reserve		Premiums earned		Re-insurance ceded		Prepaid Re-insurance premium ceded		Re-insurance expense	Net premium revenue
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	2009	2008
Direct and facultative												
Class												
1. Fire and property damage	11,252	17,517	8,852	19,917	10,813	17,283	8,770	19,326	591	1,353	591	1,353
2. Marine, aviation and transport	11,816	8,643	7,332	13,127	10,492	8,411	7,127	11,776	1,351	1,916	1,351	1,916
3. Motor	7,624	2,074	4,477	5,221	1,014	371	349	1,036	4,185	4,960	4,185	4,960
4. Miscellaneous	15,930	31,679	27,956	19,653	15,946	31,617	27,890	19,673	(20)	1,180	(20)	1,180
Total	46,622	59,913	48,617	57,918	38,265	57,682	44,136	51,811	6,107	9,409	6,107	9,409
5. Proportional / non-proportional	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	46,622	59,913	48,617	57,918	38,265	57,682	44,136	51,811	6,107	9,409	6,107	9,409

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive and Principal Officer

Aziz Moon
Director

Shahid Hamid Pracha
Director

STATEMENT OF CLAIMS (UN-AUDITED)
For the Period Ended June 30, 2009

Class	Three months period ended 30 June										(Rupees in 000')	
	Claims paid	Outstanding Claims		Reinsurance and other recoveries received	Reinsurance recoveries in respect of outstanding claims		Re-insurance and other recoveries	Closing	Re-insurance and other recoveries	revenue	Net Claims expense 2009	Net Claims expense 2008
		Opening	Closing		Opening	Closing						
1. Fire and Property Damage	-	24,535	25,075	1	15,569	15,957	389			151	335	
2. Marine, Aviation and Transport	(9)	5,519	8,163	48	1,365	3,695	2,378			257	130	
3. Motor	419	9,475	10,278	-	2,957	2,953	(4)			1,226	1,378	
4. Miscellaneous	64	2,621	2,619	119	1,344	1,301	76			(14)	104	
Total	474	42,150	46,135	168	21,235	23,906	2,839			1,620	1,947	
5. Proportional / non proportional	-	-	-	-	-	-	-			-	-	
Grand Total	474	42,150	46,135	168	21,235	23,906	2,839			1,620	1,947	

Six months period ended 30 June

Class	Six months period ended 30 June										(Rupees in 000')	
	Claims paid	Outstanding Claims		Reinsurance and other recoveries received	Reinsurance recoveries in respect of outstanding claims		Re-insurance and other recoveries	Closing	Re-insurance and other recoveries	revenue	Net Claims expense 2009	Net Claims expense 2008
		Opening	Closing		Opening	Closing						
1. Fire and Property Damage	2,247	35,786	25,075	(8,464)	2,244	26,814	15,957	(8,613)		149	327	
2. Marine, Aviation and Transport	382	5,090	8,163	3,455	373	1,367	3,695	2,701		754	1,029	
3. Motor	725	9,454	10,278	1,549	-	2,957	2,953	(4)		1,553	1,765	
4. Miscellaneous	152	2,438	2,619	333	121	1,390	1,301	32		301	185	
Total	3,506	52,768	46,135	(3,127)	2,738	32,528	23,906	(5,884)		2,757	3,306	
5. Proportional / non proportional	-	-	-	-	-	-	-	-		-	-	
Grand Total	3,506	52,768	46,135	(3,127)	2,738	32,528	23,906	(5,884)		2,757	3,306	

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive and Principal Officer

Aziz Moon
Director

Shahid Hamid Pracha
Director

2nd Quarter (January - June 2009)

STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
For the Period Ended June 30, 2009

	Three months period ended June 30		Six months period ended June 30	
	2009	2008	2009	2008
	(Rupees in '000)			
Income from non-trading investments Held-to-maturity				
Return on Government Securities	856	-	856	-
Available-for-sale				
Dividend income	-	-	20,275	24,700
- Related parties	2,147	2,784	4,937	3,382
- Others	2,147	2,784	25,212	28,082
(Loss) / Gain on sale of available-for-sale investments	(86,688)	17,294	(184,343)	37,278
Provision for impairment in the value of available-for-sale investments	(384,181)	(14,322)	(845,196)	(14,322)
Less: Investment related expenses	(751)	(30)	(1,123)	(412)
Net investment income	(468,617)	5,726	(1,004,594)	50,626

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive and Principal Officer

Aziz Moon
Director

Shahid Hamid Pracha
Director

NOTES TO THE ACCOUNTS (UN-AUDITED) For the Period Ended June 30, 2009

1. Status and Nature Of Business

Central Insurance Company Limited – a Dawood Group Company (the company) is a public limited company incorporated in Pakistan on 23 April, 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984). The company is listed on the Karachi and Lahore Stock Exchanges and is engaged in general insurance services in the sphere of fire, marine, motor and miscellaneous.

The registered office of the company is situated at Dawood Centre, Molvi Tamizuddin Khan Road, Karachi.

2. Basis for Presentation

These condensed interim financial statements are unaudited and are being submitted to shareholders as required under section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges. These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan and in the format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003.

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

These financial statements have been presented in Pakistan rupee, which is also the Company's functional currency and rounded to the nearest thousand rupees.

3. Accounting Policies

The accounting policies adopted in the preparation of the condensed interim financial statements are the same as those applied in the preparation of the financial statements of the company for the year ended 31 December 2008.

International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' became effective for financial periods beginning on or after 1 January 2009 and has resulted in increased disclosures.

IFRS 4- Insurance Contracts, became effective for the period beginning on or after 1st January 2009. However Securities and Exchange Commission Of Pakistan through its circular no. 22/2009 dated 30 June 2009 has deferred the applicability of certain requirements of IFRS 4 for the purpose of the quarterly accounts for 1st, 2nd and 3rd quarters of the year 2009. Other related requirement of IFRS-4 have no impact on these condensed interim financial statements.

4. SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim financial statements 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 expenses. Actual results may differ from these estimates.

The significant judgments made by management and the key sources of estimating uncertainty in preparation of these condensed interim financial statements were same as those applied to the annual financial statements for the year ended 31 December 2008.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended 31 December 2008.

6. OTHER CREDITORS AND ACCRUALS

	30-Jun-09	31-Dec-08
	Unaudit	Audited
	(Rupees in '000)	
Commission payable	3,417	2,386
Trustees employees provident fund	31	31
Withholding tax payable	1	-
Workers' welfare fund	2,727	2,727
Sundry creditors	39	39
Premium refundable to policy holders	222	247
	<u>6,437</u>	<u>5,430</u>

7. CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments remained unchanged as disclosed in the financial statements for the year ended 31 December 2008.

8. INVESTMENTS

		30-Jun-09	31-Dec-08
		Unaudit	Audited
		(Rupees in '000)	
Held-to-maturity	8.1	18,600	15,825
Available-for-sale	8.2	3,128,864	4,108,316
		<u>3,147,464</u>	<u>4,124,141</u>

8.1 Market value as at 30 June 2009 of Pakistan Investment Bond is 19.068 million (2008: Rs.16.162 million). The market value has been determined on the basis of quotations obtained from the reputable brokers, PIB has been placed with State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2002.

8.2 The change in available-for-sale investments during the six months period ended are as follows:

	30-Jun-09 (Rupees in '000)
Book value as of 01 January	4,108,316
Investment made	740,440
Investment sold	(874,696)
Provision for impairment	(845,196)
Book value as of 30 June	<u>3,128,864</u>
Market value as of 30 June	<u>2,340,531</u>

Under SECP circular no.3/2009 dated 16 February, 2009 where the market value of any available for sale investment as at 31 December 2008 is less than cost, the fall in value may be treated as temporary and the investment valued at cost. However, if the fall in value of available for sale investments is considered as temporary, then twenty five percent of the said fall in the value of above investments, after any adjustment/effect for price movements, is required to be taken to the Profit and Loss account on a quarterly basis during the calendar year ending on 31 December 2009.

During six months period ended 30 June 2009 the company has charged Rs. 845.196 million to profit and loss account. Had full impairment loss been recognized it would have had following effect on these financial statements.

	30-Jun-09 (Rupees in '000)
Increase in 'impairment loss ' in profit and loss account	<u>797,006</u>
Increase in loss for the period	<u>797,006</u>
Increase in loss per share	<u>39.25</u>
Decrease in un-appropriated profit	<u>797,006</u>

9. FIXED ASSETS

Details of the additions and disposals during the period are as follows:

	30-Jun-09 (Rupees in '000)	
	Cost of Additions	Carrying value of disposals
Tangible		
Office equipment	60	20
Intangible	22	-
	<u>82</u>	<u>20</u>

10. TAXATION

	Three months period ended		Six months period ended	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	----- (Rupees in '000) -----			
Taxation -current	1,150	250	3,500	2,850
-deferred	331	745	276	2,142
	<u>1,481</u>	<u>995</u>	<u>3,776</u>	<u>4,992</u>

11. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise related group companies, entities under common control, major shareholders, directors, key management personnel and staff provident fund.

Material transactions with related parties are given below:

	Three months period ended		Six months period ended	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	----- (Rupees in '000) -----			
Premiums underwritten	16,449	19,361	35,908	55,393
Premiums collected	19,960	75,183	31,273	89,469
Claims paid	3,004	782	3,004	798
Rent paid	699	542	1,398	1,084
Dividend received	-	1,542	20,275	24,693
Dividend paid	12,809	11,534	12,809	11,534
Bonus shares received	-	494	-	494
Bonus shares issued	12,809	1,282	12,809	1,282
Investment made	154,003	132,718	154,003	132,718
Investment sold	88,083	-	125,534	84,578
Contribution to Provident Fund	11.1 <u>44</u>	<u>35</u>	<u>88</u>	<u>68</u>

Key Management Personnel

Dividends paid		652	905	652	905
Bonus shares issued		653	102	653	102
Remuneration	11.2	836	734	1,671	1,468
Premiums underwritten		59	-	59	-
Premiums collected		59	-	59	-

Balances with related parties are as follows:

Premium due but unpaid

	Six months period ended	
	30-Jun-09	30-Jun-08
----- (Rupees in '000) -----		
Dawood Corporation (Private) Limited	190	-
Dawood Foundation	38	-
Dawood Lawrencepur Limited	55	829
Dawood Hercules Chemicals Limited	16,038	11,457
Sach International Limited	212	-
Pakistan Refinery Limited	19	253
Karachi Education Initiative	2	-
Inbox Technology Limited	762	684
Tenaga Generasi Limited	7	-
Pebbles (Private) Limited	3	-

- 11.1** Contribution to the provident fund is in accordance Company's staff services rules.
- 11.2** Remuneration to the key management personnel are in accordance with the terms of their employment.
- 11.3** Other transactions with the related parties are in accordance with the agreed terms.

12. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of Insurance Ordinance,2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets, liabilities as at 30 June 2009 and December 2008, unallocated capital expenditures and non-cash expenses during the period.

	FIRE & PROPERTY DAMAGE		MARINE, AVIATION & TRANSPORT		MOTOR		MISCELLANEOUS		TOTAL	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(Rupees in thousand)									
Segment assets	48,722	55,848	28,630	30,409	14,852	56,874	53,065	36,592	145,269	179,723
Unallocated corporate assets									3,168,533	4,163,957
Consolidated corporate assets									3,313,802	4,343,680
Segment liabilities	48,566	58,834	26,497	21,602	21,354	30,142	46,154	36,425	142,571	147,003
Unallocated corporate liabilities									7,824	9,607
Consolidated corporate liabilities									150,395	156,610
Capital expenditure	25	163	19	289	12	753	26	50	82	1,255
Depreciation / amortization	113	154	84	273	55	712	113	47	366	1,186

13. (LOSS) / EARNINGS PER SHARE

	30-Jun-09	30-Jun-08
	(Rupees in '000)	
(Loss) / Profit after tax for the period	(1,005,205)	51,756
	(Number of shares)	
Weighted average number of ordinary shares outstanding as at the period end	20,303,973	20,303,973
	(Rupees)	
	(Restated)	
(Loss) / earnings per share	(49.51)	2.55

No figure for diluted earnings per share has been presented as the company has not issued any instrument which would have an impact on earnings per share when exercised.

The numbers of shares for the prior period have also been adjusted for the effect of bonus shares issued during the current period.

14. GENERAL

14.1 Subsequent Event Non-Adjusting

The Board of directors in their meeting held on 30 July 2009 have recommended a cash dividend of Rs. 1 per share for the six months period ended 30 June 2009 (2008: cash dividend of Re. 1 per share and bonus shares in the proportion of .1 share for every 10 shares held, for the six months period ended 30 June 2008). These condensed interim financial statements do not include the effect of these appropriations.

14.2 Authorisation for issue

These condensed interim financial statements were authorised for issue on 30 July 2009 by the Board of Directors of the company.