

Quarterly Accounts
(Un-Audited)
for the Half Year Ended
June 30, 2008

Contents

Company Information	3
Directors' Report	4
Auditor's Report	5
Balance Sheet	6
Profit and Loss Account	8
Statement of Changes in Equity.....	10
Statement of Cash Flow	11
Statement of Premiums	13
Statement of Claims	14
Statement of Expenses	15
Statement of Investment Income	16
Notes to the Accounts	17

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;
- 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 ("the Company") as at 30 June 2008 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 2008 and 30 June 2007 in the condensed interim profit and loss account, 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
August 21, 2008

KPMG Taseer Hadi & Co.
Chartered Accountants

Company Information

BOARD OF DIRECTORS

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

BOARD AUDIT COMMITTEE

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

COMPANY SECRETARY & CFO

Ghulam Haider

EXECUTIVES AT HEAD OFFICE

Tariq Mahmood 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

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, 2008.

The gross written premium has been recorded at Rs. 59.65 million against Rs. 38.74 million for the corresponding period in the previous year. The underwriting profitability has gone up to Rs. 8.94 million against Rs. 2.88 million for the same period last year.

After taking into consideration a provision of Rs. 14.32 million made against decline in value of available for sale investments on account of certain stocks, the investment income has increased to 50.63 million as against Rs. 39.93 million recorded in the corresponding period of last year.

The profit after tax has worked out to Rs. 51.76 million as against Rs. 39.58 million for the corresponding period of last year. Earnings per share have accordingly gone up to Rs. 3.08 as against Rs. 2.36 recorded last year.

Political uncertainty and the current macro economic outlook has impacted negatively on the capital markets. However, we remain hopeful that the Government will be able to bring stability to the economy leading to a recovery in the value of equity market assets of the insurance industry as a whole. The Board remains focused on risk management in this area of operations in the interest of retaining shareholder value.

On behalf of the Board

Karachi:
August 21, 2008

Viquar Siddiqui
(Chief Executive)

BALANCE SHEET (UN-AUDITED)
As at June 30, 2008

	Note	30-Jun-08 (Un-Audited)	31-Dec-07 (Audited)
(Rupees in 000')			
Share Capital and Reserves			
Authorised Share Capital		300,000	150,000
Paid-up share capital		167,801	139,834
Retained earnings		3,838,296	3,842,474
Reserves		133,088	133,088
		4,139,185	4,115,396
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		40,709	41,021
Provision for unearned premium		66,368	70,993
Commission income unearned		5,876	5,958
Total Underwriting Provision		112,953	117,972
Deferred Liabilities			
Staff Retirement Benefits		835	780
Creditors and Accruals			
Premium received in advance		68	13
Amounts due to other insurers/reinsurers		51,870	28,272
Accrued Expenses		3,415	2,100
Other Creditors and Accruals (describe)	6	19,491	11,844
		74,844	42,229
Other liabilities			
Unclaimed dividend		9,337	27,355
TOTAL LIABILITIES		197,969	188,336
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		4,337,154	4,303,732

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, 2008

	Note	30-Jun-08 (Un-Audited)	31-Dec-07 (Audited)
(Rupees in 000')			
Cash and Bank Deposits			
Cash and other equivalent		99	17
Current and other accounts		19,273	94,882
Deposits maturing within 12 months		2,609	2,621
		21,981	97,520
Investments	8	4,150,935	4,017,496
Deferred taxation		8,356	10,498
Other Assets			
Premiums due but unpaid		13,460	17,006
Amounts due from other insurers/reinsurers		18,213	29,464
Accrued investment income		1,356	1,437
Reinsurance recoveries against outstanding claims		17,977	20,795
Taxation payments less provision		35,071	34,986
Deferred commission expense		445	861
Prepayments - Prepaid reinsurance premium ceded		62,853	66,933
Sundry receivables		2,986	2,633
		152,361	174,115
Fixed Assets			
Tangible and intangible	9		
Furniture, Fixtures and Office Equipment		920	1,015
Motor Vehicles		2,479	2,625
Intangible - Computer Software		122	463
		3,521	4,103
TOTAL ASSETS		4,337,154	4,303,732

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

Aziz Moon
Director

Aleem A. Dani
Director

**PROFIT & LOSS ACCOUNT (UN-AUDITED)
For the Period Ended June 30, 2008**

	Three Months Period Ended				Aggregate 2008	Aggregate 2007
	Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous Treaty		
	Rupees in '000'					
Revenue Account						
Net Premium Revenue	419	867	2,381	745	4,412	4,593
Net Claims	(335)	(130)	(1,378)	(104)	(1,947)	(2,082)
Expenses	(788)	(897)	(115)	(749)	(2,549)	(1,594)
Net Commission	1,946	1,503	12	502	3,963	141
Underwriting Result	1,242	1,343	900	394	3,879	1,058
Investment Income					5,726	985
Other Income					504	3,433
General and administration expenses					(1,687)	(3,975)
					4,543	443
Profit before tax					8,422	1,501
Provision for taxation					995	1,594
Profit / (loss) after tax					7,427	(93)

Note

Profit before tax
Provision for taxation
Profit / (loss) after tax

10

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

Aleem A. Dani
Director

PROFIT & LOSS ACCOUNT (UN-AUDITED)
For the Period Ended June 30, 2008
 Six months period ended 30 June

Revenue Account	Note	Rupees in thousands				Aggregate	Aggregate
		Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	2008
Net premium revenue		1,353	1,916	4,960	1,180	-	10,370
Net claims		(327)	(1,029)	(1,765)	(185)	-	(4,059)
Expenses		(1,128)	(1,370)	(322)	(1,208)	-	(4,213)
Net commission		3,014	2,843	17	991	-	781
Underwriting result		<u>2,912</u>	<u>2,360</u>	<u>2,890</u>	<u>778</u>	<u>-</u>	<u>2,879</u>
Investment income							39,925
Other income							6,368
General and administration expenses							(5,102)
Profit before tax							41,191
Provision for taxation	10						44,070
Profit after tax							4,494
Profit and loss appropriation account							<u>39,576</u>
Balance at commencement of the six months							1,185,384
Issue of bonus shares @ 20% (2007: Nil)							-
Final dividend for the year ended 31 December 2007 at Rs. 2 per share (2006: Rs. 3.5 per share)							(48,942)
Profit after tax							(48,942)
Balance unappropriated profit at the end of the six months							39,576
Earnings per share	13						<u>1,176,018</u>
							Restated
							<u>2.36</u>

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

Aleem A. Dani
 Director

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the Period Ended June 30, 2008

	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	Unappropriated Profit		
Balance as at January 01, 2007	139,834	10,535	-	2,553	120,000	1,185,384	1,458,306	
Changes in equity for the six month period ended June 30, 2007								
Final dividend for the year ended Dec 31, 2006	-	-	-	-	-	(48,942)	(48,942)	
Profit for six months ended 30 June 2007	-	-	-	-	-	39,576	39,576	
Balance as at 30 June 2007	139,834	10,535	-	2,553	120,000	1,176,018	1,448,940	
Changes in equity for the six month period ended December 31, 2007								
1st Interim Dividend Rs. 1.50 per share	-	-	-	-	-	(20,975)	(20,975)	
2nd Interim Dividend at Rs. 1.50 per share	-	-	-	-	-	(20,975)	(20,975)	
Profit for six month period ended December 31, 2007	-	-	-	-	-	2,708,406	2,708,406	
Balance as at December 31, 2007	139,834	10,535	-	2,553	120,000	3,842,474	4,115,396	
Changes in equity for the six months period ended June 30, 2008								
Final dividend for the year ended December 31, 2007	-	-	-	-	-	(27,967)	(27,967)	
Issue of bonus share	27,967	-	-	-	-	(27,967)	-	
Profit for six months period ended June 30, 2008	-	-	-	-	-	51,756	51,756	
Balance as at June 30, 2008	167,801	10,535	-	2,553	120,000	3,838,296	4,139,185	

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

Aleem A. Dani
Director

STATEMENT OF CASH FLOWS (UN-AUDITED)
For the Period Ended June 30, 2008

Operating Cash Flows	30-Jun-08	30-Jun-07
	(Rupees in 000')	
(a) Underwriting activities		
Premiums received	63,070	28,533
Re-insurance premiums paid	(16,682)	(13,715)
Claims paid	(3,935)	(6,525)
Re-insurance and other recoveries received	3,135	3,319
Commission paid	(6,293)	(1,700)
Commission received	9,440	7,142
Other underwriting receipts	145	221
Net cash flow from underwriting activities	48,880	17,275
(b) Other operating activities		
Income tax paid	(2,935)	(2,137)
General management expenses paid	(3,120)	(4,637)
Other operating payments	(3,049)	(13,334)
Other operating receipts	11,956	229
Advances paid	-	(1,173)
Net cash flow from other operating activities	2,852	(21,052)
Total cash flow from all operating activities	51,732	(3,777)
Investment activities		
Profit / Return received	1,574	5,801
Dividend received	27,975	30,587
Payments for investments	(635,121)	(77,765)
Proceeds from disposal of investments	524,205	49,450
Fixed capital expenditure	(1,079)	(67)
Proceeds from disposal of fixed assets	1,160	-
Total cash (outflow) / inflow from investing activities	(81,286)	8,006
Financing activities		
Dividends paid	(45,985)	(48,136)
Total cash flow from financing activities	(45,985)	(48,136)
Net cash inflow from all activities	(75,539)	(43,907)
Cash and cash equivalent at the beginning of the year	97,520	307,548
Cash and cash equivalent at the end of the period	21,981	263,641

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive and Principal officer

	30-June-08	30-June-07
	(Rupees in '000)	
Reconciliation to profit and loss account		
Operating cash flows	51,732	(3,777)
Depreciation expense	(675)	(684)
(Decrease)/Increase in assets other than cash	(21,754)	261
(increase) in liabilities other than running finance	(27,651)	(1,124)
	1,652	(5,324)
Others		
Investment and other income	52,246	46,294
Deferred taxation	(2,142)	(1,394)
Profit after taxation	51,756	39,576

Definition of cash

Cash comprises of cash in hand, policy stamps, bond papers, cheques in hand, bank balances and other deposits which are readily convertible to cash in hand 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 BANK DEPOSITS

Cash and other equivalents		
Cash in hand	25	57
Stamps in hand	74	472
	99	529
Current and Other Accounts		
Current Accounts	285	288
Profit or loss sharing Accounts	18,987	140,216
	19,272	140,504
Deposits maturing within 12 months		
Statutory deposit with State Bank of Pakistan	368	368
Term deposit receipts with bank	2,242	122,240
	2,610	122,608
	21,981	263,641

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

Aziz Moon
Director

Aleem A. Dani
Director

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)

For the Six Months Ended June 30, 2008

(Rupees in '000)

Three months ended 30 June

Business underwritten inside Pakistan

Class	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		2008	2007
Direct and facultative											
1. Fire and property damage	10,846	14,930	14,984	10,792	10,481	14,543	14,651	10,373	419	1,181	
2. Marine, aviation and transport	10,353	17,950	13,820	14,483	9,674	17,487	13,545	13,616	867	635	
3. Motor	1,239	5,398	3,538	3,099	600	173	55	718	2,381	2,381	
4. Miscellaneous	295	40,198	34,026	6,467	455	39,869	34,602	5,722	745	396	
Total	22,733	78,476	66,368	34,841	21,210	72,072	62,853	30,429	4,412	4,593	

Treaty 5. Proportional / non Proportional

Grand Total

	22,733	78,476	66,368	34,841	21,210	72,072	62,853	30,429	4,412	4,593
--	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------

Six months ended 30 June

Class	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		2008	2007
Direct and facultative											
1. Fire and property damage	19,279	15,873	14,984	20,168	18,042	15,424	14,651	18,815	1,353	2,904	
2. Marine, aviation and transport	22,300	16,893	13,820	25,373	20,752	16,250	13,545	23,457	1,916	1,363	
3. Motor	6,547	2,787	3,538	5,796	600	291	55	836	4,960	5,312	
4. Miscellaneous	11,520	35,440	34,026	12,934	11,388	34,968	34,602	11,754	1,180	791	
Total	59,646	70,993	66,368	64,271	50,782	66,933	62,853	54,862	9,409	10,370	
Treaty 5. Proportional / non Proportional	-	-	-	-	-	-	-	-	-	-	
Grand Total	59,646	70,993	66,368	64,271	50,782	66,933	62,853	54,862	9,409	10,370	

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

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive & Principal Officer

Aziz Moon
Director

Aleem A. Dani
Director

CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)

For the Six Months Ended June 30, 2008

Three months ended 30 June

(Rupees in '000)

Class	Commissions paid or payable	Opening deferred Commission	Closing deferred Commission	Net Commission Expense	Other Management Expenses	Underwriting Expense	Commissions from insurers	Net Underwriting Expense	
								2008	2007
Business underwritten inside Pakistan									
Direct and facultative									
1. Fire and property damage	(52)	221	120	49	788	837	1,995	(1,158)	1,134
2. Marine, aviation and transport	1,213	441	290	1,364	897	2,261	2,867	(606)	76
3. Motor	-	5	-	5	115	120	17	103	842
4. Miscellaneous	52	37	35	54	749	803	556	247	(599)
Total	1,213	704	445	1,472	2,549	4,021	5,435	(1,414)	1,453
Treaty 5. Proportional / non Proportional	-	-	-	-	-	-	-	-	-
Grand Total	1,213	704	445	1,472	2,549	4,021	5,435	(1,414)	1,453

Class	Commissions paid or payable	Opening Deferred Commission	Closing Deferred Commission	Net Commission Expense	Other Management Expenses	Underwriting Expense	Commissions from insurers	Net Underwriting Expense	
								2008	2007
Six months ended 30 June									
Direct and facultative									
1. Fire and property damage	67	363	120	310	1,128	1,438	3,324	(1,886)	2,808
2. Marine, aviation and transport	2,122	431	290	2,263	1,370	3,633	5,106	(1,473)	(758)
3. Motor	-	16	-	16	322	338	33	305	1,259
4. Miscellaneous	52	51	35	68	1,208	1,276	1,059	217	123
Total	2,241	861	445	2,657	4,028	6,685	9,522	(2,837)	3,432
Treaty 5. Proportional / non Proportional	-	-	-	-	-	-	-	-	-
Grand Total	2,241	861	445	2,657	4,028	6,685	9,522	(2,837)	3,432

* Commission from reinsurers is arrived at after taking the impact of the opening and closing balances of unearned commission. The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive & Principal Officer

Aziz Moon
Director

Aleem A. Dani
Director

**STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
For the Period Ended June 30, 2008**

	Three months period ended June 30		Six months period ended June 30	
	2008	2007	2008	2007
Income from Non-Trading Investments				
Held to Maturity				
Return on Government Securities	-	3	-	3
Available for sale				
Dividend Income	-	-	24,700	29,456
- Related parties	2,784	1,131	3,382	1,131
- Others	2,784	1,131	28,082	30,587
Gain on Sale of available for Sale Investments	17,294	25	37,278	9,509
Provision for impairment in the value of available for sale investment	(14,322)	-	(14,322)	-
Less: Investment related expenses	(30)	(174)	(412)	(174)
Net Investment Income	5,726	985	50,626	39,925

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

Aleem A. Daini
Director

NOTES TO THE ACCOUNTS (UN-AUDITED)
For the Period Ended June 30, 2008

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 OF 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 2007.

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

All accounting policies adopted in the preparation of the condensed interim financial statements are the same as applied in preparation of the financial statements of the Company for the year ended December 31, 2007.

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 2007.

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 2007.

6. OTHER CREDITORS AND ACCRUALS

	30-Jun-08	31-Dec-07
	(Rupees in 000')	
Commission payable	18,386	11,320
Federal insurance fee	111	-
Federal excise duty	557	-
Trustees employees provident fund	44	31
Withholding tax payable	-	70
Sundry creditors	129	128
Premium refundable to policy holders	264	295
	<u>19,491</u>	<u>11,844</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 2007.

8. INVESTMENTS

		30-Jun-08	31-Dec-07
		(Rupees in 000')	
Held-to-maturity		41	41
Available-for-sale	8.1	4,150,894	4,017,455
		<u>4,150,935</u>	<u>4,017,496</u>

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

	30-Jun-08
	(Rupees in '000)
Book value as of 01 January	4,017,496
Investment made	635,098
Investment sold	(487,378)
Provision for impairment	(14,322)
Book value as of 30 June	<u>4,150,894</u>
Market value as of 30 June	<u>4,511,522</u>

9. FIXED ASSETS

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

	30-Jun-08	
	Cost of Additions	Carrying value of disposals
	(Rupees in '000)	
Tangible:		
Furniture and fixtures	14	-
Office equipment	27	-
Motor vehicles	1,038	985
	<u>1,079</u>	<u>985</u>

10. TAXATION

	Three months period ended		Six months period ended	
	30-Jun-08	30-Jun-07	30-Jun-08	30-Jun-07
	(Rupees in '000)			
Taxation -current	250	200	2,850	3,100
-deferred	745	1,394	2,142	1,394
	<u>995</u>	<u>1,594</u>	<u>4,992</u>	<u>4,494</u>

11. TRANSACTIONS WITH RELATED PARTIES

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

Material transactions with related parties are given below:

		Three months period ended		Six months period ended	
		30-Jun-08	30-Jun-07	30-Jun-08	30-Jun-07
		(Rupees in '000)			
Premiums underwritten		19,361	11,930	55,393	33,139
Premiums collected		<u>75,183</u>	<u>32,888</u>	<u>89,469</u>	<u>69,535</u>
Claims paid		<u>782</u>	<u>3,357</u>	<u>798</u>	<u>4,060</u>
Commission paid		<u>-</u>	<u>947</u>	<u>-</u>	<u>4,254</u>
Rent paid		<u>542</u>	<u>542</u>	<u>1,084</u>	<u>1,084</u>
Dividend received		<u>1,542</u>	<u>-</u>	<u>24,693</u>	<u>29,451</u>
Dividend paid		<u>11,534</u>	<u>40,075</u>	<u>11,534</u>	<u>40,075</u>
Bonus shares received		<u>494</u>	<u>-</u>	<u>494</u>	<u>-</u>
Bonus shares issued		<u>1,282</u>	<u>-</u>	<u>1,282</u>	<u>-</u>
Investment made		<u>132,718</u>	<u>-</u>	<u>132,718</u>	<u>-</u>
Investment sold		<u>-</u>	<u>-</u>	<u>84,578</u>	<u>-</u>
Contribution to Provident Fund	11.1	<u>35</u>	<u>50</u>	<u>68</u>	<u>84</u>
Contribution to Staff Retirement					
Benefits	11.1	<u>43</u>	<u>39</u>	<u>83</u>	<u>79</u>
Key Management Personnel					
Dividends paid		<u>905</u>	<u>17</u>	<u>905</u>	<u>17</u>
Bonus shares issued		<u>102</u>	<u>-</u>	<u>102</u>	<u>-</u>
Remuneration	11.2	<u>734</u>	<u>906</u>	<u>1,468</u>	<u>1,811</u>

Balances with related parties are as follows:

	30-Jun-08	30-Jun-07
	(Rupees in '000)	
Premium due but unpaid		
Dawood Corporation (Private) Limited	<u>-</u>	<u>1,534</u>
Dawood Lawrencepur Limited	<u>829</u>	<u>1,569</u>
Dawood Hercules Chemicals Limited	<u>11,457</u>	<u>12,555</u>
Sach International Limited	<u>-</u>	<u>613</u>
Pakistan Refinery Limited	<u>253</u>	<u>752</u>
Engro Chemicals Pakistan Limited	<u>-</u>	<u>25</u>
Inbox Technology Limited	<u>684</u>	<u>51</u>

- 11.1** Contribution to the provident fund and staff retirement benefits are in accordance Company's staff services.
- 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 condensed interim statement of premiums and condensed interim profit and loss account respectively, prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

13 EARNINGS PER SHARE

	30-Jun-08	30-Jun-07
	(Rupees in '000)	
Profit after tax for the period	51,756	39,576
	(Number of shares)	
Weighted average number of ordinary shares outstanding as at the period end	16,780,144	16,780,144
	(Rupees)	
Earnings per share	3.08	2.36

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

14. SUBSEQUENT EVENT - NON ADJUSTING

The Board of Directors in their meeting held on 21 August 2008 have recommended a cash dividend of Rs. 1 per share (2007: Rs. 1.5 per share for the half year ended 30 June 2007) and bonus shares in the proportion of 1 share for every 10 shares held (2007: Nil for the half year ended 30 June 2007) for the half year ended 30 June 2008, amounting to Rs. 16.78 million (2007: 20.98 million) and Rs.16.78 million (2007: Nil for the half year ended 30 June 2007) respectively. These condensed interim financial statements do not include the effect of these appropriations.

15. AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 21,2008 by the Board of Directors of the company.

A. Samad Dawood
Chairman

Viqar Siddiqui
Chief Executive & Principal Officer

Aziz Moon
Director

Aleem A. Dani
Director