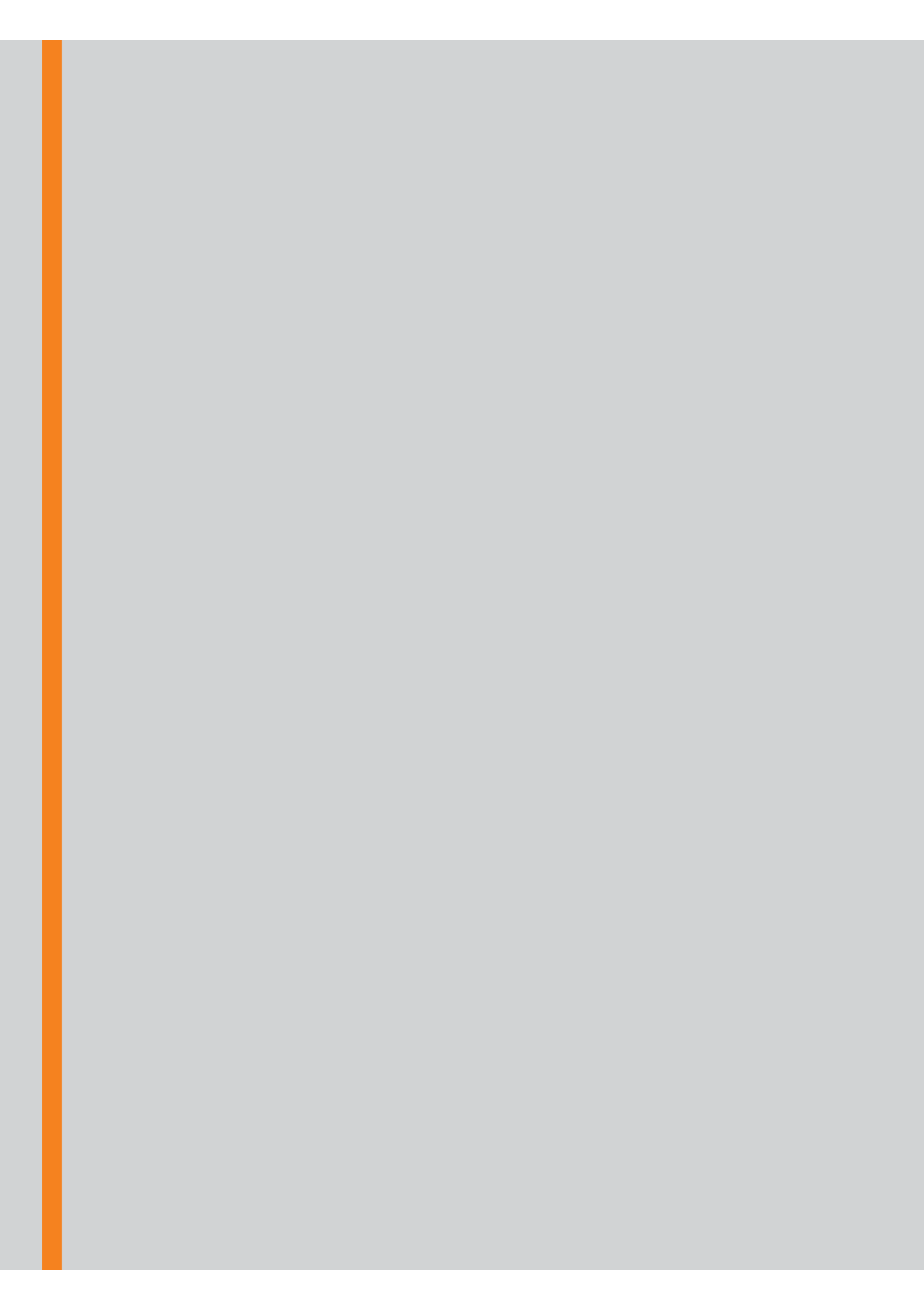


Leadership from strength

Annual Report 2007
Adamjee Insurance Company Limited



Leadership from strength





Leadership from strength



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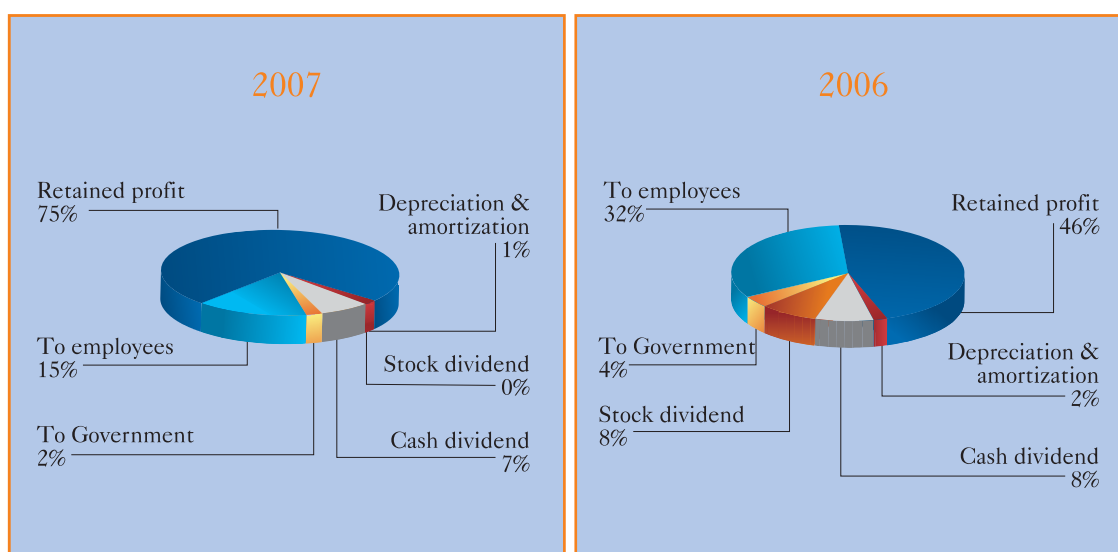
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Financial Highlights

PARTICULARS	2007	2006
	Rupees in Million	
EARNINGS		
Gross Premium	9,379	7,912
Net Premium	5,532	5,280
Underwriting Results	119	482
Investment Income	4,486	1,515
Profit Before Tax	4,285	1,685
Profit After Tax	4,201	1,577
BALANCE SHEET		
Paid Up Capital	1,022	1,022
Equity	7,652	3,788
Investments (Book Value)	8,132	4,503
Investments (Market Value)	11,709	8,062
Cash & Bank	954	883
Total Assets	18,766	11,139
Total Liabilities	11,114	7,351
RETURN		
Return On Average Capital Employed (%)	73.45	50.74
SHARE INFORMATION		
Earning Per Share (Rs.)	41.09	15.42
Break Up Value Per Share (Rs.)	74.84	37.05
No. Of Shares	102.24	102.24
Share Price (Rs.)	358.35	150.50
KSE Index	14,075	10,041
P/E Ratio	8.72	9.76
(*)Dividend Per Share (Rs.)	3.30	4.03
(*)Dividend Yield (%)	0.92	2.70
(*)Dividend Payout Ratio (%)	8.03	26.13
Market Price To Break Up Value	4.79	4.06
(*)Total Dividend Declared-Amount	337.38	411.00
(*)Total Dividend Declared-%	33.00	40.30
OPERATING PERFORMANCE		
Underwriting Results To Net Premium (%)	2.16	9.13
Profit After Tax / Net Premium (%)	75.95	29.86
Investment Income To Net Premium (%)	81.10	28.70
(*)Including Bonus Dividend		

Statement of Value Addition

	2007		2006	
	Rupees in '000	%	Rupees in '000	%
WEALTH GENERATED				
Gross premium	8,101,035		7,364,637	
Investment and other income	4,558,026		1,635,457	
	12,659,061		9,000,094	
Management and other expenses	(7,526,191)		(6,438,220)	
	5,132,870	100.00%	2,561,874	100.00%
WEALTH DISTRIBUTED				
To employees	768,706	14.98%	815,369	31.83%
To government	83,635	1.63%	108,246	4.23%
To share holders				
Cash dividend	337,376	6.57%	214,797	8.38%
Stock dividend			196,209	7.66%
	337,376	6.57%	411,006	16.04%
Retained in business				
Depreciation and amortization	79,279	1.54%	61,758	2.41%
Retained profit	3,863,874	75.28%	1,165,495	45.49%
	3,943,153	76.82%	1,227,253	47.90%
	5,132,870	100.00%	2,561,874	100.00%



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
S. M. Jawed	Director
Shahzad Saleem	Director
Wasif M. Khan	Director
Arif Ijaz	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
Nasreen Rashid	Member

Risk Management Committee

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

Strategic Committee

Umer Mansha	Chairman
Ahmad Alman Aslam	Member
S.M. Jawed	Member
Arif Ijaz	Member
Nasreen Rashid	Member
Muhammad Ali Zeb	Member

Chief Executive Officer

Arif Ijaz, B.E., M.B.A.

Chief Operating Officer

Nasreen Rashid, M.A., A.C.I.I. (London)

Chief Financial Officer & Executive Director

Muhammad Ali Zeb, F.C.A.

Executive Directors

Manzar Mushtaq, B.A.
Riaz Hussain, B.A, B.Sc (Econ), CFI, AIA.
Tinku I. Johnson, B.E, M.B.A.

Secretary

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

Senior General Managers

Capt. Mahmood Sultan, Master Mariner, F.I.C.S (London), F.C.I.I (London),
Chartered Ship Broker, Chartered Insurer
Iqbal Mohammad Choudhry, B.A.
Mian Faisal Usman, M.B.A., A.C.I.I (London)
Shamsul Haque, A.C.I.I (London)

General Managers

Abdul Razak Rahimtullah Bramchari
Edris H.M. Goawla, B.Com., A.C.I.I (London), Chartered Insurer
Farooq Osman Kothawala, B.Com.
Jameel Khan, M.A., L.L.B.
M. Ibrahim Kapadia, M.B.A. (USA), A.C.I.I. (London)
M. Iqbal Vakil, B.Com.
M. Jahangir Chughtai, M.A.
Mudassar Zubair Mirza, ACA, ACMA (UK)
Nadeem Ahmed
Naeem ud Din, M.B.A.
Naim Anwar, B.Com.
Rehan Ahmed Khan, F.C.A.
Satwat Mehmood Butt, M.B.A. (USA)
Syed Basit Hussain, B.Com.
Syed Mohammed Mushir, B.E.
T. A. Abbasi, B.Com.
Zafar Mahmood Awan, M.B.A.

General Managers (Development)

Abdul Rehman Mohammadi, B.Com.
Abdul Aziz Khadeli, B.Com.
Mahmood A. Wahab, B.A.
Mazhar Saleem, B.Com.
Mohammed Ali Wahab, B.Com.
Zersis Rustom Birdie

Auditors

A.F. Ferguson & Co.
Chartered Accountants, Karachi.

Registered Office


Adamjee House
P.O. Box No. 4850
I.I. Chundrigar Road, Karachi
Phone : PABX 2412623
Fax : (92-21) 2412627
E-mail: info@adamjeeinsurance.com
Website: www.adamjeeinsurance.com

Notice of the Forty Seventh Annual General Meeting

NOTICE is hereby given that the forty seventh Annual General Meeting (AGM) of the Company will be held at the auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, G-31/8, Kehkashan, Clifton, Karachi on Wednesday, April 23, 2008 at 10:00 a.m. to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2007 alongwith Directors' and Auditors' reports thereon.
2. To approve the 15% Final Cash Dividend as recommended by the Directors.
3. To appoint auditors and fix their remuneration.
4. To transact any other business with the permission of the Chair.

Karachi: March 28, 2008


By Order of the Board
Tameez-ul-Haque
Secretary

NOTES:

- (a) The Share Transfer Books of the Company will remain closed from Friday, April 18, 2008 to Wednesday, April 23, 2008 (both days inclusive). The members whose names appear in the Register of Members at the close of business on Thursday, April 17, 2008, will qualify for the payment of dividend.
- (b) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote instead of him/her. A corporation or a company being a member of the Company, may appoint any of its officers, though not a member of the Company.
- (c) The Instrument appointing a proxy must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting. A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- (d) CDC shareholders are requested to bring with them their original National Identity Card or original Passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate identification of the respective shareholders.



Vision



Our will is to Explore, Innovate and Differentiate.

Our passion is to provide leadership to the Insurance Industry




Core Values

- 
- Integrity
 - Humility
 - Fun at Work Place
 - Corporate Social Responsibility
-



Quality Policy



The management and employees of Adamjee Insurance demonstrate commitment in satisfying customer needs for managing the risk assessment in General Insurance.

In alignment with satisfaction of customer needs, processes are established to support the vision and values of the company.

We use QMS-9001/2000 as a tool to continually review and improve the effectiveness of our implemented systems. We regularly assess our processes and practices, to build on our relationship with all our stakeholders including customers, shareholders, strategic partners and employees.



Umer Mansha

Completed his education from Babson College, Boston, USA. He is one of the Directors & Chief Executive of Nishat Mills Limited & a member of Pakistan Business Council. Umer Mansha had been the director on the boards of MCB Bank Limited and MCB Asset Management Company Limited.

Ahmad Alman Aslam

Masters in Business Administration from Punjab University, 1975. Program for Management Development at Harvard University, Cambridge MA, 1990.

Over 32 years of banking and investment banking experience of which 28 years with Citibank in Pakistan, Europe, Africa, and USA at various positions including Emerging Markets Corporate Finance Product Head for Citibank, and part of management team integrating Salomon Smith Barney with Citibank in Central and Eastern Europe, Middle East, Africa and India. In 2003 advisor to Emerging Markets Partners Washington (a \$6 billion emerging markets private equity house). Director on the Board of State Bank of Pakistan in 2005. At present Managing Partner of Ahmad Alman Aslam & Associates. Holds board memberships of Oil & Gas Development Company Ltd. Private Power and Infrastructure Board, and IGI Asset Management Company.



Ahmed Ebrahim Hasham

He has been elected as director of Adamjee Insurance Company Limited in 2007. He is a graduate in International Relations (IR) and Economics from Tufts University, USA. He is an active contributor towards Social and Academic Services. He is a member on the board of Usman Institute of Technology, Unicol Limited, PMC (Pvt) Ltd. and Mehran Sugar Mills. In addition, he is also a member of the Executive Committee of the Pakistan Sugar Mills Association.

Board of Directors



Ali Munir

BA degree from Government College Lahore and an LLB degree from the University of Punjab, Lahore. He has over thirty years experience as a Chartered Accountant. He is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Pakistan. He was also a member of Investment Management Regulatory Organization and The Securities Association (now known as the SFA) in England. He joined MCB Bank Ltd. in 1999 and has previously held senior positions at Citibank, Saudi American Bank and Habib Bank Ltd. In 2005 he was awarded the M.A. Mozaffar Memorial Gold Medal from the SBP and Institute of Bankers in relation to his services to banking reforms in Pakistan and agriculture finance. He is currently the Chairman of the SBP Committee for Agricultural Finance.



Atif Bajwa

He is a nominee director of MCB Bank Ltd. He is a prominent banker, President and Chief Executive Officer of MCB Bank Ltd. Before joining MCB Bank Ltd., he worked in various senior international positions including, Regional Head for Central Europe for Citibank, Asia Pacific Regional Consumer Banking Head for ABN AMRO Bank and Retail Banking Head for Mashreqbank.



Ibrahim Shamsi

MBA from the Lahore University of Management Sciences.
Director of Siddiqsons Denim Mills Ltd, Siddiqsons Tin Plate Ltd.
Managing Director Joyland (Pvt) Ltd. and A.A. Joyland (Pvt) Ltd.
Actively involved in social services as trustee of Jamat-e-Taleem ul Quran.
Served on editorial board of College & University publications.



Hassan Mansha

Chief Executive & Managing Director of Pakistan Aviators & Aviation (Pvt.) Limited. He completed his education from USA & enjoys the director position on the boards of Nishat Mills Limited, Gulf Nishat Apparel Limited, Security General Insurance Limited & Nishat Power Limited.



S. M. Jawed

Director of Din Textile Mills Ltd. and Din Leather (Pvt.) Ltd.



Shahzad Saleem

Graduate from the University of Karachi and MBA from the Lahore University of Management Sciences. Chief Executive of Nishat Chunian Limited, one of the best performing textile mills of Pakistan. Also Chief Executive of Nishat Chunian Power Limited and Director of MCB Bank Ltd. Actively involved in academic and social services. Served as member, Board of Governors of Jinnah Hospital and established a subsidized English Medium School at Chunian.



Wasif M. Khan

Professor of Management at F.C. College, Lahore prior to which he was at the Graduate Business School of LUMS for over 18 years. He holds a Masters in Public and Private Management from Yale University, and a Masters in Mechanical Engineering from Oregon State University. He is a management consultant who has worked with leading Pakistani groups and growth oriented family firms. His research has been published in several refereed publications in the USA and Europe. His most recent work explores the growth of family firms in low-trust societies. He has also worked with Fortune 200 companies in the USA prior to his academic career.



Arif Ijaz

He holds a B.E in Electrical Engineering from University of Engineering & Technology, Lahore and MBA from Iran Centre for Management Studies, Tehran. He served as CEO of KSB Pakistan for 9 years, a subsidiary of KSB Germany. Mr. Ijaz has a vast experience in areas of strategic management and marketing. He had been on the board of National Management Foundation, LUMS and is currently serving on the board of Hub Power Company Limited.




Mian Muhammad Mansha (Advisor)

Started business career as Chief Executive of Nishat Mills Ltd. having a capacity of 25,000 spindles. With his efforts and guidance, Nishat has grown to be the largest textile composite unit of the country.

Nishat group, as the group of firms under his leadership is commonly called today, is considered to be one of the leaders among local and foreign businesses operating in Pakistan. He successfully led the group of leading businessmen who participated in the privatization bid of MCB Bank Limited, which under his guiding role as Chairman, Board of Directors has risen to become one of the top performing Pakistani banks today. Earlier he had been one of the pioneers in acquiring nationalized industries with a successful bid for D.G. Khan Cement Co. Ltd. Like the other units in the successful Nishat Group, the company is one of the best cement units in the country today.



MID's Message



“All glory comes from daring to begin”. We have taken the dare of becoming the best and providing leadership to the insurance industry. The achievement of the whole team is capsulated in our minds and we will shine through all obstacles and perils of time. All because “We Differentiate” and continue to strengthen our mind through Exploration and Innovation.

Company Profile

Adamjee Insurance Company Limited (AICL) was incorporated as a public limited company on September 28, 1960 and is listed on the Karachi, Lahore and Islamabad stock exchanges of the country. The Company is also registered with the Central Depository Company of Pakistan Limited (CDC). AICL is involved in the general insurance business.

The Company started with a paid up capital of Rs.2.5 million which has grown phenomenally to the current paid up capital of Rs.1.022 billion which is the highest amongst all the general insurance companies. AICL enjoys a competitive edge in the insurance industry due to its strong asset base, paid up capital, huge reserves, balanced portfolio mix, steady growth in gross premium and continuous increase in share price at the stock market.

BUILDING THRESHOLD TOWARDS INNOVATION

AICL comprises of insurance originators with superior management teams, sustainable competitive advantage and is fully equipped with identifiable value enhancement opportunities. Since the past year the Company has originated volumes across the spectrum of various businesses, developed joint partnership with financial sectors and expanded its business across Pakistan and Dubai.

DIVERSIFIED PORTFOLIO OF BUSINESS

AICL is broadly involved in underwriting the following classes of business:

- Fire and Property
- Marine, Aviation and Hull
- Motor
- Miscellaneous business

Through these AICL offers a large variety of coverage to fulfill needs of our clients. AICL believes in customer satisfaction by providing premium quality service and maximum benefits to its clients. AICL demonstrates its commitment to its customers and shareholders through emphasis on excellence, integrity and ethical behavior. Our diversified portfolio speaks volumes of customer satisfaction by catering to all categories. The level of security that the client holds with us is evident by the number of banks and financial sectors we insure.

AICL insures petrochemical and complex industrial risks of very high value. The Company has a major share of the market of engineering business in Pakistan. It provides insurance protection to most of the private sector telecommunication industries. The Company insures most of the textile mills, sugar mills and cement factories of the country. AICL pioneered the coverage of energy risks in Pakistan. Foreign concerns entering Pakistan to execute construction, erection or infrastructure development projects are insured by AICL. The Company is the principal insurer in Pakistan for Kidnap & Ransom, Professional Indemnity, Product Liability and other specialized lines.

HIGHLIGHTS OF THE YEAR

- Highest ever Pre-tax profit of Rs.4.28 billion
- Highest Gross Premium of Rs.9.38 billion
- Establishment of the Call Centre 24/7
- Launching of the 1st retail product “Faasley Asaan”
- Launching of Livestock Insurance
- Launching of GOSAFE in Dubai

COMPANY'S OBJECTIVE AND STRATEGY

To meet the challenges of 21st century, due to changes in the global market and implementation of WTO, the Company has set some defined objectives and strategies:

OBJECTIVE

- Strengthen customer relationship through customer satisfaction by providing excellent service and quality products.
- Maintain a healthy balance between profitability and volume and have a balanced portfolio mix.
- Increase investment returns from its growing funds and absolute return strategy.
- Consolidate market share through offering new products and to focus our approach in areas where our presence is small.
- Establish modern management system and adopt latest techniques conforming to international standards needed for an efficient organization.

STRATEGY

- To pursue strong growth
 - by adopting the best practices in the industry and increasing economies of scale.
 - through leveraging opportunities across the industry.
- Development in Human resource through training and exposure to modern technologies and management techniques.
- Expansion of business and improving customer relationship management through wide network of branches locally and internationally.
- Development in Information Technology to have an effective Management Information System.
- Pursue best Reinsurance arrangements.
- Establish effective Risk Management System.

ACHIEVEMENTS OVER THE YEARS

- The only insurance company in Pakistan to be declared the second best insurance company in the whole of Asia by Euromoney.
- IFS ratings of AA (Double A) by PACRA.
- Best Export Performance trophy from FPCCI 18 times.
- "Most innovative & customer friendly website" Harvard Business Review.
- 31% average dividend payout over the last 20 years.
- Consumer Choice Award for the year 2007.
- Corporate Excellence Award from the Management Association of Pakistan for two consecutive years.
- Principal Insurer in Pakistan for providing cover of Kidnap & Ransom and Professional Indemnity.
- Product Liability and certain other specialized lines.
- Winner of Top Companies Award from The Karachi Stock Exchange 17 times.