

[*exploring progress*]

Pursuit of Excellence

Innovation

Beyond the Horizon

Stability and Growth

Financial Statements
For The Nine Months Ended
30 September 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

DIRECTORS' REPORT TO THE MEMBERS

For the Nine Months ended 30 September 2009

On behalf of the Board, I am pleased to present the interim financial statements of the company for the nine months ended 30 September 2009.

The highlights for the period under review are as under:

	30 September 2009	(Rupees '000)	30 September 2008
Gross Premium	7,405,108		7,873,638
Net Premium	5,187,372		5,463,868
Underwriting Results	557,316		163,661
Investment Income	2,296,039		2,925,975
Profit Before Tax	2,538,521		2,954,146
Profit After Tax	2,308,817		3,063,187
Earnings per Share (Rupees)	20.53		27.24

The Gross Premium as well as Net Premium have decreased by 6% and 5% respectively over the corresponding period of last year. This is mainly due to slow down of economy, intensification of war on terror, decline in Pakistan's exports and global economic crisis.

The Net claims have decreased by 14% from the same period last year and combined ratio has improved from 97% to 89%. The underwriting results have grown phenomenally by 241% from comparative period last year. The management is determined to establish strong controls by implementing effective risk management and efficient claims settlement policies.

The company's investment income shows a decrease of 22% as compared to last year, which is mainly attributable to the overall position of stock markets in the country. The Profit Before and After Tax have declined by 14% and 25% respectively from comparative period of last year.

The company is committed to improve quality of its services by advancement in IT infrastructure and by offering a variety of products suiting the needs of its customers. The company is continually strengthening its human resource which is one of the major assets.

We thank the regulators for their guidance and cooperation, our employees and agents for their dedication and our valued customers for their continued support and confidence in us.

On behalf of the Board of Directors

30 October 2009

Muhammad Ali Zeb
Managing Director &
Chief Executive

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.



CONDENSED INTERIM BALANCE SHEET

As at 30 September 2009 (Unaudited)

Note	(Unaudited) 30 September 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	<u>1,124,586</u>	1,022,351
Retained earnings	<u>8,394,376</u>	6,458,717
Reserves	<u>963,123</u>	963,123
	<u>9,357,499</u>	7,421,840
TOTAL EQUITY	10,482,085	8,444,191
Underwriting provisions		
Provision for outstanding claims (including IBNR)	<u>4,050,944</u>	4,562,553
Provision for unearned premium	<u>4,154,664</u>	4,014,822
Commission income unearned	<u>228,042</u>	176,500
Total underwriting provisions	<u>8,433,650</u>	8,753,875
Deferred liabilities		
Staff retirement benefits	<u>12,705</u>	9,166
Deferred taxation	<u>78,053</u>	-
Creditors and Accruals		
Premiums received in advance	<u>37,214</u>	101,247
Amounts due to other insurers / reinsurers	<u>667,729</u>	596,123
Taxation - provision less payments	<u>60,117</u>	-
Accrued expenses	<u>72,162</u>	79,626
Other creditors and accruals	<u>1,234,036</u>	994,367
	<u>2,071,258</u>	1,771,363
Borrowings		
Liabilities against assets subject to finance lease	<u>94,879</u>	-
Other liabilities		
Unclaimed dividends	<u>191,457</u>	25,055
TOTAL LIABILITIES	10,882,002	10,559,459
TOTAL EQUITY AND LIABILITIES	21,364,087	19,003,650

CONTINGENCIES AND COMMITMENTS

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The annexed notes form an integral part of these interim financial statements.

	Note	(Unaudited) 30 September 2009	(Audited) 31 December 2008
(Rupees '000)			
Cash and bank deposits			
Cash and other equivalents		1,455	41,622
Current and other accounts		543,444	483,534
Deposits maturing within 12 months		602,741	1,198,950
		1,147,640	1,724,106
Loans			
To employees		25,014	26,852
Investments			
	7	10,647,701	7,576,749
Current assets - others			
Premiums due but unpaid	8	3,292,748	3,449,898
Amounts due from other insurers/ reinsurers	9	937,901	993,802
Salvage recoveries accrued		122,521	228,147
Premium and claim reserves retained by cedants		28,368	28,682
Accrued investment income		96,161	39,465
Reinsurance recoveries against outstanding claims		2,150,598	2,188,101
Taxation - payments less provision		-	132,876
Deferred commission expense		324,214	414,701
Prepayments		1,363,997	1,057,783
Sundry receivables		218,580	202,578
		8,535,088	8,736,033
Fixed Assets - Tangible & Intangible			
Owned			
Land and buildings		175,450	177,793
Furniture and fixtures		29,378	27,052
Motor vehicles		200,454	228,869
Machinery and equipment		386,274	395,443
Computers and related accessories		53,311	65,032
Intangible asset - computer software		40,713	45,721
		885,580	939,910
Leased			
Motor vehicles		123,064	-
TOTAL ASSETS		21,364,087	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 NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 September 2009	Quarter ended 30 September 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	213,013	225,985	841,347	328,472	-	1,608,817	1,944,366
Net claims	(152,788)	(91,252)	(602,018)	(226,284)	-	(1,072,342)	(1,313,750)
Expenses	(40,504)	(40,499)	(137,699)	(62,166)	-	(280,868)	(293,150)
Net commission	(5,061)	(38,849)	(57,392)	2,004	-	(99,298)	(204,000)
Underwriting result	14,660	55,385	44,238	42,026	-	156,309	133,466
Investment income						1,735,909	(100,075)
Rental income						114	124
Other income						30,362	63,479
						1,922,694	96,994
General and administration expenses						(144,764)	(79,492)
Exchange gain-net						2,644	35,695
Finance charge on lease rentals						(4,452)	-
Profit before tax						1,776,122	53,197
Provision for taxation - Current						(53,190)	(8,339)
- Prior						-	-
- Deferred						3,356	20,022
Profit after tax						1,726,288	64,880

Earnings per share - basic and diluted

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Nine months ended 30 September 2009	Nine months ended 30 September 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	866,832	764,399	2,637,070	918,954	117	5,187,372	5,463,868
Net claims	(472,036)	(277,331)	(1,873,669)	(705,628)	(10,642)	(3,339,306)	(3,882,616)
Expenses	(156,255)	(133,349)	(419,697)	(168,070)	(21)	(877,392)	(890,593)
Net commission	(45,791)	(126,178)	(222,970)	(18,399)	(20)	(413,358)	(526,998)
Underwriting result	192,750	227,541	120,734	26,857	(10,566)	557,316	163,661
Investment income						2,296,039	2,925,975
Rental income						361	371
Other income						121,074	92,880
						2,974,790	3,182,887
General and administration expenses						(434,521)	(279,760)
Exchange gain-net						3,554	51,019
Finance charge on lease rentals						(5,302)	-
Profit before tax						2,538,521	2,954,146
Provision for taxation - Current						(195,608)	(31,139)
- Prior						43,957	-
- Deferred						(78,053)	140,180
Profit after tax						2,308,817	3,063,187
Balance at the commencement of the period						6,458,717	5,666,273
Profit after tax for the period						2,308,817	3,063,187
Final dividend for the year ended 31 December 2008 Re 1.0 per share (2007: Rs. 1.5 per share)						(102,235)	(153,353)
Issue of bonus shares for the year ended 31 December 2008 @ 10 percent (2007: Nil)						(102,235)	-
Interim dividend @ 15% (Rs.1.5/- per share) (2008 : Rs. 1.5/- per share)						(168,688)	(153,353)
Balance unappropriated profit at the end of the period						8,394,376	8,422,754
						Rupees 20.53	Restated Rupees 27.24

Earnings per share - basic and diluted

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 September 2009	Quarter ended 30 September 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	203,077	198,147	632,307	322,705	-	1,356,236	1,730,331
Net claims	(161,462)	(90,713)	(456,716)	(226,240)	-	(935,131)	(1,175,429)
Expenses	(39,752)	(38,374)	(121,777)	(61,727)	-	(261,630)	(278,546)
Net commission	(3,805)	(35,305)	(40,394)	1,800	-	(77,704)	(180,416)
Underwriting result	(1,942)	33,755	13,420	36,538	-	81,771	95,940
Investment income						1,735,909	(100,075)
Rental income						114	124
Other income						23,207	62,376
						1,841,001	58,365
General and administration expenses						(142,786)	(78,052)
Exchange gain/(loss) -net						100	(138)
Finance charge on lease rentals						(4,452)	-
Profit / (loss) before tax						1,693,863	(19,825)

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Nine months ended 30 September 2009	Nine months ended 30 September 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	828,117	689,065	2,003,067	900,355	117	4,420,721	4,946,196
Net claims	(477,232)	(272,944)	(1,489,746)	(705,253)	(10,642)	(2,955,817)	(3,602,202)
Expenses	(153,264)	(127,529)	(370,718)	(166,633)	(21)	(818,165)	(856,089)
Net commission	(42,635)	(113,287)	(158,150)	(19,071)	(20)	(333,163)	(485,452)
Underwriting result	154,986	175,305	(15,547)	9,398	(10,566)	313,576	2,453
Investment income						2,296,039	2,925,975
Rental income						361	371
Other income						100,390	91,670
						2,710,366	3,020,469
General and administration expenses						(424,500)	(270,204)
Exchange gain -net						354	-
Finance charge on lease rentals						(5,302)	-
Profit before tax						2,280,918	2,750,265

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 September 2009	Quarter ended 30 September 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	9,936	27,838	209,040	5,767	-	252,581	214,035
Net claims	8,674	(539)	(145,302)	(44)	-	(137,211)	(138,321)
Expenses	(752)	(2,125)	(15,922)	(439)	-	(19,238)	(14,604)
Net commission	(1,256)	(3,544)	(16,998)	204	-	(21,594)	(23,584)
Underwriting result	16,602	21,630	30,818	5,488	-	74,538	37,526
Investment income						-	-
Rental income						-	-
Other income						7,155	1,103
						81,693	38,629
General and administration expenses						(1,978)	(1,440)
Exchange gain -net						2,544	35,833
Finance charge on lease rentals						-	-
Profit before tax						82,259	73,022

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Nine months ended 30 September 2009	Nine months ended 30 September 2008
(Rupees in '000)							
Revenue account							
Net premium revenue	38,715	75,334	634,003	18,599	-	766,651	517,672
Net claims	5,196	(4,387)	(383,923)	(375)	-	(383,489)	(280,414)
Expenses	(2,991)	(5,820)	(48,979)	(1,437)	-	(59,227)	(34,504)
Net commission	(3,156)	(12,891)	(64,820)	672	-	(80,195)	(41,546)
Underwriting result	37,764	52,236	136,281	17,459	-	243,740	161,208
Investment income						-	-
Rental income						-	-
Other income						20,684	1,210
						264,424	162,418
General and administration expenses						(10,021)	(9,556)
Exchange gain -net						3,200	51,019
Finance charge on lease rentals						-	-
Profit before tax						257,603	203,881

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 2008	-	-	-	-	-	3,063,187	3,063,187
Final Dividend for the year ended 31 December 2007	-	-	-	-	-	(153,353)	(153,353)
Interim dividend @15% (Rs. 1.5 per share)	-	-	-	-	-	(153,353)	(153,353)
Balance as at 30 September 2008	<u>1,022,351</u>	<u>-</u>	<u>22,859</u>	<u>3,764</u>	<u>936,500</u>	<u>8,422,754</u>	<u>10,408,228</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 nine months ended 30 September 2009	-	-	-	-	-	2,308,817	2,308,817
Final dividend for the year ended 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)	-	-	-	-	-
Interim dividend @15% (Rs. 1.5 per share)	-	-	-	-	-	(168,688)	(168,688)
Balance as at 30 September 2009	<u>1,124,586</u>	<u>-</u>	<u>22,859</u>	<u>3,764</u>	<u>936,500</u>	<u>8,394,376</u>	<u>10,482,085</u>

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Nine months ended 30 September 2009	Nine months ended 30 September 2008
	(Rupees '000)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	7,529,667	7,621,112
Reinsurance premiums paid	(2,272,548)	(2,261,377)
Claims paid	(4,872,660)	(5,467,291)
Surrenders paid	(31,442)	(39,257)
Reinsurance and other recoveries received	1,221,089	1,337,666
Commissions paid	(707,162)	(830,260)
Commissions received	371,640	303,907
Other underwriting payments	(558,213)	(820,468)
Net cash flow from underwriting activities	680,371	(155,968)
b) Other operating activities		
Income tax refund/(paid)	41,342	(38,528)
General and other expenses paid	(414,963)	(201,555)
Loans disbursed	(33,203)	(30,625)
Loan repayments received	35,041	32,673
Deposits received	-	6,374
Other receipts	12,059	62,351
Net cash flow from other operating activities	(359,724)	(169,310)
Total cash flow from all operating activities	320,647	(325,278)
Investment activities		
Profit / return received	128,293	73,150
Dividends received	263,420	288,290
Investments purchased	(4,062,127)	(11,146,604)
Proceeds from disposal of investments	2,930,330	12,168,912
Fixed capital expenditure	(112,847)	(287,407)
Proceeds from disposal of fixed assets	52,726	6,356
Income received on TFC	17,951	13,727
Total cash flow from investing activities	(782,254)	1,116,424
Financing activities		
Lease rentals paid	(10,338)	-
Dividends paid	(104,521)	(164,169)
Total cash flow from financing activities	(114,859)	(164,169)
Net cash outflow from all activities	(576,466)	626,977
Cash at the beginning of the year	1,724,106	954,197
Cash at the end of the year	1,147,640	1,581,174

	Nine months ended 30 September 2009	Nine months ended 30 September 2008
	(Rupees '000)	
Reconciliation to Profit and Loss Account		
Operating cash flows	320,647	(325,278)
Depreciation expense	(113,279)	(93,220)
Provision for gratuity	(3,539)	(2,617)
Other income-bank deposits	109,475	80,693
Profit on disposal of fixed assets	3,093	853
Financial charges on lease obligations	(5,301)	-
Rental income	361	371
Decrease in assets other than cash	(98,434)	(123,742)
Decrease in liabilities other than running finance	220,836	496,770
	433,859	33,830
Others		
Profit on sale of investments	117,867	3,043,277
Amortization expense	(8,355)	(4,740)
Increase in unearned premium	(139,842)	(97,465)
Amortisation of income on Government Securities - net	31,427	53,563
Profit on Pakistan Investment Bonds	9,225	-
Decrease in loans	(1,838)	(2,048)
Income tax (refund)/paid	(41,342)	38,528
Reversal for diminution in value of investments	1,838,197	(431,904)
Dividend, investment and other income	277,309	311,386
Deposits received	-	(6,374)
Income on TFCs	22,014	16,093
	2,104,662	2,920,316
Profit before taxation	2,538,521	2,954,146
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	1,455	7,992
Current and other accounts		
Current and saving accounts	543,444	357,725
Deposits maturing within 12 months		
Fixed and term deposits accounts	602,741	1,215,457
Total cash and cash equivalents	1,147,640	1,581,174

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Nine months ended 30 September 2009	Nine months ended 30 September 2008
	(Rupees '000)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	6,728,278	6,891,857
Reinsurance premiums paid	(2,082,577)	(2,101,445)
Claims paid	(4,252,382)	(5,188,887)
Surrenders paid	(30,413)	(39,257)
Reinsurance and other recoveries received	1,023,905	1,267,735
Commissions paid	(630,511)	(754,364)
Commissions received	329,746	278,810
Other underwriting payments	(519,152)	(588,181)
Net cash flow from underwriting activities	566,894	(233,732)
b) Other operating activities		
Income tax refund/(paid)	41,342	(38,528)
General and other expenses paid	(388,403)	(184,677)
Loans disbursed	(30,262)	(30,083)
Loan repayments received	32,103	32,490
Deposits received	-	2,922
Other receipts	6,477	10,935
Net cash flow from other operating activities	(338,743)	(206,941)
Total cash flow from all operating activities	228,151	(440,673)
Investment activities		
Profit / return received	109,463	73,150
Dividends received	263,420	288,290
Investments purchased	(4,062,127)	(11,146,604)
Proceeds from disposal of investments	2,930,330	12,168,912
Fixed capital expenditure	(112,847)	(285,759)
Proceeds from disposal of fixed assets	52,726	6,356
Income received on TFC	17,951	13,727
Total cash flow from investing activities	(801,084)	1,118,072
Financing activities		
Lease rentals paid	(10,338)	-
Dividends paid	(104,521)	(164,169)
Total cash flow from financing activities	(114,859)	(164,169)
Net cash outflow from all activities	(687,792)	513,230
Cash at the beginning of the year	1,151,374	653,549
Cash at the end of the year	463,582	1,166,779

	Nine months ended 30 September 2009	Nine months ended 30 September 2008
	(Rupees '000)	
Reconciliation to Profit and Loss Account		
Operating cash flows	228,151	(440,673)
Depreciation expense	(111,579)	(92,221)
Provision for gratuity	-	-
Other income-bank deposits	91,173	79,483
Profit on disposal of fixed assets	3,093	853
Financial charges on lease obligations	(5,301)	-
Rental income	361	371
Decrease in assets other than cash	(355,578)	(467,125)
Decrease in liabilities other than running finance	359,127	492,156
	209,447	(427,156)
Others		
Profit on sale of investments	117,867	3,043,277
Amortization expense	(8,355)	(4,740)
(Increase)/Decrease in unearned premium	(173,030)	156,547
Amortisation of income on Government Securities - net	31,427	53,563
Profit on Pakistan Investment Bonds	9,225	-
Decrease in loans	(1,841)	(2,407)
Income tax (refund)/paid	(41,342)	38,528
Reversal for diminution in value of investments	1,838,197	(431,904)
Dividend, investment and other income	277,309	311,386
Deposits received	-	(2,922)
Income on TFCs	22,014	16,093
	2,071,471	3,177,421
Profit before taxation	2,280,918	2,750,265
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	1,229	7,780
Current and other accounts		
Current and saving accounts	457,637	292,801
Deposits maturing within 12 months		
Fixed and term deposits accounts	4,716	866,198
Total cash and cash equivalents	463,582	1,166,779

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Nine months ended 30 September 2009	Nine months ended 30 September 2008
	(Rupees '000)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	801,389	729,255
Reinsurance premiums paid	(189,971)	(159,932)
Claims paid	(620,278)	(278,404)
Surrenders paid	(1,029)	-
Reinsurance and other recoveries received	197,184	69,931
Commissions paid	(76,651)	(75,896)
Commissions received	41,894	25,097
Other underwriting payments	(39,061)	(232,287)
Net cash flow from underwriting activities	113,477	77,764
b) Other operating activities		
Income tax refund/(paid)	-	-
General and other expenses paid	(26,560)	(16,878)
Loans disbursed	(2,941)	(542)
Loan repayments received	2,938	183
Deposits received	-	3,452
Other receipts	5,582	51,416
Net cash flow from other operating activities	(20,981)	37,631
Total cash flow from all operating activities	92,496	115,395
Investment activities		
Profit / return received	18,830	-
Dividends received	-	-
Investments purchased	-	-
Proceeds from disposal of investments	-	-
Fixed capital expenditure	-	(1,648)
Proceeds from disposal of fixed assets	-	-
Income received on TFC	-	-
Total cash flow from investing activities	18,830	(1,648)
Financing activities		
Lease rentals paid	-	-
Dividends paid	-	-
Total cash flow from financing activities	-	-
Net cash outflow from all activities	111,326	113,747
Cash at the beginning of the year	572,732	300,648
Cash at the end of the year	684,058	414,395

	Nine months ended 30 September 2009	Nine months ended 30 September 2008
	(Rupees '000)	
Reconciliation to Profit and Loss Account		
Operating cash flows	92,496	115,395
Depreciation expense	(1,700)	(999)
Provision for gratuity	(3,539)	(2,617)
Other income-bank deposits	18,302	1,210
Profit on disposal of fixed assets	-	-
Financial charges on lease obligations	-	-
Rental income	-	-
Increase in assets other than cash	257,144	343,383
(Decrease)/Increase in liabilities other than running finance	(138,291)	4,614
	224,412	460,986
Others		
Profit on sale of investments	-	-
Amortization expense	-	-
Decrease/(Increase) in unearned premium	33,188	(254,012)
Amortisation of income on Government Securities - net	-	-
Profit on Pakistan Investment Bonds	-	-
Decrease in loans	3	359
Income tax (refund)/paid	-	-
Reversal for diminution in value of investments	-	-
Dividend, investment and other income	-	-
Deposits received	-	(3,452)
Income on TFCs	-	-
	33,191	(257,105)
Profit before taxation	257,603	203,881
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	226	212
Current and other accounts		
Current and saving accounts	85,807	64,924
Deposits maturing within 12 months		
Fixed and term deposits accounts	598,025	349,259
Total cash and cash equivalents	684,058	414,395

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2009	Quarter ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	883,614	1,421,662	1,602,313	702,963	534,074	871,937	916,061	489,950	213,013	430,892
Marine, aviation and transport	215,402	93,935	48,055	261,282	27,747	12,618	5,068	35,297	225,985	284,093
Motor	862,049	1,812,499	1,790,855	883,693	106,276	50,259	114,189	42,346	841,347	966,583
Miscellaneous	271,389	896,289	713,441	454,237	111,343	249,595	235,173	125,765	328,472	260,719
Total	2,232,454	4,224,385	4,154,664	2,302,175	779,440	1,184,409	1,270,491	693,358	1,608,817	1,942,287
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	2,079
Total	-	-	-	-	-	-	-	-	-	2,079
Grand Total	2,232,454	4,224,385	4,154,664	2,302,175	779,440	1,184,409	1,270,491	693,358	1,608,817	1,944,366

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Nine months ended 30 September 2009	Nine months ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	2,488,544	1,551,532	1,602,313	2,437,763	1,608,127	878,865	916,061	1,570,931	866,832	1,052,756
Marine, aviation and transport	850,657	91,984	48,055	894,586	113,891	21,364	5,068	130,187	764,399	946,095
Motor	2,722,041	1,789,404	1,790,855	2,720,590	195,799	1,910	114,189	83,520	2,637,070	2,714,444
Miscellaneous	1,343,749	581,902	713,441	1,212,210	426,337	102,092	235,173	293,256	918,954	735,358
Total	7,404,991	4,014,822	4,154,664	7,265,149	2,344,154	1,004,231	1,270,491	2,077,894	5,187,255	5,448,653
Treaty										
Proportional	117	-	-	117	-	-	-	-	117	15,215
Total	117	-	-	117	-	-	-	-	117	15,215
Grand Total	7,405,108	4,014,822	4,154,664	7,265,266	2,344,154	1,004,231	1,270,491	2,077,894	5,187,372	5,463,868

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2009	Quarter ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	863,962	1,359,360	1,551,400	671,922	519,293	827,539	877,987	468,845	203,077	416,904
Marine, aviation and transport	204,600	69,567	43,995	230,172	27,625	10,425	6,025	32,025	198,147	259,943
Motor	566,590	1,301,108	1,226,484	641,214	9,181	2,732	3,006	8,907	632,307	794,191
Miscellaneous	267,484	880,442	702,781	445,145	110,227	243,640	231,427	122,440	322,705	257,214
Total	1,902,636	3,610,477	3,524,660	1,988,453	666,326	1,084,336	1,118,445	632,217	1,356,236	1,728,252
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	2,079
Total	-	-	-	-	-	-	-	-	-	2,079
Grand Total	1,902,636	3,610,477	3,524,660	1,988,453	666,326	1,084,336	1,118,445	632,217	1,356,236	1,730,331

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Nine months ended 30 September 2009	Nine months ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	2,408,541	1,477,644	1,551,400	2,334,785	1,548,477	836,178	877,987	1,506,668	828,117	1,020,599
Marine, aviation and transport	823,386	30,146	43,995	809,537	113,769	12,728	6,025	120,472	689,065	866,558
Motor	1,967,546	1,286,286	1,226,484	2,027,348	25,377	1,910	3,006	24,281	2,003,067	2,314,284
Miscellaneous	1,327,063	557,554	702,781	1,181,836	420,284	92,624	231,427	281,481	900,355	729,540
Total	6,526,536	3,351,630	3,524,660	6,353,506	2,107,907	943,440	1,118,445	1,932,902	4,420,604	4,930,981
Treaty										
Proportional	117	-	-	117	-	-	-	-	117	15,215
Total	117	-	-	117	-	-	-	-	117	15,215
Grand Total	6,526,653	3,351,630	3,524,660	6,353,623	2,107,907	943,440	1,118,445	1,932,902	4,420,721	4,946,196

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2009	Quarter ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	19,652	62,302	50,913	31,041	14,781	44,398	38,074	21,105	9,936	13,988
Marine, aviation and transport	10,802	24,368	4,060	31,110	122	2,193	(957)	3,272	27,838	24,150
Motor	295,459	511,391	564,371	242,479	97,095	47,527	111,183	33,439	209,040	172,392
Miscellaneous	3,905	15,847	10,660	9,092	1,116	5,955	3,746	3,325	5,767	3,505
Total	329,818	613,908	630,004	313,722	113,114	100,073	152,046	61,141	252,581	214,035
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	329,818	613,908	630,004	313,722	113,114	100,073	152,046	61,141	252,581	214,035

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Nine months ended 30 September 2009	Nine months ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	80,003	73,888	50,913	102,978	59,650	42,687	38,074	64,263	38,715	32,157
Marine, aviation and transport	27,271	61,838	4,060	85,049	122	8,636	(957)	9,715	75,334	79,537
Motor	754,495	503,118	564,371	693,242	170,422	-	111,183	59,239	634,003	400,160
Miscellaneous	16,686	24,348	10,660	30,374	6,053	9,468	3,746	11,775	18,599	5,818
Total	878,455	663,192	630,004	911,643	236,247	60,791	152,046	144,992	766,651	517,672
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	878,455	663,192	630,004	911,643	236,247	60,791	152,046	144,992	766,651	517,672

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2009	Quarter ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	509,649	1,471,802	1,396,964	434,811	356,783	943,735	868,975	282,023	152,788	62,349
Marine, aviation and transport	127,587	433,912	396,673	90,348	28,292	272,011	242,815	(904)	91,252	241,413
Motor	622,775	1,503,594	1,573,437	692,618	39,480	675,180	726,300	90,600	602,018	768,744
Miscellaneous	251,024	571,977	660,909	339,956	48,289	369,646	435,029	113,672	226,284	239,842
Total	1,511,035	3,981,285	4,027,983	1,557,733	472,844	2,260,572	2,273,119	485,391	1,072,342	1,312,348
Treaty										
Proportional	-	22,961	22,961	-	-	-	-	-	-	1,402
Total	-	22,961	22,961	-	-	-	-	-	-	1,402
Grand Total	1,511,035	4,004,246	4,050,944	1,557,733	472,844	2,260,572	2,273,119	485,391	1,072,342	1,313,750

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		Nine months ended 30 September 2009	Nine months ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	1,293,762	1,629,455	1,396,964	1,061,271	749,015	1,028,755	868,975	589,235	472,036	643,879
Marine, aviation and transport	414,230	499,471	396,673	311,432	68,206	276,920	242,815	34,101	277,331	477,955
Motor	2,314,950	1,833,234	1,573,437	2,055,153	195,908	740,724	726,300	181,484	1,873,669	2,113,231
Miscellaneous	842,620	580,662	660,909	922,867	152,059	369,849	435,029	217,239	705,628	645,022
Total	4,865,562	4,542,822	4,027,983	4,350,723	1,165,188	2,416,248	2,273,119	1,022,059	3,328,664	3,880,087
Treaty										
Proportional	7,412	19,731	22,961	10,642	-	-	-	-	10,642	2,529
Total	7,412	19,731	22,961	10,642	-	-	-	-	10,642	2,529
Grand Total	4,872,974	4,562,553	4,050,944	4,361,365	1,165,188	2,416,248	2,273,119	1,022,059	3,339,306	3,882,616

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2009	Quarter ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	509,142	1,460,545	1,394,650	443,247	356,412	941,790	867,163	281,785	161,462	54,606
Marine, aviation and transport	126,873	399,997	362,750	89,626	28,292	264,546	235,167	(1,087)	90,713	220,069
Motor	461,666	861,784	849,462	449,344	84	131,065	123,609	(7,372)	456,716	659,724
Miscellaneous	251,021	570,116	659,020	339,925	48,289	369,604	435,000	113,685	226,240	239,628
Total	1,348,702	3,292,442	3,265,882	1,322,142	433,077	1,707,005	1,660,939	387,011	935,131	1,174,027
Treaty										
Proportional	-	22,961	22,961	-	-	-	-	-	-	1,402
Total	-	22,961	22,961	-	-	-	-	-	-	1,402
Grand Total	1,348,702	3,315,403	3,288,843	1,322,142	433,077	1,707,005	1,660,939	387,011	935,131	1,175,429

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		Nine months ended 30 September 2009	Nine months ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	1,286,652	1,617,643	1,394,650	1,063,659	745,945	1,026,681	867,163	586,427	477,232	631,325
Marine, aviation and transport	410,355	466,009	362,750	307,096	68,206	269,221	235,167	34,152	272,944	445,792
Motor	1,705,936	1,166,441	849,462	1,388,957	1,812	226,210	123,609	(100,789)	1,489,746	1,877,893
Miscellaneous	842,341	578,916	659,020	922,445	152,041	369,849	435,000	217,192	705,253	644,663
Total	4,245,284	3,829,009	3,265,882	3,682,157	968,004	1,891,961	1,660,939	736,982	2,945,175	3,599,673
Treaty										
Proportional	7,412	19,731	22,961	10,642	-	-	-	-	10,642	2,529
Total	7,412	19,731	22,961	10,642	-	-	-	-	10,642	2,529
Grand Total	4,252,696	3,848,740	3,288,843	3,692,799	968,004	1,891,961	1,660,939	736,982	2,955,817	3,602,202

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2009	Quarter ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	507	11,257	2,314	(8,436)	371	1,945	1,812	238	(8,674)	7,743
Marine, aviation and transport	714	33,915	33,923	722	-	7,465	7,648	183	539	21,344
Motor	161,109	641,810	723,975	243,274	39,396	544,115	602,691	97,972	145,302	109,020
Miscellaneous	3	1,861	1,889	31	-	42	29	(13)	44	214
Total	162,333	688,843	762,101	235,591	39,767	553,567	612,180	98,380	137,211	138,321
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	162,333	688,843	762,101	235,591	39,767	553,567	612,180	98,380	137,211	138,321

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		Nine months ended 30 September 2009	Nine months ended 30 September 2008
(Rupees '000)										
Direct and facultative										
Fire and property damage	7,110	11,812	2,314	(2,388)	3,070	2,074	1,812	2,808	(5,196)	12,554
Marine, aviation and transport	3,875	33,462	33,923	4,336	-	7,699	7,648	(51)	4,387	32,163
Motor	609,014	666,793	723,975	666,196	194,096	514,514	602,691	282,273	383,923	235,338
Miscellaneous	279	1,746	1,889	422	18	-	29	47	375	359
Total	620,278	713,813	762,101	668,566	197,184	524,287	612,180	285,077	383,489	280,414
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	620,278	713,813	762,101	668,566	197,184	524,287	612,180	285,077	383,489	280,414

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2009	Quarter ended 30 September 2009
(Rupees '000)									
Direct and facultative									
Fire and property damage	99,244	144,452	167,478	76,218	40,504	116,722	71,157	45,565	104,462
Marine, aviation and transport	35,082	12,062	6,987	40,157	40,499	80,656	1,308	79,348	99,661
Motor	56,029	120,302	114,301	62,030	137,699	199,729	4,638	195,091	229,277
Miscellaneous	20,211	42,003	35,448	26,766	62,166	88,932	28,770	60,162	61,445
Total	210,566	318,819	324,214	205,171	280,868	486,039	105,873	380,166	494,845
Treaty									
Proportional	-	-	-	-	-	-	-	-	2,305
Total	-	-	-	-	-	-	-	-	2,305
Grand Total	210,566	318,819	324,214	205,171	280,868	486,039	105,873	380,166	497,150

Class	Commissions paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Nine months ended 30 September 2009	Nine months ended 30 September 2009
(Rupees '000)									
Direct and facultative									
Fire and property damage	262,329	188,585	167,478	283,436	156,255	439,691	237,645	202,046	233,442
Marine, aviation and transport	124,775	14,340	6,987	132,128	133,349	265,477	5,950	259,527	335,779
Motor	180,823	162,862	114,301	229,384	419,697	649,081	6,414	642,667	657,390
Miscellaneous	75,022	48,914	35,448	88,488	168,070	256,558	70,089	186,469	180,586
Total	642,949	414,701	324,214	733,436	877,371	1,610,807	320,098	1,290,709	1,407,197
Treaty									
Proportional	20	-	-	20	21	41	-	41	10,394
Total	20	-	-	20	21	41	-	41	10,394
Grand Total	642,969	414,701	324,214	733,456	877,392	1,610,848	320,098	1,290,750	1,417,591

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2009	Quarter ended 30 September 2009
(Rupees '000)									
Direct and facultative									
Fire and property damage	95,968	132,358	158,110	70,216	39,752	109,968	66,411	43,557	105,095
Marine, aviation and transport	33,594	6,992	4,319	36,267	38,374	74,641	962	73,679	93,464
Motor	34,398	74,766	68,547	40,617	121,777	162,394	223	162,171	196,709
Miscellaneous	19,676	40,456	34,129	26,003	61,727	87,730	27,803	59,927	61,389
Total	183,636	254,572	265,105	173,103	261,630	434,733	95,399	339,334	456,657
Treaty									
Proportional	-	-	-	-	-	-	-	-	2,305
Total	-	-	-	-	-	-	-	-	2,305
Grand Total	183,636	254,572	265,105	173,103	261,630	434,733	95,399	339,334	458,962

Class	Commissions paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Nine months ended 30 September 2009	Nine months ended 30 September 2009
(Rupees '000)									
Direct and facultative									
Fire and property damage	248,722	173,385	158,110	263,997	153,264	417,261	221,362	195,899	238,137
Marine, aviation and transport	118,974	3,554	4,319	118,209	127,529	245,738	4,922	240,816	320,496
Motor	118,135	109,544	68,547	159,132	370,718	529,850	982	528,868	591,697
Miscellaneous	72,916	46,986	34,129	85,773	166,633	252,406	66,702	185,704	180,817
Total	558,747	333,469	265,105	627,111	818,144	1,445,255	293,968	1,151,287	1,331,147
Treaty									
Proportional	20	-	-	20	21	41	-	41	10,394
Total	20	-	-	20	21	41	-	41	10,394
Grand Total	558,767	333,469	265,105	627,131	818,165	1,445,296	293,968	1,151,328	1,341,541

The annexed notes form an integral part of these interim financial statements.

Umer Mansha
Chairman

S. M. Jawed
Director

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Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 September 2009	Quarter ended 30 September 2009
(Rupees '000)									
Direct and facultative									
Fire and property damage	3,276	12,094	9,368	6,002	752	6,754	4,746	2,008	(633)
Marine, aviation and transport	1,488	5,070	2,668	3,890	2,125	6,015	346	5,669	6,197
Motor	21,631	45,536	45,754	21,413	15,922	37,335	4,415	32,920	32,568
Miscellaneous	535	1,547	1,319	763	439	1,202	967	235	56
Total	26,930	64,247	59,109	32,068	19,238	51,306	10,474	40,832	38,188
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	26,930	64,247	59,109	32,068	19,238	51,306	10,474	40,832	38,188

Class	Commissions paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Nine months ended 30 September 2009	Nine months ended 30 September 2009
(Rupees '000)									
Direct and facultative									
Fire and property damage	13,607	15,200	9,368	19,439	2,991	22,430	16,283	6,147	(4,695)
Marine, aviation and transport	5,801	10,786	2,668	13,919	5,820	19,739	1,028	18,711	15,283
Motor	62,688	53,318	45,754	70,252	48,979	119,231	5,432	113,799	65,693
Miscellaneous	2,106	1,928	1,319	2,715	1,437	4,152	3,387	765	(231)
Total	84,202	81,232	59,109	106,325	59,227	165,552	26,130	139,422	76,050
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	84,202	81,232	59,109	106,325	59,227	165,552	26,130	139,422	76,050

The annexed notes form an integral part of these interim financial statements.

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 NINE MONTHS ENDED 30 SEPTEMBER 2009 (UNAUDITED)

Quarter ended 30 September 2009	Quarter ended 30 September 2008	Nine months ended 30 September 2009	Nine months ended 30 September 2008
--	--	--	--

(Rupees '000)

Income from non-trading investments

Available-for-sale

Return on fixed income securities	9,531	16,969	31,427	53,563
Return on Term Finance Certificates	7,302	5,414	22,014	16,093
Return on Pakistan Investment Bonds	3,835	-	9,225	-
Dividend income				
- associated undertakings	54,856	19,306	155,948	172,530
- others	46,052	64,081	121,361	138,856
	100,908	83,387	277,309	311,386
	121,576	105,770	339,975	381,042
Gain/ (Loss) on sale of 'available-for-sale' investments				
- associated undertakings	57,174	(5,011)	145,298	2,782,804
- others	5,941	32,031	(27,431)	260,473
	63,115	27,020	117,867	3,043,277
	184,691	132,790	457,842	3,424,319
Reversal/ (Charge) for impairment in value of 'available-for-sale' investments	1,551,218	(232,865)	1,838,197	(431,904)
Less: Investment related expenses	-	-	-	(66,440)
Net investment income / (loss)	1,735,909	(100,075)	2,296,039	2,925,975

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 NINE MONTHS ENDED 30 SEPTEMBER 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 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 and 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 Sindh High Court 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: Rupees 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 September 2009. (31 December, 2008: Nil)

Note	(Unaudited) 30 September 2009	(Audited) 31 December 2008
	(Rupees in '000)	

7. INVESTMENTS

In related parties

Available-for-sale

Marketable securities		7,079,305	5,770,797
Less: Provision for impairment in value of investments	7.1	-	(1,108,681)
		7,079,305	4,662,116
Investment in subsidiary - Adamjee Life Assurance Company Limited		294,086	294,086
		7,373,391	4,956,202

Others

Available-for-sale

Marketable securities		3,356,055	3,095,736
Less: Provision for impairment in the value of investments	7.1	(576,303)	(1,305,820)
		2,779,752	1,789,916
Fixed income investments		494,558	830,631
		10,647,701	7,576,749

Market value of investments as at 30 September 2009 is Rupees 11,220.895 million (31 December 2008 : Rupees 6,735.364 million)

	(Unaudited) 30 September 2009	(Audited) 31 December 2008
	(Rupees in '000)	
7.1 Reconciliation of provision for impairment in value of investments		
Opening provision	2,414,501	28,322
(Reversal) / charge for the period	(1,838,198)	2,386,179
Closing provision	576,303	2,414,501
8. PREMIUMS DUE BUT UNPAID		
Unsecured		
Considered good	3,292,748	3,449,898
Considered doubtful	61,793	46,793
	3,354,541	3,496,691
Less: Provision for doubtful balances	(61,793)	(46,793)
	3,292,748	3,449,898
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	61,793	46,793
9. AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS		
Unsecured		
Considered good	937,901	993,802
Considered doubtful	46,106	61,396
	984,007	1,055,198
Less: Provision for doubtful balances	(46,106)	(61,396)
	937,901	993,802
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

10. FIXED ASSETS

10.1 The following capital expenditure was incurred during the period:

Owned

Furniture and fixtures	6,222	7,426
Motor vehicles	41,004	221,161
Machinery and equipment	59,032	43,021
Computer and related accessories	3,242	33,135
	109,500	304,743
Intangible asset - computer software	3,347	47,511

Leased

Motor vehicles	126,247	-
	239,094	352,254

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

Furniture and fixtures	568	292
Motor vehicles	45,185	4,146
Machinery and equipment	3,351	1,030
Computer and related accessories	530	35
	49,634	5,503

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:

	(Unaudited)	
	30 September	30 September
	2009	2008
	(Rupees in '000)	
Premium underwritten	638,528	604,066
Premium received	656,286	706,965
Claims paid	438,055	341,357
Rent paid	6,967	2,551
Dividends received	153,981	170,360
Dividend paid	36,154	49,335

(Number of shares)

Bonus shares received	3,615	-
Bonus shares issued	1,923	-

(Unaudited)
30 September
2009

(Audited)
31 December
2008

(Rupees in '000)

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

Receivable from Staff Gratuity Fund	65,360	63,950
Payable to Employee's Provident Fund	(266)	(709)

11.2 During the period an amount of Rupees 15.909 million (30 September 2008: Rupees 15.137 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 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008

(Rupees in thousand)

OTHER INFORMATION

Segment assets	3,383,790	3,578,291	744,122	961,666	2,520,360	2,608,424	1,478,502	1,152,182	67	6,999	-	-	8,126,841	8,307,562
Unallocated assets	-	-	-	-	-	-	-	-	-	-	13,237,246	10,696,088	13,237,246	10,696,088
Total assets	3,383,790	3,578,291	744,122	961,666	2,520,360	2,608,424	1,478,502	1,152,182	67	6,999	13,237,246	10,696,088	21,364,087	19,003,650
Segment liabilities	3,382,951	3,558,247	526,034	694,764	3,646,033	3,888,392	1,560,604	1,289,020	22,972	20,822	-	-	9,138,593	9,451,245
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	1,743,409	1,108,214	1,743,409	1,108,214
Total liabilities	3,382,951	3,558,247	526,034	694,764	3,646,033	3,888,392	1,560,604	1,289,020	22,972	20,822	1,743,409	1,108,214	10,882,002	10,559,459

(Unaudited) (Audited)
30 September 2009 31 December 2008

(Rupees in '000)

Capital expenditure

239,094 323,657

13. AUTHORISATION FOR ISSUE

This interim financial information has been approved and authorised for issue on 30 October 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