

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - QUARTER ENDED MARCH 31, 2009.

The Directors are pleased to present the condensed financial statements of the Group and the Company for the quarter ended March 31, 2009.

(a) Basis of Accounting

The unaudited financial statements for the quarter ended March 31, 2009 have been prepared on the same basis as the accounting policies set out in the statutory financial statements of the Group and the Company for the year ended December 31, 2008, except for the adoption of relevant amendments to existing standards, new published standards and interpretations issued now effective. Where necessary, comparative figures have been amended to conform with change in presentation in the current period. This interim report complies with IAS 34, "Interim financial reporting".

(b) Review of results - Group

- (i) Underwriting operations have generated a surplus of Rs34m for the first quarter this year compared to Rs15m for the same quarter last year.
- (ii) The Group's net profit for the period amounted to Rs25m compared to Rs31m last year. This is attributable to lower investment income following the downturn on the stock market.
- (iii) Due to a drop in market prices of investments, the net assets per share ratio has also decreased. However, at the time of publication, stock market indices for both local and foreign have shown an important increase. This could have a positive impact on the net assets value and investment income in future months.

(c) Section 27 of the Insurance Act 2005

An investor acquired 30% of the shareholding of MUA on May 21, 2008. The Financial Services Commission (FSC) has not approved this acquisition and has asked the investor to dispose of its shareholding. As at date of publication, the requirements of the FSC have been fulfilled.

By order of the Board
Gilbert Poisson
Secretary
May 14, 2009

	UNAUDITED CONDENSED BALANCE SHEETS - MARCH 31, 2009			
	THE GROUP		THE COMPANY	
	UNAUDITED MARCH 31, 2009	AUDITED DECEMBER 31, 2008	UNAUDITED MARCH 31, 2009	AUDITED DECEMBER 31, 2008
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets	3,113,385	3,373,484	1,190,825	1,161,331
Current assets	1,011,536	1,009,137	601,452	598,259
Total assets	4,124,921	4,382,621	1,792,277	1,759,590
EQUITY AND LIABILITIES				
Capital and reserves				
Owners' interest	904,959	1,036,211	901,488	860,443
Minority interest	3,339	3,233	-	-
Total equity*	908,298	1,039,444	901,488	860,443
Technical Provisions	797,350	767,919	797,350	767,919
Life Assurance Fund	2,298,821	2,412,918	-	-
Non-current liabilities	446	446	199	199
Current liabilities	120,006	161,894	93,240	131,029
Total equity and liabilities	4,124,921	4,382,621	1,792,277	1,759,590
Net assets per share	Rs 45.16	Rs 51.71		
Number of shares('000)	20,040	20,040		

* see statement of changes in equity

	UNAUDITED CONDENSED INCOME STATEMENTS - QUARTER ENDED MARCH 31, 2009			
	THE GROUP		THE COMPANY	
	UNAUDITED MARCH 31, 2009	QUARTER ENDED MARCH 31, 2008	UNAUDITED MARCH 31, 2009	QUARTER ENDED MARCH 31, 2008
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	158,433	127,472	158,433	127,472
Revenue	132,768	110,500	131,523	109,971
Underwriting surplus	34,272	15,145	34,272	15,145
Investment and other income	16,665	36,206	14,924	39,590
	50,937	51,351	49,196	54,735
Net profit for the period	25,353	30,641	25,103	34,680
Profit attributable to:				
Owners of the parent	25,247	30,139	25,103	34,680
Minority interest	106	502	-	-
	25,353	30,641	25,103	34,680
Earnings per share for the quarter	Rs. 1.26	1.50		
Number of ordinary shares ('000)	20,040	20,040		

	UNAUDITED CONDENSED BALANCE SHEETS - MARCH 31, 2009			
	LIFE			
	UNAUDITED MARCH 31, 2009	AUDITED DECEMBER 31, 2008	UNAUDITED MARCH 31, 2009	AUDITED DECEMBER 31, 2008
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets	1,917,235	2,034,113		
Current assets	407,600	405,845		
Total assets	2,324,835	2,439,958		
Less:				
Non-current liabilities	199	199		
Current liabilities	25,815	26,841		
Life Assurance Fund	2,298,821	2,412,918		

	UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME - QUARTER ENDED MARCH 31, 2009			
	THE GROUP		THE COMPANY	
	UNAUDITED MARCH 31, 2009	QUARTER ENDED MARCH 31, 2008	UNAUDITED MARCH 31, 2009	QUARTER ENDED MARCH 31, 2008
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the period	25,353	30,641	25,103	34,680
Other comprehensive income	(156,499)	(13,501)	(142,985)	(24,673)
Total comprehensive income for the period	(131,146)	17,140	(117,882)	10,007
Total comprehensive income attributable to:				
Owners of the parent	(131,252)	16,638	(117,882)	10,007
Minority interest	106	502	-	-
	(131,146)	17,140	(117,882)	10,007

	UNAUDITED CONDENSED GENERAL BUSINESS REVENUE ACCOUNT - QUARTER ENDED MARCH 31, 2009			
	UNAUDITED QUARTER ENDED			
	MARCH 31, 2009	MARCH 31, 2008	MARCH 31, 2009	MARCH 31, 2008
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	158,433	127,472		
Net earned premiums	131,521	109,972		
Net claims incurred	(89,092)	(87,545)		
Net commissions	(8,157)	(7,282)		
Underwriting surplus	34,272	15,145		

	UNAUDITED STATEMENTS OF CHANGES IN EQUITY - QUARTER ENDED MARCH 31, 2009						
	Attributable to owners of the parent						
	Share capital	Revaluation and other reserves	Non distributable share of Life Surplus	Retained earnings	Total	Minority interest	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP							
Balance at January 1, 2009	200,400	427,528	45,200	363,083	1,036,211	3,233	1,039,444
Total comprehensive income for the period	-	(154,144)	(2,355)	25,247	(131,252)	106	(131,146)
Balance at March 31, 2009	200,400	273,384	42,845	388,330	904,959	3,339	908,298
Balance at January 1, 2008	200,400	898,205	92,328	290,083	1,481,016	3,315	1,484,331
Total comprehensive income for the period	-	(11,166)	(2,335)	30,139	16,638	502	17,140
Balance at March 31, 2008	200,400	887,039	89,993	320,222	1,497,654	3,817	1,501,471

	UNAUDITED CONDENSED LIFE ASSURANCE FUND - QUARTER ENDED MARCH 31, 2009			
	UNAUDITED QUARTER ENDED			
	MARCH 31, 2009	MARCH 31, 2008	MARCH 31, 2009	MARCH 31, 2008
	Rs'000	Rs'000	Rs'000	Rs'000
Premiums (Net of reassurances and discount)	76,937	69,681		
Considerations for annuities	806	-		
Investment and other income	26,227	23,287		
Decrease in fair value of available-for-sale financial assets	(150,670)	(51,237)		
Deficit for the period	(46,700)	41,731		
Fund at January 1,	2,412,918	3,046,106		
Deficit for the period	(116,452)	(15,636)		
Transfer from shareholders' share of Life Assurance Fund	2,355	2,335		
Fund at March 31,	2,298,821	3,032,805		

	UNAUDITED STATEMENTS OF CHANGES IN EQUITY - QUARTER ENDED MARCH 31, 2009				
	Share capital	Revaluation and other reserves	Non distributable share of Life Surplus	Retained earnings	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY					
Balance at January 1, 2009	200,400	270,354	45,200	344,489	860,443
Total comprehensive income for the period	-	(140,630)	(2,355)	25,103	(117,882)
Amalgamation of Mua Commercial Vehicles Agency Ltd	-	142,016	-	16,911	158,927
Balance at March 31, 2009	200,400	271,740	42,845	386,503	901,488
Balance at January 1, 2008	200,400	642,412	92,328	265,113	1,200,253
Total comprehensive income for the period	-	(22,338)	(2,335)	34,680	10,007
Balance at March 31, 2008	200,400	620,074	89,993	299,793	1,210,260

	UNAUDITED CONDENSED CASH FLOW STATEMENTS - QUARTER ENDED MARCH 31, 2009			
	THE GROUP		THE COMPANY	
	UNAUDITED MARCH 31, 2009	QUARTER ENDED MARCH 31, 2008	UNAUDITED MARCH 31, 2009	QUARTER ENDED MARCH 31, 2008
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash generated from operating activities	18,456	13,391	19,871	20,237
Net cash (used in)/generated from investing activities	(40,955)	7,757	(40,919)	2,308
Net (decrease)/increase in cash and cash equivalents	(22,499)	21,148	(21,048)	22,545
Movement in cash and cash equivalents				
At January 1,	109,024	187,804	105,287	183,321
(Decrease)/increase	(22,499)	21,148	(21,048)	22,545
At March 31,	86,525	208,952	84,239	205,866

	UNAUDITED CONDENSED CASH FLOW STATEMENTS - LIFE BUSINESS - QUARTER ENDED MARCH 31, 2009			
	UNAUDITED QUARTER ENDED			
	MARCH 31, 2009	MARCH 31, 2008	MARCH 31, 2009	MARCH 31, 2008
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash generated from operating activities	73,852	47,232		
Net cash used in investing activities	(262,657)	(25,764)		
Net (decrease)/increase in cash and equivalents	(188,805)	21,468		
Movement in cash and cash equivalents				
At January 1,	270,159	58,338		
(Decrease)/increase	(188,805)	21,468		
At March 31,	81,354	79,806		

	UNAUDITED CONDENSED SEGMENTAL REPORTING - QUARTER ENDED MARCH 31, 2009				
	THE GROUP				LIFE
	Casualty	Property	Other	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment income	136,773	15,287	1,740	153,800	104,321
Segment results	22,320	2,783	529	25,632	34,421
Decrease in fair value of available-for-sale financial assets				-	(150,670)
Share of results of associates				(279)	(203)
Profit/(deficit) before taxation				25,353	(116,452)
Taxation				-	-
Net profit/(Deficit) for the period				25,353	(116,452)

	UNAUDITED CONDENSED SEGMENTAL REPORTING - QUARTER ENDED MARCH 31, 2008				
	THE GROUP				LIFE
	Casualty	Property	Other	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment income	129,454	19,128	3,513	152,095	93,198
Segment results	18,887	8,898	2,505	30,290	37,572
Decrease in fair value of available-for-sale financial assets				-	(51,237)
Share of results of associates				351	(1,971)
Profit/(deficit) before taxation				30,641	(15,636)
Taxation				-	-
Net profit/(Deficit) for the period				30,641	(15,636)