

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - HALF YEAR ENDED JUNE 30, 2009.

The Directors are pleased to present the condensed financial statements of the Group and the Company for the half year ended June 30, 2009.

(a) Basis of Accounting

The interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards. The condensed interim financial statements for the half year ended June 30, 2009 are unaudited and 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

The Group has recorded better results than for the same period last year.

(i) Underwriting operations have generated a surplus of Rs77m for the half year compared to Rs22m for the same period last year.

(ii) The Group's net profit for the period amounted to Rs131m compared to Rs72m for the first half year 2008.
 (iii) Earnings per share reached Rs6.49, compared to Rs3.57 for half year ended June 30, 2008.
 (iv) Net assets per share increased from Rs51.71 at December 31, 2008 to Rs61.25 at June 30, 2009
 (v) Life Assurance business fund also posted a surplus of Rs231m for the first half year 2009, compared to a deficit of Rs0.8m for the corresponding period last year.

(c) Rs1.40 per share were paid as interim dividends for 2009 compared to Rs1.20 per share for 2008.

By order of the Board
 Gilbert Poisson
 Secretary
 July 24, 2009

UNAUDITED CONDENSED BALANCE SHEETS - JUNE 30, 2009

	THE GROUP		THE COMPANY	
	UNAUDITED JUNE 30, 2009 Rs'000	AUDITED DECEMBER 31, 2008 Rs'000	UNAUDITED JUNE 30, 2009 Rs'000	AUDITED DECEMBER 31, 2008 Rs'000
ASSETS				
Non-current assets	3,667,145	3,373,484	1,471,699	1,161,331
Current assets	1,131,952	1,009,137	639,079	598,259
Total assets	4,799,097	4,382,621	2,110,778	1,759,590
EQUITY AND LIABILITIES				
Capital and reserves				
Owners' interest	1,227,395	1,036,211	1,222,295	860,443
Minority interest	3,847	3,233	-	-
Total equity	1,231,242	1,039,444	1,222,295	860,443
Technical provisions	803,855	767,919	803,855	767,919
Life Assurance Fund	2,609,860	2,412,918	-	-
Non-current liabilities	446	446	199	199
Current liabilities	153,694	161,894	84,429	131,029
Total equity and liabilities	4,799,097	4,382,621	2,110,778	1,759,590
Net assets per share (Rs)	61.25	51.71		
Number of ordinary shares ('000)	20,040	20,040		

UNAUDITED CONDENSED INCOME STATEMENTS - HALF YEAR ENDED JUNE 30, 2009

	THE GROUP				THE COMPANY			
	UNAUDITED HALF YEAR ENDED JUNE 30, 2009 Rs'000	UNAUDITED HALF YEAR ENDED JUNE 30, 2008 Rs'000	UNAUDITED QUARTER ENDED JUNE 30, 2009 Rs'000	UNAUDITED QUARTER ENDED JUNE 30, 2008 Rs'000	UNAUDITED HALF YEAR ENDED JUNE 30, 2009 Rs'000	UNAUDITED HALF YEAR ENDED JUNE 30, 2008 Rs'000	UNAUDITED QUARTER ENDED JUNE 30, 2009 Rs'000	UNAUDITED QUARTER ENDED JUNE 30, 2008 Rs'000
Gross premiums	360,658	288,737	202,225	161,265	360,658	288,737	202,225	161,265
Revenue	291,022	219,749	158,254	109,249	286,620	227,187	155,097	117,216
Underwriting surplus	77,314	21,994	46,060	7,816	77,314	21,994	46,060	7,816
Investment and other income	108,773	90,541	92,108	54,335	103,310	85,944	88,386	46,354
	186,087	112,535	138,168	62,151	180,624	107,938	134,446	54,170
Net profit for the period	130,684	72,373	105,331	41,732	128,103	70,804	103,000	36,124
Profit attributable to:								
Owners of the parent	130,070	71,464	104,823	41,325	128,103	70,804	103,000	36,124
Minority interest	614	909	508	407	-	-	-	-
	130,684	72,373	105,331	41,732	128,103	70,804	103,000	36,124
Basic earnings per share for the period (Rs)	6.49	3.57	5.23	2.06				
Number of ordinary shares ('000)	20,040	20,040	20,040	20,040				

UNAUDITED CONDENSED BALANCE SHEETS - JUNE 30, 2009

	LIFE	
	UNAUDITED JUNE 30, 2009 Rs'000	AUDITED DECEMBER 31, 2008 Rs'000
ASSETS		
Non-current assets	2,190,471	2,034,113
Current assets	488,164	405,845
Total assets	2,678,635	2,439,958
Less:		
Non-current liabilities	199	199
Current liabilities	68,576	26,841
Life Assurance Fund	2,609,860	2,412,918

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME - HALF YEAR ENDED JUNE 30, 2009

	THE GROUP				THE COMPANY			
	UNAUDITED HALF YEAR ENDED JUNE 30, 2009 Rs'000	UNAUDITED HALF YEAR ENDED JUNE 30, 2008 Rs'000	UNAUDITED QUARTER ENDED JUNE 30, 2009 Rs'000	UNAUDITED QUARTER ENDED JUNE 30, 2008 Rs'000	UNAUDITED HALF YEAR ENDED JUNE 30, 2009 Rs'000	UNAUDITED HALF YEAR ENDED JUNE 30, 2008 Rs'000	UNAUDITED QUARTER ENDED JUNE 30, 2009 Rs'000	UNAUDITED QUARTER ENDED JUNE 30, 2008 Rs'000
Profit for the period	130,684	72,373	105,331	41,732	128,103	70,804	103,000	36,124
Other comprehensive income	89,170	(47,672)	245,669	(34,171)	261,805	(68,864)	404,791	(44,191)
Total comprehensive income for the period	219,854	24,701	351,000	7,561	389,908	1,940	507,791	(8,067)
Total comprehensive income attributable to:								
Owners of the parent	219,240	23,792	350,492	7,154	389,908	1,940	507,791	(8,067)
Minority interest	614	909	508	407	-	-	-	-
	219,854	24,701	351,000	7,561	389,908	1,940	507,791	(8,067)

UNAUDITED CONDENSED GENERAL BUSINESS REVENUE ACCOUNT - HALF YEAR ENDED JUNE 30, 2009

	UNAUDITED HALF YEAR ENDED		UNAUDITED QUARTER ENDED	
	JUNE 30, 2009 Rs'000	JUNE 30, 2008 Rs'000	JUNE 30, 2009 Rs'000	JUNE 30, 2008 Rs'000
Gross premiums	360,658	288,737	202,225	161,265
Net earned premiums	286,618	227,187	155,097	117,215
Net claims incurred	(184,744)	(189,149)	(95,652)	(101,604)
Net commissions	(24,560)	(16,044)	(13,385)	(7,795)
Underwriting surplus	77,314	21,994	46,060	7,816

UNAUDITED STATEMENTS OF CHANGES IN EQUITY - HALF YEAR ENDED JUNE 30, 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	-	55,376	33,794	130,070	219,240	614	219,854
Dividends	-	-	-	(28,056)	(28,056)	-	(28,056)
Balance at June 30, 2009	200,400	482,904	78,994	465,097	1,227,395	3,847	1,231,242
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	-	(34,824)	(12,802)	71,418	23,792	909	24,701
Dividends	-	-	-	(24,048)	(24,048)	-	(24,048)
Balance at June 30, 2008	200,400	863,381	79,526	337,453	1,480,760	4,224	1,484,984

UNAUDITED STATEMENTS OF CHANGES IN EQUITY - HALF YEAR ENDED JUNE 30, 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	-	211,100	33,794	145,014	389,908
Dividends	-	-	-	(28,056)	(28,056)
Balance at June 30, 2009	200,400	481,454	78,994	461,447	1,222,295
Balance at January 1, 2008	200,400	642,412	92,328	265,113	1,200,253
Total comprehensive income for the period	-	(56,062)	(12,802)	70,804	1,940
Dividends	-	-	-	(24,048)	(24,048)
Balance at June 30, 2008	200,400	586,350	79,526	311,869	1,178,145

UNAUDITED CONDENSED CASH FLOW STATEMENTS - LIFE BUSINESS - HALF YEAR ENDED JUNE 30, 2009

	UNAUDITED HALF YEAR ENDED JUNE 30, 2009 Rs'000	JUNE 30, 2008 Rs'000
Net cash generated from/(used in) operating activities	99,753	(13,428)
Net cash used in investing activities	(269,158)	(2,548)
Net decrease in cash and cash equivalents	(169,405)	(15,976)
Movement in cash and cash equivalents		
At January 1,	270,159	52,338
Net decrease	(169,405)	(15,976)
At June 30,	100,754	36,362

UNAUDITED CONDENSED SEGMENTAL REPORT - HALF YEAR ENDED JUNE 30, 2008

	THE GROUP				LIFE
	Casualty Rs'000	Property Rs'000	Other Rs'000	Total Rs'000	Total Rs'000
Segment income	281,966	41,464	6,713	330,143	220,120
Segment results	52,593	17,296	4,541	74,430	82,810
Decrease in fair value of available-for-sale financial assets				-	(81,152)
Share of results of associates				(855)	(2,464)
Profit/(deficit) before taxation				73,575	(806)
Taxation				(1,202)	-
Net profit/(deficit) for the period				72,373	(806)
Total assets					
June 30, 2009	4,024,680	758,334	16,083	4,799,097	2,678,635
June 30, 2008	4,153,976	817,174	414,782	5,385,932	3,128,282
December 31, 2008	3,341,673	754,452	286,496	4,382,621	2,439,958

DIVIDEND PER SHARE

	THE GROUP AND THE COMPANY			
	UNAUDITED HALF YEAR ENDED JUNE 30, 2009 Rs	UNAUDITED HALF YEAR ENDED JUNE 30, 2008 Rs	UNAUDITED QUARTER ENDED JUNE 30, 2009 Rs	UNAUDITED QUARTER ENDED JUNE 30, 2008 Rs
Dividend per share	1.4	1.2	1.4	1.2