



The Board of Directors is pleased to present before you the un-audited financial statements of the Company for the six months ended 30th June, 2010.

Business Overview:

The results for the first six months are summarized below:

	2010 (30 June)	2009 (30 June)
	(Rupees in '000)	
Premium written	2,414,288	2,531,154
Net premium Revenue	1,226,150	1,140,553
Underwriting Result	57,731	71,696
Investment Income	231,210	257,061
Other Income	9,644	2,412
Profit before tax	296,002	318,777
Profit after tax	231,846	255,637

Caught up in a economy which is beset with high cost of capital resulting in low overall investments, the Company's written premium has decreased by 4.6% to Rs.2,414 million during the period under review mainly due to decrease in Fire, Motor and Liability classes. However, the net premium has increased by 7.5% to Rs.1,226 million owing to increase in Marine, Accident & Health and Miscellaneous classes of business.

The Company has posted an underwriting profit of Rs.58 million with positive contributions from Marine, Motor, Liability and Miscellaneous classes of business while Fire and Accident & Health portfolios have posted losses.

Investment income has decreased by Rs.26 million to Rs.231 million owing to a reduction of capital gains on sale of securities.

Future Outlook:

The recent on-going unprecedented country wide floods are likely to considerably hurt the already strained national economy. The floods are also expected to result in significant insured losses for your company and the industry as a whole. The remaining six months pose challenges which we shall Inshallah make every effort to overcome.

Towfiq H. Chinoy

Chairman

Karachi: August 19, 2010