

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

	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
<b>ASSETS</b>				
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
<b>Total assets</b>	<b>4,124,921</b>	<b>4,382,621</b>	<b>1,792,277</b>	<b>1,759,590</b>
<b>EQUITY AND LIABILITIES</b>				
Capital and reserves				
Owners' interest	904,959	1,036,211	901,488	860,443
Minority interest	3,339	3,233	-	-
<b>Total equity*</b>	<b>908,298</b>	<b>1,039,444</b>	<b>901,488</b>	<b>860,443</b>
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
<b>Total equity and liabilities</b>	<b>4,124,921</b>	<b>4,382,621</b>	<b>1,792,277</b>	<b>1,759,590</b>
Net assets per share	Rs 45.16	Rs 51.71		
Number of shares('000)	20,040	20,040		

\* see statement of changes in equity

	THE GROUP		THE COMPANY	
	UNAUDITED QUARTER ENDED MARCH 31, 2009	UNAUDITED QUARTER ENDED MARCH 31, 2008	UNAUDITED QUARTER ENDED MARCH 31, 2009	UNAUDITED 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
<b>Net profit for the period</b>	<b>25,353</b>	<b>30,641</b>	<b>25,103</b>	<b>34,680</b>
<b>Profit attributable to:</b>				
Owners of the parent	25,247	30,139	25,103	34,680
Minority interest	106	502	-	-
	25,353	30,641	25,103	34,680
<b>Earnings per share for the quarter</b>	Rs. 1.26	1.50		
<b>Number of ordinary shares ('000)</b>	<b>20,040</b>	<b>20,040</b>		

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

	THE GROUP		THE COMPANY	
	UNAUDITED QUARTER ENDED MARCH 31, 2009	UNAUDITED QUARTER ENDED MARCH 31, 2008	UNAUDITED QUARTER ENDED MARCH 31, 2009	UNAUDITED 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)
<b>Total comprehensive income for the period</b>	<b>(131,146)</b>	<b>17,140</b>	<b>(117,882)</b>	<b>10,007</b>
<b>Total comprehensive income attributable to:</b>				
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 QUARTER ENDED MARCH 31, 2009	
	MARCH 31, 2009	MARCH 31, 2008
	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

	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
<b>THE GROUP</b>							
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)
<b>Balance at March 31, 2009</b>	<b>200,400</b>	<b>273,384</b>	<b>42,845</b>	<b>388,330</b>	<b>904,959</b>	<b>3,339</b>	<b>908,298</b>
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
<b>Balance at March 31, 2008</b>	<b>200,400</b>	<b>887,039</b>	<b>89,993</b>	<b>320,222</b>	<b>1,497,654</b>	<b>3,817</b>	<b>1,501,471</b>

	UNAUDITED QUARTER ENDED MARCH 31, 2009	
	MARCH 31, 2009	MARCH 31, 2008
	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)
	(46,700)	41,731
<b>Deficit for the period</b>	<b>(116,452)</b>	<b>(15,636)</b>
<b>Fund at January 1,</b>	<b>2,412,918</b>	<b>3,046,106</b>
Deficit for the period	(116,452)	(15,636)
Transfer from shareholders' share of Life Assurance Fund	2,355	2,335
<b>Fund at March 31,</b>	<b>2,298,821</b>	<b>3,032,805</b>

	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
	<b>THE COMPANY</b>				
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
<b>Balance at March 31, 2009</b>	<b>200,400</b>	<b>271,740</b>	<b>42,845</b>	<b>386,503</b>	<b>901,488</b>
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
<b>Balance at March 31, 2008</b>	<b>200,400</b>	<b>620,074</b>	<b>89,993</b>	<b>299,793</b>	<b>1,210,260</b>

	THE GROUP		THE COMPANY	
	UNAUDITED QUARTER ENDED MARCH 31, 2009	UNAUDITED QUARTER ENDED MARCH 31, 2008	UNAUDITED QUARTER ENDED MARCH 31, 2009	UNAUDITED 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
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(22,499)</b>	<b>21,148</b>	<b>(21,048)</b>	<b>22,545</b>
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
<b>At March 31,</b>	<b>86,525</b>	<b>208,952</b>	<b>84,239</b>	<b>205,866</b>

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

	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	-	-	-	-	-
<b>Net profit/(Deficit) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,353</b>	<b>(116,452)</b>

	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	-	-	-	-	-
<b>Net profit/(Deficit) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,641</b>	<b>(15,636)</b>