

[exploring progress]

Pursuit of Excellence

Innovation

Beyond the Horizon

Stability and Growth

For the First Quarter Ended  
March 31, 2009 (Unaudited)



**adamjee**  
insurance

Leadership from strength



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# 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
Khalid Qadeer Qureshi	Director
Ibrahim Shamsi	Director
S. M. Jawed	Director
Yahya Saleem	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](mailto:info@adamjeeinsurance.com)

Website: [www.adamjeeinsurance.com](http://www.adamjeeinsurance.com)

# DIRECTORS' REPORT TO THE MEMBERS

For the Quarter ended March 31, 2009 (Unaudited)

On behalf of the Board of Directors, I am pleased to present the financial statements for the first quarter ended March 31, 2009.

The highlights for the period under review are as under:

	<b>March 31, 2009</b>	March 31, 2008
	(Rupees '000)	
Gross Premium	<b>2,362,610</b>	2,360,219
Net Premium	<b>1,779,964</b>	1,620,179
Underwriting results	<b>199,318</b>	(175,190)
Investment Income	<b>384,927</b>	342,118
Profit Before Tax	<b>480,478</b>	102,890
Profit After Tax	<b>441,444</b>	88,425
Earnings per Share (Rupees)	<b>4.32</b>	0.86

In year 2009 the company is focused on strengthening its underwriting base and improving operations to strengthen the core business. In the first quarter, Net Premium increased by 10% over the corresponding period. The underwriting results also improved by 214% since same period last year. This is mainly due to decline in claim ratio which is 63.97% as compared to 86.53% since first quarter of the previous year.

The company earned investment income of Rs 385 million depicting an increase of 13% since last year. The Profit before and after tax have increased by 367% and 399% respectively from the same period in comparison.

The company has a positive outlook despite the economic recession which still exist the world over. The company believes in investing in its employees and technology, ensuring operational excellence and maintaining its leading position in the industry.

On behalf of the Board of Directors

April 27, 2009

**Muhammad Ali Zeb**  
Managing Director &  
Chief Executive Officer

## 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 BALANCE SHEET

As at March 31, 2009

	Note	(Unaudited) March 31, 2009	(Audited) December 31, 2008
(Rupees '000)			
<b>Share capital and reserves</b>			
Authorised share capital		<u>1,500,000</u>	<u>1,500,000</u>
Paid-up share capital		1,022,351	1,022,351
Retained earnings		6,695,691	6,458,717
Reserves		1,065,358	963,123
<b>TOTAL EQUITY</b>		<u>7,761,049</u>	<u>7,421,840</u>
		<u>8,783,400</u>	<u>8,444,191</u>
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		4,023,133	4,562,553
Provision for unearned premium		3,917,779	4,014,822
Commission income unearned		185,654	176,500
Total underwriting provisions		8,126,566	8,753,875
<b>Deferred liability</b>			
Staff retirement benefits		11,464	9,166
<b>Creditors and Accruals</b>			
Premiums received in advance		68,887	101,247
Amounts due to other insurers / reinsurers		51,515	137,380
Accrued expenses		81,280	79,626
Other creditors and accruals		911,738	994,367
		1,113,420	1,312,620
<b>Other liabilities</b>			
Unclaimed dividends		21,303	25,055
Dividend payable		102,235	-
		123,538	25,055
<b>TOTAL LIABILITIES</b>		<u>9,374,988</u>	<u>10,100,716</u>
		<u>18,158,388</u>	<u>18,544,907</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<u>18,158,388</u>	<u>18,544,907</u>

## CONTINGENCIES

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

	Note	(Unaudited) March 31, 2009	(Audited) December 31, 2008
		(Rupees '000)	
<b>Cash and bank deposits</b>			
Cash and other equivalents		6,750	41,622
Current and other accounts		307,863	483,534
Deposits maturing within 12 months		1,275,354	1,198,950
		<b>1,589,967</b>	1,724,106
<b>Loans</b>			
		<b>30,828</b>	26,852
<b>Investments</b>			
	6	<b>7,374,960</b>	7,576,749
<b>Other Assets</b>			
Premiums due but unpaid	7	<b>3,646,015</b>	3,449,898
Amounts due from other insurers/ reinsurers	8	<b>555,740</b>	535,059
Salvage recoveries accrued		<b>179,612</b>	228,147
Premium and claim reserves retained by cedants		<b>28,368</b>	28,682
Accrued investment income		<b>134,166</b>	39,465
Reinsurance recoveries against outstanding claims		<b>1,924,559</b>	2,188,101
Taxation - payments less provision		<b>22,823</b>	132,876
Deferred commission expense		<b>354,671</b>	414,701
Prepayments		<b>1,166,142</b>	1,057,783
Sundry receivables		<b>218,526</b>	202,578
		<b>8,230,622</b>	8,277,290
<b>Fixed Assets - Tangible &amp; Intangible</b>			
Owned			
Land and buildings	9	<b>177,014</b>	177,793
Furniture and fixtures		<b>27,106</b>	27,052
Motor vehicles		<b>219,113</b>	228,869
Machinery and equipment		<b>404,755</b>	395,443
Computers and related accessories		<b>60,366</b>	65,032
Intangible asset - computer software		<b>43,657</b>	45,721
		<b>932,011</b>	939,910
<b>TOTAL ASSETS</b>		<b>18,158,388</b>	18,544,907

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman



# CONDENSED PROFIT AND LOSS ACCOUNT

For the Quarter ended March 31, 2009 (Unaudited)

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Misc.	Treaty	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees in '000)						
<b>Revenue account</b>							
Net premium revenue	328,026	245,197	913,794	292,947	-	<b>1,779,964</b>	1,620,179
Net claims	(142,602)	(82,297)	(679,744)	(223,648)	(10,433)	<b>(1,138,724)</b>	(1,401,901)
Expenses	(56,993)	(44,275)	(136,278)	(40,800)	(622)	<b>(278,968)</b>	(270,608)
Net commission	(29,707)	(32,398)	(88,512)	(12,337)	-	<b>(162,954)</b>	(122,860)
<b>Underwriting result</b>	<u>98,724</u>	<u>86,227</u>	<u>9,260</u>	<u>16,162</u>	<u>(11,055)</u>	<b>199,318</b>	(175,190)
Investment income						<b>384,927</b>	342,118
Rental income						<b>124</b>	124
Other income						<b>43,508</b>	10,561
						<b>627,877</b>	177,613
General and administration expenses						<b>(147,497)</b>	(74,932)
Exchange gain-net						<b>98</b>	209
<b>Profit before tax</b>						<b>480,478</b>	102,890
Provision for taxation						<b>(39,034)</b>	(14,465)
<b>Profit after tax</b>						<b>441,444</b>	88,425
<b>Balance at the commencement of the period</b>						<b>6,458,717</b>	5,666,273
Final dividend for the year ended December 31, 2008 @ 10% (Re 1.0/- per share) [2007:@ 15% (Rs 1.5/- per share)]						<b>(102,235)</b>	(153,353)
Reserve for issue of bonus shares						<b>(102,235)</b>	-
Profit after tax for the period						<b>441,444</b>	88,425
<b>Balance unappropriated profit at the end of the period</b>						<b>6,695,691</b>	5,601,345
						(Rupees)	
<b>Earnings per share - basic</b>						<b>4.32</b>	0.86

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED PROFIT AND LOSS ACCOUNT

For the Quarter ended March 31, 2009 (Unaudited)

## BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Misc.	Treaty	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees in '000)						
<b>Revenue account</b>							
Net premium revenue	312,582	222,615	694,430	286,720	-	<b>1,516,347</b>	1,500,181
Net claims	(140,738)	(79,426)	(549,168)	(223,455)	(10,433)	<b>(1,003,220)</b>	(1,338,427)
Expenses	(55,909)	(42,690)	(120,884)	(40,363)	(622)	<b>(260,468)</b>	(259,035)
Net commission	(28,719)	(27,615)	(63,615)	(12,568)	-	<b>(132,517)</b>	(118,493)
<b>Underwriting result</b>	<u>87,216</u>	<u>72,884</u>	<u>(39,237)</u>	<u>10,334</u>	<u>(11,055)</u>	<b>120,142</b>	(215,774)
Investment income						<b>384,927</b>	342,118
Rental income						<b>124</b>	124
Other income						<b>35,588</b>	10,231
						<b>540,781</b>	136,699
General and administration expenses						<b>(143,587)</b>	(69,336)
<b>Profit before tax</b>						<b>397,194</b>	67,363

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

**Muhammad Ali Zeb**

Managing Director & Chief Executive Officer

**Ibrahim Shamsi**

Director

**Ahmad Alman Aslam**

Director

**Umer Mansha**

Chairman

# CONDENSED PROFIT AND LOSS ACCOUNT

For the Quarter ended March 31, 2009 (Unaudited)

## BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Misc.	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees in '000)					
<b>Revenue account</b>						
Net premium revenue	15,444	22,582	219,364	6,227	<b>263,617</b>	119,998
Net claims	(1,864)	(2,871)	(130,576)	(193)	<b>(135,504)</b>	(63,474)
Expenses	(1,084)	(1,585)	(15,394)	(437)	<b>(18,500)</b>	(11,573)
Net commission	(988)	(4,783)	(24,897)	231	<b>(30,437)</b>	(4,367)
<b>Underwriting result</b>	<u>11,508</u>	<u>13,343</u>	<u>48,497</u>	<u>5,828</u>	<b>79,176</b>	40,584
Investment income					-	-
Rental income					-	-
Other income					<b>7,920</b>	330
					<b>87,096</b>	40,914
General and administration expenses					<b>(3,910)</b>	(5,596)
Exchange gain -net					<b>98</b>	209
<b>Profit before tax</b>					<b>83,284</b>	35,527

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF CHANGES IN EQUITY

For the Quarter ended March 31, 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)						
<b>Balance as at December 31, 2007</b>	1,022,351	-	22,859	3,764	936,500	5,666,273	<b>7,651,747</b>
Profit after tax for the quarter ended March 31, 2008	-	-	-	-	-	88,425	<b>88,425</b>
Final dividend for the year ended December 31, 2007	-	-	-	-	-	(153,353)	<b>(153,353)</b>
<b>Balance as at March 31, 2008</b>	1,022,351	-	22,859	3,764	936,500	5,601,345	<b>7,586,819</b>
Profit after tax for the Nine months ended December 31, 2008	-	-	-	-	-	1,010,725	<b>1,010,725</b>
Interim dividend @ 15% (Rs 1.5/- per share)	-	-	-	-	-	(153,353)	<b>(153,353)</b>
<b>Balance as at December 31, 2008</b>	1,022,351	-	22,859	3,764	936,500	6,458,717	<b>8,444,191</b>
Profit after tax for the quarter ended March 31, 2009	-	-	-	-	-	441,444	<b>441,444</b>
Final dividend for the year ended December 31, 2008	-	-	-	-	-	(102,235)	<b>(102,235)</b>
Transfer to Reserve for Issue of Bonus shares	-	102,235	-	-	-	(102,235)	<b>-</b>
<b>Balance as at March 31, 2009</b>	<u>1,022,351</u>	<u>102,235</u>	<u>22,859</u>	<u>3,764</u>	<u>936,500</u>	<u>6,695,691</u>	<b><u>8,783,400</u></b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman



# CONDENSED STATEMENT OF CASH FLOWS

For the Quarter ended March 31, 2009 (Unaudited)

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees '000)	
<b>Operating Cash Flows</b>		
<b>a) Underwriting activities</b>		
Premiums received	2,153,634	2,076,483
Reinsurance premiums paid	(829,938)	(675,480)
Claims paid	(1,644,539)	(1,581,284)
Surrenders paid	(19,501)	(42,238)
Reinsurance and other recoveries received	258,105	352,104
Commissions paid	(225,941)	(264,606)
Commissions received	113,317	87,732
Other underwriting payments	(331,082)	(278,110)
<b>Net cash flow from underwriting activities</b>	<b>(525,945)</b>	<b>(325,399)</b>
<b>b) Other operating activities</b>		
Income tax refund/(paid)	71,019	(4,108)
General and other expenses paid	(183,546)	(77,009)
Loans disbursed	(9,916)	(12,023)
Loan repayments received	15,079	13,565
Other receipts	3,367	3,161
<b>Net cash flow from other operating activities</b>	<b>(103,997)</b>	<b>(76,414)</b>
<b>Total cash flow from all operating activities</b>	<b>(629,942)</b>	<b>(401,813)</b>
<b>Investment activities</b>		
Profit / return received	42,128	17,215
Dividends received	76,546	14,411
Investments purchased	(404,046)	(1,957,743)
Proceeds from disposal of investments	813,913	2,169,325
Fixed capital expenditure	(40,952)	(32,026)
Proceeds from disposal of fixed assets	8,756	3,560
Income received on TFC	3,210	5,903
<b>Total cash flow from investing activities</b>	<b>499,555</b>	<b>220,645</b>
<b>Financing activities</b>		
Dividends paid	(3,752)	(13,133)
<b>Total cash flow from financing activities</b>	<b>(3,752)</b>	<b>(13,133)</b>
<b>Net cash outflow from all activities</b>	<b>(134,139)</b>	<b>(194,301)</b>
<b>Cash at the beginning of the period</b>	<b>1,724,106</b>	<b>954,197</b>
<b>Cash at the end of the period</b>	<b>1,589,967</b>	<b>759,896</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF CASH FLOWS

For the Quarter ended March 31, 2009 (Unaudited)

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees '000)	
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(629,942)	(401,813)
Depreciation expense	(38,696)	(23,796)
Provision for gratuity	(2,298)	79
Other income - bank deposits	41,092	7,068
Profit on disposal of fixed assets	189	205
Rental income	124	124
Decrease in assets other than cash	(31,672)	473,313
Decrease/(Increase) in liabilities other than running finance	729,467	(308,209)
	<b>68,264</b>	<b>(253,029)</b>
<b>Others</b>		
(Loss)/Profit on sale of investments	(33,500)	160,319
Amortization expense	(2,714)	(218)
Decrease in unearned premium	97,044	11,453
Amortisation of income on Government Securities - net	12,364	19,625
Interest on Mutual Funds	61,690	-
Profit on Pakistan Investment Bonds	1,109	-
Decrease in loans	3,976	(1,542)
Income tax (refund)/paid	(71,019)	4,108
Reversal for diminution in value of investments	230,693	11,388
Dividend, investment and other income	105,644	144,646
Income on TFCs	6,927	6,140
	<b>412,214</b>	<b>355,919</b>
<b>Profit before taxation</b>	<b>480,478</b>	<b>102,890</b>
<b>Cash for the purposes of the Statement of Cash Flows consists of:</b>		
<b>Cash and other equivalent</b>		
Cash in hand	6,750	6,358
<b>Current and other accounts</b>		
Current and saving accounts	307,863	480,540
<b>Deposits maturing within 12 months</b>		
Fixed and term deposits accounts	1,275,354	272,998
<b>Total cash and cash equivalents</b>	<b>1,589,967</b>	<b>759,896</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF CASH FLOWS

For the Quarter ended March 31, 2009 (Unaudited)

## BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees '000)	
<b>Operating Cash Flows</b>		
<b>a) Underwriting activities</b>		
Premiums received	1,904,831	1,843,685
Reinsurance premiums paid	(676,058)	(628,748)
Claims paid	(1,461,859)	(1,497,887)
Surrenders paid	(18,908)	(42,238)
Reinsurance and other recoveries received	152,382	320,886
Commissions paid	(201,069)	(236,935)
Commissions received	107,619	78,562
Other underwriting payments	(325,103)	(261,507)
<b>Net cash flow from underwriting activities</b>	<b>(518,165)</b>	<b>(424,182)</b>
<b>b) Other operating activities</b>		
Income tax refund/(paid)	71,019	(4,108)
General and other expenses paid	(168,483)	(70,245)
Loans disbursed	(8,274)	(12,023)
Loan repayments received	13,749	13,565
Other receipts	1,063	3,370
<b>Net cash flow from other operating activities</b>	<b>(90,926)</b>	<b>(69,441)</b>
<b>Total cash flow from all operating activities</b>	<b>(609,091)</b>	<b>(493,623)</b>
<b>Investment activities</b>		
Profit / return received	38,035	17,215
Dividends received	76,546	14,411
Investments purchased	(404,046)	(1,957,743)
Proceeds from disposal of investments	813,913	2,169,325
Fixed capital expenditure	(40,952)	(32,026)
Proceeds from disposal of fixed assets	8,756	3,560
Income received on TFC	3,210	5,903
<b>Total cash flow from investing activities</b>	<b>495,462</b>	<b>220,645</b>
<b>Financing activities</b>		
Dividends paid	(3,752)	(13,133)
<b>Total cash flow from financing activities</b>	<b>(3,752)</b>	<b>(13,133)</b>
<b>Net cash outflow from all activities</b>	<b>(117,381)</b>	<b>(286,111)</b>
<b>Cash at the beginning of the period</b>	<b>1,151,374</b>	<b>654,372</b>
<b>Cash at the end of the period</b>	<b>1,033,993</b>	<b>368,261</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF CASH FLOWS

For the Quarter ended March 31, 2009 (Unaudited)

## BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees '000)	
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(609,091)	(470,246)
Depreciation expense	(38,188)	(23,729)
Provision for gratuity	-	-
Other income - bank deposits	35,432	6,738
Profit on disposal of fixed assets	189	205
Rental income	124	124
Decrease in assets other than cash	53,738	407,081
Decrease/(Increase) in liabilities other than running finance	612,327	(342,790)
	<b>54,531</b>	<b>(422,617)</b>
<b>Others</b>		
(Loss)/Profit on sale of investments	(33,500)	160,319
Amortization expense	(2,714)	(218)
Decrease in unearned premium	27,493	145,514
Amortisation of income on Government Securities - net	12,364	19,625
Interest on Mutual Funds	61,690	-
Profit on Pakistan Investment Bonds	1,109	-
Decrease in loans	3,976	(1,542)
Income tax (refund)/paid	(71,019)	4,108
Reversal for diminution in value of investments	230,693	11,388
Dividend, investment and other income	105,644	144,646
Income on TFCs	6,927	6,140
	<b>342,663</b>	<b>489,980</b>
<b>Profit before taxation</b>	<b>397,194</b>	<b>67,363</b>
<b>Cash for the purposes of the Statement of Cash Flows consists of:</b>		
<b>Cash and other equivalent</b>		
Cash in hand	6,532	6,187
<b>Current and other accounts</b>		
Current and saving accounts	272,745	351,649
<b>Deposits maturing within 12 months</b>		
Fixed and term deposits accounts	754,716	10,425
<b>Total cash and cash equivalents</b>	<b>1,033,993</b>	<b>368,261</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman



# CONDENSED STATEMENT OF CASH FLOWS

For the Quarter ended March 31, 2009 (Unaudited)

## BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees '000)	
<b>Operating Cash Flows</b>		
<b>a) Underwriting activities</b>		
Premiums received	248,803	232,798
Reinsurance premiums paid	(153,880)	(46,732)
Claims paid	(182,680)	(83,397)
Surrenders paid	(593)	-
Reinsurance and other recoveries received	105,723	31,218
Commissions paid	(24,872)	(27,671)
Commissions received	5,698	9,170
Other underwriting payments	(5,979)	(16,603)
<b>Net cash flow from underwriting activities</b>	<b>(7,780)</b>	<b>98,783</b>
<b>b) Other operating activities</b>		
Income tax paid	-	-
General and other expenses paid	(15,063)	(6,764)
Loans disbursed	(1,642)	-
Loan repayments received	1,330	-
Other receipts	2,304	(209)
<b>Net cash flow from other operating activities</b>	<b>(13,071)</b>	<b>(6,973)</b>
<b>Total cash flow from all operating activities</b>	<b>(20,851)</b>	<b>91,810</b>
<b>Investment activities</b>		
Profit / return received	4,093	-
Dividends received	-	-
Investments purchased	-	-
Proceeds from disposal of investments	-	-
Fixed capital expenditure	-	-
Proceeds from disposal of fixed assets	-	-
Income received on TFC	-	-
<b>Total cash flow from investing activities</b>	<b>4,093</b>	<b>-</b>
<b>Financing activities</b>		
Dividends paid	-	-
<b>Total cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash outflow from all activities</b>	<b>(16,758)</b>	<b>91,810</b>
<b>Cash at the beginning of the period</b>	<b>572,732</b>	<b>299,825</b>
<b>Cash at the end of the period</b>	<b>555,974</b>	<b>391,635</b>

**Muhammad Ali Zeb**

Managing Director & Chief Executive Officer

**Ibrahim Shamsi**

Director

**Ahmad Alman Aslam**

Director

**Umer Mansha**

Chairman

# CONDENSED STATEMENT OF CASH FLOWS

For the Quarter ended March 31, 2009 (Unaudited)

## BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees '000)	
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(20,851)	68,433
Depreciation expense	(508)	(67)
Provision for gratuity	(2,298)	79
Other income - bank deposits	5,660	330
Profit on disposal of fixed assets	-	-
Rental income	-	-
(Decrease)/Increase in assets other than cash	(85,410)	66,232
Decrease in liabilities other than running finance	117,140	34,581
	<b>13,733</b>	169,588
<b>Others</b>		
Profit on sale of investments	-	-
Amortization expense	-	-
Decrease/(Increase) in unearned premium	69,551	(134,061)
Amortisation of income on Government Securities - net	-	-
Interest on Mutual Funds	-	-
Profit on Pakistan Investment Bonds	-	-
Decrease in loans	-	-
Income tax paid	-	-
Reversal/(Provision) for diminution in value of investments	-	-
Dividend, investment and other income	-	-
Income on TFCs	-	-
	<b>69,551</b>	(134,061)
<b>Profit before taxation</b>	<b>83,284</b>	35,527
<b>Cash for the purposes of the Statement of Cash Flows consists of:</b>		
<b>Cash and other equivalent</b>		
Cash in hand	218	171
<b>Current and other accounts</b>		
Current and saving accounts	35,118	128,891
<b>Deposits maturing within 12 months</b>		
Fixed and term deposits accounts	520,638	262,573
<b>Total cash and cash equivalents</b>	<b>555,974</b>	391,635

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF PREMIUMS

For the Quarter ended March 31, 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 March 31, 2009	Quarter ended March 31, 2008
(Rupees '000)										
<b>Direct and facultative</b>										
Fire and property damage	700,395	1,551,532	1,379,295	872,632	558,313	878,865	892,572	544,606	<b>328,026</b>	306,541
Marine, aviation and transport	288,853	91,984	85,059	295,778	48,770	21,364	19,553	50,581	<b>245,197</b>	288,659
Motor	822,576	1,789,404	1,683,123	928,857	15,035	1,910	1,882	15,063	<b>913,794</b>	810,301
Miscellaneous	550,786	581,902	770,302	362,386	121,955	102,092	154,608	69,439	<b>292,947</b>	214,678
<b>Total</b>	<b>2,362,610</b>	<b>4,014,822</b>	<b>3,917,779</b>	<b>2,459,653</b>	<b>744,073</b>	<b>1,004,231</b>	<b>1,068,615</b>	<b>679,689</b>	<b>1,779,964</b>	<b>1,620,179</b>
<b>Treaty</b>										
Proportional	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>2,362,610</b>	<b>4,014,822</b>	<b>3,917,779</b>	<b>2,459,653</b>	<b>744,073</b>	<b>1,004,231</b>	<b>1,068,615</b>	<b>679,689</b>	<b>1,779,964</b>	<b>1,620,179</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF PREMIUMS

For the Quarter ended March 31, 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 March 31, 2009	Quarter ended March 31, 2008
(Rupees '000)										
<b>Direct and facultative</b>										
Fire and property damage	671,566	1,477,644	1,314,435	834,775	539,109	836,178	853,094	522,193	<b>312,582</b>	299,050
Marine, aviation and transport	284,800	30,146	44,456	270,490	48,770	12,728	13,623	47,875	<b>222,615</b>	259,536
Motor	632,333	1,286,286	1,216,008	702,611	8,153	1,910	1,882	8,181	<b>694,430</b>	727,706
Miscellaneous	543,603	557,554	749,238	351,919	118,795	92,624	146,220	65,199	<b>286,720</b>	213,889
<b>Total</b>	<b>2,132,302</b>	<b>3,351,630</b>	<b>3,324,137</b>	<b>2,159,795</b>	<b>714,827</b>	<b>943,440</b>	<b>1,014,819</b>	<b>643,448</b>	<b>1,516,347</b>	1,500,181
<b>Treaty</b>										
Proportional	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>2,132,302</b>	<b>3,351,630</b>	<b>3,324,137</b>	<b>2,159,795</b>	<b>714,827</b>	<b>943,440</b>	<b>1,014,819</b>	<b>643,448</b>	<b>1,516,347</b>	1,500,181

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman



# CONDENSED STATEMENT OF PREMIUMS

For the Quarter ended March 31, 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 March 31, 2009	Quarter ended March 31, 2008
(Rupees '000)										
<b>Direct and facultative</b>										
Fire and property damage	28,829	73,888	64,860	37,857	19,204	42,687	39,478	22,413	<b>15,444</b>	7,491
Marine, aviation and transport	4,053	61,838	40,603	25,288	-	8,636	5,930	2,706	<b>22,582</b>	29,123
Motor	190,243	503,118	467,115	226,246	6,882	-	-	6,882	<b>219,364</b>	82,595
Miscellaneous	7,183	24,348	21,064	10,467	3,160	9,468	8,388	4,240	<b>6,227</b>	789
<b>Total</b>	<b>230,308</b>	<b>663,192</b>	<b>593,642</b>	<b>299,858</b>	<b>29,246</b>	<b>60,791</b>	<b>53,796</b>	<b>36,241</b>	<b>263,617</b>	119,998
<b>Treaty</b>										
Proportional	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>230,308</b>	<b>663,192</b>	<b>593,642</b>	<b>299,858</b>	<b>29,246</b>	<b>60,791</b>	<b>53,796</b>	<b>36,241</b>	<b>263,617</b>	119,998

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF CLAIMS

For the Quarter ended March 31, 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 March 31, 2009	Quarter ended March 31, 2008
(Rupees '000)										
<b>Direct and facultative</b>										
Fire and property damage	399,141	1,629,455	1,275,571	45,257	203,731	1,028,755	727,679	(97,345)	<b>142,602</b>	454,890
Marine, aviation and transport	141,766	499,471	448,217	90,512	8,223	276,920	276,912	8,215	<b>82,297</b>	147,484
Motor	807,480	1,833,234	1,712,336	686,582	13,904	740,724	733,658	6,838	<b>679,744</b>	622,719
Miscellaneous	289,310	580,662	564,001	272,649	52,928	369,849	365,922	49,001	<b>223,648</b>	176,808
<b>Total</b>	<b>1,637,697</b>	<b>4,542,822</b>	<b>4,000,125</b>	<b>1,095,000</b>	<b>278,786</b>	<b>2,416,248</b>	<b>2,104,171</b>	<b>(33,291)</b>	<b>1,128,291</b>	<b>1,401,901</b>
<b>Treaty</b>										
Proportional	7,156	19,731	23,008	10,433	-	-	-	-	<b>10,433</b>	-
<b>Total</b>	<b>7,156</b>	<b>19,731</b>	<b>23,008</b>	<b>10,433</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,433</b>	<b>-</b>
<b>Grand Total</b>	<b>1,644,853</b>	<b>4,562,553</b>	<b>4,023,133</b>	<b>1,105,433</b>	<b>278,786</b>	<b>2,416,248</b>	<b>2,104,171</b>	<b>(33,291)</b>	<b>1,138,724</b>	<b>1,401,901</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF CLAIMS

For the Quarter ended March 31, 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 March 31, 2009	Quarter ended March 31, 2008
(Rupees '000)										
<b>Direct and facultative</b>										
Fire and property damage	399,011	1,617,643	1,261,194	42,562	203,731	1,026,681	724,774	(98,176)	<b>140,738</b>	454,294
Marine, aviation and transport	138,734	466,009	414,771	87,496	8,223	269,221	269,068	8,070	<b>79,426</b>	143,343
Motor	627,962	1,166,441	1,045,362	506,883	1,143	226,210	182,782	(42,285)	<b>549,168</b>	564,011
Miscellaneous	289,310	578,916	562,062	272,456	52,928	369,849	365,922	49,001	<b>223,455</b>	176,779
<b>Total</b>	<b>1,455,017</b>	<b>3,829,009</b>	<b>3,283,389</b>	<b>909,397</b>	<b>266,025</b>	<b>1,891,961</b>	<b>1,542,546</b>	<b>(83,390)</b>	<b>992,787</b>	<b>1,338,427</b>
<b>Treaty</b>										
Proportional	7,156	19,731	23,008	10,433	-	-	-	-	<b>10,433</b>	-
<b>Total</b>	<b>7,156</b>	<b>19,731</b>	<b>23,008</b>	<b>10,433</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,433</b>	<b>-</b>
<b>Grand Total</b>	<b>1,462,173</b>	<b>3,848,740</b>	<b>3,306,397</b>	<b>919,830</b>	<b>266,025</b>	<b>1,891,961</b>	<b>1,542,546</b>	<b>(83,390)</b>	<b>1,003,220</b>	<b>1,338,427</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF CLAIMS

For the Quarter ended March 31, 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 March 31, 2009	Quarter ended March 31, 2008
(Rupees '000)										
<b>Direct and facultative</b>										
Fire and property damage	130	11,812	14,377	2,695	-	2,074	2,905	831	<b>1,864</b>	596
Marine, aviation and transport	3,032	33,462	33,446	3,016	-	7,699	7,844	145	<b>2,871</b>	4,141
Motor	179,518	666,793	666,974	179,699	12,761	514,514	550,876	49,123	<b>130,576</b>	58,708
Miscellaneous	-	1,746	1,939	193	-	-	-	-	<b>193</b>	29
<b>Total</b>	<b>182,680</b>	<b>713,813</b>	<b>716,736</b>	<b>185,603</b>	<b>12,761</b>	<b>524,287</b>	<b>561,625</b>	<b>50,099</b>	<b>135,504</b>	<b>63,474</b>
<b>Treaty</b>										
Proportional	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>182,680</b>	<b>713,813</b>	<b>716,736</b>	<b>185,603</b>	<b>12,761</b>	<b>524,287</b>	<b>561,625</b>	<b>50,099</b>	<b>135,504</b>	<b>63,474</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman



# CONDENSED STATEMENT OF EXPENSES

For the Quarter ended March 31, 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 March 31, 2009	Quarter ended March 31, 2008
(Rupees '000)									
<b>Direct and facultative</b>									
Fire and property damage	63,570	188,585	140,230	111,925	56,993	168,918	82,218	<b>86,700</b>	56,959
Marine, aviation and transport	34,146	14,340	13,568	34,918	44,275	79,193	2,520	<b>76,673</b>	89,026
Motor	55,604	162,862	129,557	88,909	136,278	225,187	397	<b>224,790</b>	196,612
Miscellaneous	53,767	48,914	71,316	31,365	40,800	72,165	19,028	<b>53,137</b>	50,871
<b>Total</b>	<b>207,087</b>	<b>414,701</b>	<b>354,671</b>	<b>267,117</b>	<b>278,346</b>	<b>545,463</b>	<b>104,163</b>	<b>441,300</b>	<b>393,468</b>
<b>Treaty</b>									
Proportional	-	-	-	-	622	622	-	<b>622</b>	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>622</b>	<b>622</b>	<b>-</b>	<b>622</b>	<b>-</b>
<b>Grand Total</b>	<b>207,087</b>	<b>414,701</b>	<b>354,671</b>	<b>267,117</b>	<b>278,968</b>	<b>546,085</b>	<b>104,163</b>	<b>441,922</b>	<b>393,468</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF EXPENSES

For the Quarter ended March 31, 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 March 31, 2009	Quarter ended March 31, 2008
(Rupees '000)									
<b>Direct and facultative</b>									
Fire and property damage	58,931	173,385	127,212	105,104	55,909	161,013	76,385	<b>84,628</b>	58,942
Marine, aviation and transport	32,227	3,554	5,940	29,841	42,690	72,531	2,226	<b>70,305</b>	84,854
Motor	36,977	109,544	82,509	64,012	120,884	184,896	397	<b>184,499</b>	182,685
Miscellaneous	53,031	46,986	69,625	30,392	40,363	70,755	17,824	<b>52,931</b>	51,047
<b>Total</b>	<b>181,166</b>	<b>333,469</b>	<b>285,286</b>	<b>229,349</b>	<b>259,846</b>	<b>489,195</b>	<b>96,832</b>	<b>392,363</b>	<b>377,528</b>
<b>Treaty</b>									
Proportional	-	-	-	-	622	622	-	<b>622</b>	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>622</b>	<b>622</b>	<b>-</b>	<b>622</b>	<b>-</b>
<b>Grand Total</b>	<b>181,166</b>	<b>333,469</b>	<b>285,286</b>	<b>229,349</b>	<b>260,468</b>	<b>489,817</b>	<b>96,832</b>	<b>392,985</b>	<b>377,528</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF EXPENSES

For the Quarter ended March 31, 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 March 31, 2009	Quarter ended March 31, 2008
(Rupees '000)									
<b>Direct and facultative</b>									
Fire and property damage	4,639	15,200	13,018	6,821	1,084	7,905	5,833	<b>2,072</b>	(1,983)
Marine, aviation and transport	1,919	10,786	7,628	5,077	1,585	6,662	294	<b>6,368</b>	4,172
Motor	18,627	53,318	47,048	24,897	15,394	40,291	-	<b>40,291</b>	13,927
Miscellaneous	736	1,928	1,691	973	437	1,410	1,204	<b>206</b>	(176)
<b>Total</b>	<b>25,921</b>	<b>81,232</b>	<b>69,385</b>	<b>37,768</b>	<b>18,500</b>	<b>56,268</b>	<b>7,331</b>	<b>48,937</b>	<b>15,940</b>
<b>Treaty</b>									
Proportional	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>25,921</b>	<b>81,232</b>	<b>69,385</b>	<b>37,768</b>	<b>18,500</b>	<b>56,268</b>	<b>7,331</b>	<b>48,937</b>	<b>15,940</b>

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED STATEMENT OF INVESTMENT INCOME

For the Quarter ended March 31, 2009 (Unaudited)

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees '000)	
<b>Income from non-trading investments</b>		
<b>Available-for-sale</b>		
Return on fixed income securities	12,364	19,625
Return on Term Finance Certificates	6,927	6,140
Profit on Pakistan Investment Bonds	1,109	-
Interest on Mutual Funds	61,690	-
Dividend income		
- associated undertakings	48,242	93,228
- others	57,402	51,418
	105,644	144,646
Gain / (Loss) on sale of 'available-for-sale' investments		
- associated undertakings	-	823
- others	(33,500)	159,496
	(33,500)	160,319
Reversal for impairment in value of 'available-for-sale' investments	230,693	11,388
<b>Net investment income</b>	384,927	342,118

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

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman

# CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the Quarter ended March 31, 2009 (Unaudited)

## 1. THE COMPANY AND ITS OPERATIONS

Adamjee Insurance Company Limited (the company) is a public limited company incorporated in Pakistan on September 28, 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.

The registered office of the company is situated at Adamjee House, I.I. Chundrigar Road, Karachi.

The company also operates branches in the United Kingdom (UK), the United Arab Emirates (UAE), the Kingdom of Saudi Arabia (KSA) and the Export Processing Zone (EPZ). The branches in the UK and KSA have closed down their operations and are in "run-off" status with effect from January 1, 1998 and October 1, 2003 respectively.

## 2. STATEMENT OF COMPLIANCE

- 2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 or directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 or directives issued by the SECP differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 or the requirements of the said directives prevail. The disclosures made in these financial statements have, however, been limited based on the requirements of International Accounting Standard 34 (IAS-34): Interim Financial Reporting and in accordance with the format prescribed under SEC (Insurance) Rules, 2002. These financial statements are unaudited.

## 3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that obligations under certain employee benefits are measured at present value.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparation of these financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended December 31, 2008.

## 5. CONTINGENCIES

The income tax assessments of the company have been finalised up to and including the tax year 2008. However, the company has filed appeals in respect of certain assessment years which mainly relate to the following:

i) The Deputy Commissioner of Income Tax (DCIT) has finalised 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 Rs 48.205 million against which the company has made a total provision of Rs 44.141 million resulting in a shortfall of Rs 4.064 million. The company filed appeals with the Commissioner of Income Tax (Appeals) and ITAT which were decided against the company. Consequently the company filed an appeal before the Honourable High Court of Sindh which had reserved the judgement. Now 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 Rs 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; and



iii) While finalising the assessment for the year 2002-03, the Deputy Commissioner of Income Tax (DCIT) has reduced the business loss for the year by Rs 88.18 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 Income Tax Appellate Tribunal, 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 be eventually decided in favour of the company and has consequently not made any provision against the additional tax liability of Rs 26.455 million which may arise in this respect.

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 High Court of Sindh against the amendment in the assessment order and the Honourable Court has suspended two of notices for amendment and other notices are pending for hearing of petition. The company may be liable to pay Rs. 5.881 million in the event of the decision against the company, out of which Rs.2.727 million has been provided by the company resulting in a shortfall of Rs. 3.154 million.

Pending resolution of the above-mentioned appeals filed by the company, no provision has been made in these financial statements for the aggregate amount of Rs 48.580 million (2008: Rs. 48.580 million) as the management is confident that the eventual outcome of the above matters will be in favour of the company.

## 6. INVESTMENTS

### In related parties

#### Available-for-sale

Marketable securities  
Less: Provision for impairment in value of investments

Investment in subsidiary - Adamjee Life Assurance Company Limited

### Others

#### Available-for-sale

Marketable securities  
Less: Provision for impairment in value of investments

Fixed income investments

March 31,  
2009  
December 31,  
2008  
(Rupees '000)

5,632,406	5,770,797
(1,239,597)	(1,108,681)
4,392,809	4,662,116
294,086	294,086
4,686,895	4,956,202
3,156,780	3,095,736
(944,211)	(1,305,820)
2,212,569	1,789,916
475,496	830,631
2,688,065	2,620,547
7,374,960	7,576,749

## 7. PREMIUMS DUE BUT UNPAID - Unsecured

Considered good  
Considered doubtful

Less: Provision for doubtful balances

3,646,015	3,449,898
46,793	46,793
3,692,808	3,496,691
(46,793)	(46,793)
3,646,015	3,449,898

7.1

	Note	March 31, 2009	December 31, 2008
		(Rupees '000)	
7.1	Reconciliation of provision for doubtful balances		
	Opening provision	46,793	86,202
	Exchange loss	-	19,659
	Charge for the year	-	30,000
	Written off during the year	-	(89,068)
	Closing provision	46,793	46,793

#### 8. AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - Unsecured

	Considered good	555,740	535,059
	Considered doubtful	61,396	61,396
		617,136	596,455
	Less: Provision for doubtful balances	8.1 (61,396)	(61,396)
		555,740	535,059

#### 8.1 Reconciliation of provision for doubtful balances

	Opening provision	61,396	45,396
	Charge for the year	-	16,000
	Closing provision	61,396	61,396

#### 9. FIXED ASSETS

##### 9.1 The following capital expenditure was incurred during the period:

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees '000)	
Furniture and fixtures	1,504	1,547
Motor vehicles	4,485	8,900
Machinery and equipment	33,664	18,464
Computer and related accessories	649	3,115
Intangible Assets	650	-
	40,952	32,026

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

	Furniture and fixtures	342	2,926
	Motor vehicles	6,277	110
	Machinery and equipment	1,462	319
	Computer and related accessories	486	-
		8,567	3,355

#### 10. TRANSACTIONS WITH RELATED PARTIES

The company has related party relationships with its employee benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them.

Investment in related parties have been disclosed in note 6 to the financial statements. Other transactions with related parties are summarised as follows:

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees '000)	
Premium underwritten	226,869	231,174
Premium received	123,592	275,931
Claims paid	149,439	94,730
Rent paid	745	300
Dividend received	48,064	-

Number of shares

Bonus shares received	1,922,593	-
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## 11. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the 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:

	March 31, 2009						
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Unallocated Corporate Assets/Liabilities	Total
	(Rupees '000)						
<b>OTHER INFORMATION</b>							
Segment assets	3,006,080	823,736	2,327,985	1,571,376	28,403	-	<b>7,757,580</b>
Unallocated assets	-	-	-	-	-	10,400,808	<b>10,400,808</b>
Total assets	3,006,080	823,736	2,327,985	1,571,376	28,403	10,400,808	<b>18,158,388</b>
Segment liabilities	2,833,111	549,643	3,437,315	1,403,082	23,816	-	<b>8,246,967</b>
Unallocated liabilities	-	-	-	-	-	1,128,020	<b>1,128,020</b>
Total liabilities	2,833,111	549,643	3,437,315	1,403,082	23,816	1,128,020	<b>9,374,987</b>
Capital expenditure	-	-	-	-	-	40,952	<b>40,952</b>

	December 31, 2008						
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Unallocated Corporate Assets/Liabilities	Total
	(Rupees '000)						
<b>OTHER INFORMATION</b>							
Segment assets	3,426,270	895,093	2,433,751	1,087,424	6,281	-	7,848,819
Unallocated assets	-	-	-	-	-	10,696,088	10,696,088
Total assets	3,426,270	895,093	2,433,751	1,087,424	6,281	10,696,088	18,544,907
Segment liabilities	3,406,225	628,190	3,713,719	1,224,264	20,104	-	8,992,502
Unallocated liabilities	-	-	-	-	-	1,108,214	1,108,214
Total liabilities	3,406,225	628,190	3,713,719	1,224,264	20,104	1,108,214	10,100,716
Capital expenditure	-	-	-	-	-	323,657	323,657

## 12. GENERAL

Figures in these financial statements have been rounded off to the nearest thousand of rupees.

## 13. AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on April 27, 2009 by the Board of Directors of the company.

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**Ibrahim Shamsi**  
Director

**Ahmad Alman Aslam**  
Director

**Umer Mansha**  
Chairman