



**Consolidated Condensed  
Interim Financial Statements (Unaudited)  
For the Nine Months Ended 30 September 2011**

# THE POWER OF ACCURACY

At Adamjee Insurance we don't make mistakes, we can't afford to. In a business that prides itself in numbers, accuracy becomes the name of the game. Each number each value is checked and vetted on multiple levels and that's what defines our quest for excellence.

# DIRECTOR'S REPORT TO THE MEMBERS ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

On behalf of the Board, I am pleased to present the consolidated financial statements of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company Limited for the nine months ended 30 September 2011.

The following appropriation of profit has been recommended by Board of Directors:

	<b>30 September 2011</b>	30 September 2010
	(Rupees in thousand)	
Profit Before Tax	<b>429,146</b>	316,979
Taxation	<b>(128,222)</b>	(102,301)
Profit After Tax	<b>300,924</b>	214,678
Profit attributable to minority interest	<b>(5,803)</b>	(5,355)
Profit attributable to ordinary share holders	<b>295,121</b>	209,323
Unappropriated profit brought forward	<b>8,736,251</b>	8,522,098
Profit available for appropriation	<b>9,031,372</b>	8,731,421
<b>Appropriation</b>		
Final dividend for the year ended 31 December 2010 @15% (Rs 1.5/share) [2009 @15% (Rs. 1.5/- per share)]	<b>(185,558)</b>	(168,688)
Issue of bonus shares for the year ended 31 December 2009	-	(112,459)
Interim Dividend	<b>(123,704)</b>	(123,704)
Profit after appropriation	<b>8,722,110</b>	8,326,570

## Earnings Per Share

The Nine months consolidated financial statements reflect Rs. 2.39 (30 September 2010; Rs. 1.69) earning per share for the period under review.

On Behalf of Board of Directors

Lahore: 27 October 2011

**Manzar Mushtaq**  
Managing Director and Chief Executive

# CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UNAUDITED)

AS AT 30 SEPTEMBER 2011

	Note	(Unaudited) 30 September 2011	(Audited) 31 December 2010
—————(Rupees in thousand)—————			
<b>Share capital and reserves</b>			
Authorized share capital		<u>1,500,000</u>	<u>1,500,000</u>
Paid-up share capital		<u>1,237,045</u>	1,237,045
Retained earnings		<u>8,722,110</u>	8,736,251
Reserves		<u>1,016,824</u>	1,047,106
		<u>9,738,934</u>	9,783,357
<b>Equity attributable to equity holders of the parent</b>		<u>10,975,979</u>	11,020,402
<b>Non-controlling interest</b>		<u>109,927</u>	152,444
<b>Total equity</b>		<u>11,085,906</u>	11,172,846
<b>Balance of statutory funds</b>		<u>345,740</u>	99,479
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		<u>5,925,805</u>	7,989,823
Provision for unearned premium		<u>5,056,968</u>	5,017,435
Commission income unearned		<u>459,119</u>	305,434
Total underwriting provisions		<u>11,441,892</u>	13,312,692
<b>Deferred liabilities</b>			
Deferred taxation		<u>107,679</u>	58,375
Staff retirement benefits		<u>26,684</u>	19,585
<b>Creditors and Accruals</b>			
Premiums received in advance		<u>91,057</u>	77,174
Amounts due to other insurers / reinsurers		<u>495,477</u>	1,599,650
Accrued expenses		<u>124,313</u>	151,051
Taxation - provision less payments		<u>-</u>	-
Other creditors and accruals		<u>1,902,648</u>	1,564,460
		<u>2,613,495</u>	3,392,335
<b>Borrowings</b>			
Liabilities against assets subject to finance lease		<u>67,871</u>	107,637
<b>Other liabilities</b>			
Unclaimed dividends		<u>31,819</u>	29,121
<b>TOTAL LIABILITIES</b>		<u>14,289,440</u>	16,919,745
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>25,721,086</u>	<u>28,192,070</u>

The annexed notes form an integral part of this condensed interim consolidated financial information.

	Note	(Unaudited) 30 September 2011	(Audited) 31 December 2010
—————(Rupees in thousand)—————			
<b>Cash and bank deposits</b>			
Cash and other equivalents		1,941	59,453
Current and other accounts		1,360,145	1,098,285
Deposits maturing within 12 months		978,149	1,584,827
		<b>2,340,235</b>	<b>2,742,565</b>
<b>Loans</b>			
To employees		13,961	22,086
<b>Investments</b>			
	7	9,620,309	9,607,857
<b>Current assets - others</b>			
Premiums due but unpaid	8	4,403,568	4,554,824
Amounts due from other insurers/ reinsurers	9	620,590	993,584
Salvage recoveries accrued		184,224	99,636
Premium and claim reserves retained by cedants		23,252	23,252
Accrued investment income		61,841	41,389
Reinsurance recoveries against outstanding claims		4,186,822	6,253,202
Taxation - payments less provision		31,683	45,873
Deferred commission expense		582,638	512,222
Prepayments		2,405,200	1,835,054
Sundry receivables		206,042	316,635
		<b>12,705,860</b>	<b>14,675,671</b>
<b>Fixed Assets - Tangible &amp; Intangible</b>			
	10		
<b>Owned</b>			
Land and buildings		215,913	281,472
Furniture and fixtures		80,748	70,212
Motor vehicles		235,889	203,650
Capital work-in-progress		276,526	-
Machinery and equipment		62,675	318,224
Computers and related accessories		11,450	60,455
Intangible asset - computer software		58,480	66,435
		<b>941,681</b>	<b>1,000,448</b>
<b>Leased</b>			
Motor vehicles		99,040	143,443
<b>TOTAL ASSETS</b>		<b>25,721,086</b>	<b>28,192,070</b>

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer

# CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011

	General Insurance				Life Insurance			Total	
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Conventional Business	Non-united Investment Linked Business	Accident and Health Business	Quarter ended 30 September 2011	Quarter ended 30 September 2010
(Rupees in thousand)									
<b>Revenue account</b>									
Net premium revenue	266,625	200,612	731,730	450,899	25,092	201,532	11	<b>1,876,501</b>	1,746,498
Net claims	(129,100)	(140,014)	(413,640)	(465,487)	(7,454)	153	-	<b>(1,155,542)</b>	(1,380,724)
Expenses	(54,149)	(40,812)	(141,620)	(91,190)	(10,690)	(27,806)	(239)	<b>(366,506)</b>	(333,624)
Net commission	(26,501)	(38,424)	(59,093)	6,494	(3,717)	(77,600)	(2)	<b>(198,843)</b>	(182,095)
Net Investment income - statutory fund	-	-	-	-	1,975	8,006	2	<b>9,983</b>	1,813
Add: Policyholder's liabilities at beginning of the year	-	-	-	-	-	-	-	-	-
Less: Policyholder's liabilities at end of the year	-	-	-	-	(10,925)	(83,310)	59	<b>(94,176)</b>	(58,575)
Capital contribution from shareholder's fund	-	-	-	-	-	-	169	<b>169</b>	37,446
Surplus / deficit of policyholder funds	-	-	-	-	5,719	(20,975)	-	<b>(15,256)</b>	(5)
<b>Underwriting result</b>	<b>56,875</b>	<b>(18,638)</b>	<b>117,377</b>	<b>(99,284)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,330</b>	(169,266)
Investment income - other								<b>258,353</b>	118,509
Rental income								<b>146</b>	164
Other income								<b>31,884</b>	36,966
								<b>346,713</b>	(13,627)
General and administration expenses								<b>(516,716)</b>	(133,250)
Exchange (loss) / gain								<b>177</b>	(192)
Finance charge on lease liabilities								<b>(735)</b>	(4,632)
Share of profit of associated companies								<b>11,216</b>	62,652
<b>Loss before tax</b>								<b>(159,345)</b>	(89,049)
Provision for taxation								<b>(13,226)</b>	(11,981)
<b>Loss after tax</b>								<b>(172,571)</b>	(101,030)
<b>Profit attributable to:</b>									
Equity holders of the parent								<b>(174,150)</b>	(101,792)
Non-controlling interest								<b>1,579</b>	762
								<b>Rupees</b>	<b>Rupees</b>
<b>Earnings per share - basic and diluted</b>								<b>(1.41)</b>	<b>(0.82)</b>

	General Insurance				Life Insurance			Total	
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Conventional Business	Non-united Investment Linked Business	Accident and Health Business	Nine months ended 30 September 2011	Nine months ended 30 September 2010
(Rupees in thousand)									
<b>Revenue account</b>									
Net premium revenue	915,616	711,526	2,257,065	1,486,234	61,489	436,096	19	<b>5,868,045</b>	5,217,938
Net claims	(561,524)	(373,052)	(1,522,681)	(1,205,114)	(23,449)	(257)	-	<b>(3,686,077)</b>	(3,573,136)
Expenses	(170,017)	(131,265)	(391,176)	(276,239)	(27,067)	(88,769)	(285)	<b>(1,084,818)</b>	(1,000,616)
Net commission	(76,739)	(123,424)	(190,303)	6,961	(16,029)	(226,119)	(6)	<b>(625,659)</b>	(455,012)
Net Investment income - statutory fund	-	-	-	-	5,375	17,879	6	<b>23,260</b>	2,765
Add: Policyholder's liabilities at beginning of the year	-	-	-	-	20,034	79,386	59	<b>99,479</b>	11,499
Less: Policyholder's liabilities at end of the year	-	-	-	-	(36,038)	(280,390)	(95)	<b>(316,523)</b>	(78,732)
Capital contribution from shareholder's fund	-	-	-	-	23,927	83,149	302	<b>107,378</b>	123,315
Surplus / deficit of policyholder funds	-	-	-	-	(8,242)	(20,975)	-	<b>(29,217)</b>	(25,015)
<b>Underwriting result</b>	<b>107,336</b>	<b>83,785</b>	<b>152,905</b>	<b>11,842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>355,868</b>	223,006
Investment income - other								<b>694,298</b>	360,320
Rental income								<b>476</b>	882
Other income								<b>119,463</b>	108,187
								<b>1,170,105</b>	692,395
General and administration expenses								<b>(915,870)</b>	(430,041)
Exchange gain								<b>428</b>	15
Finance charge on lease liabilities								<b>(10,607)</b>	(14,855)
Share of profit of associated companies								<b>185,090</b>	69,465
<b>Profit before tax</b>								<b>429,146</b>	316,979
Provision for taxation								<b>(128,222)</b>	(102,301)
<b>Profit after tax</b>								<b>300,924</b>	214,678
<b>Profit attributable to:</b>									
Equity holders of the parent								<b>295,121</b>	209,323
Non-controlling interest								<b>5,803</b>	5,355
<b>Profit and loss appropriation account</b>									
<b>Balance at the commencement of the year</b>								<b>8,736,251</b>	8,522,098
Profit after tax for the period								<b>295,121</b>	209,323
Final dividend for the year ended 31 December 2010 @ 15% (Rs.1.5/- per share) [2009:@15%(Re. 1.5/- per share)]								<b>(185,558)</b>	(168,688)
Reserve for issue of bonus shares									(112,459)
Interim dividend @10%(Re.1/- per share) (2010 : 1/- per share)								<b>(123,704)</b>	(123,704)
<b>Balance unappropriated profit at the end of the period</b>								<b>8,722,110</b>	<b>8,326,570</b>
								<b>Rupees</b>	<b>Rupees</b>
<b>Earnings per share - basic and diluted</b>								<b>2.39</b>	<b>1.69</b>

The annexed notes form an integral part of this condensed interim consolidated financial information.

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011

	(Unaudited) Nine months ended 30 September 2011	(Unaudited) Nine months ended 30 September 2010	(Unaudited) Quarter ended 30 September 2011	(Unaudited) Quarter ended 30 September 2010
	(Rupees in thousand)			
<b>Profit for the period</b>	<b>300,924</b>	214,678	<b>(172,571)</b>	(101,030)
<b>Other comprehensive income:</b>				
Effect of translation of net investment in foreign branches	<b>28,776</b>	32,226	<b>26,879</b>	10,169
Capital contribution to statutory funds	<b>(107,378)</b>	(123,315)	<b>(169)</b>	(37,446)
<b>Total comprehensive income for the period</b>	<b>222,322</b>	123,589	<b>(145,861)</b>	(128,307)
<b>Comprehensive income attributable to:</b>				
Equity holders of the parent	<b>264,839</b>	173,726	<b>(147,364)</b>	(112,218)
Non-controlling interest	<b>(42,517)</b>	(50,137)	<b>1,503</b>	(16,089)
	<b>222,322</b>	123,589	<b>(145,861)</b>	(128,307)

The annexed notes form an integral part of this condensed interim consolidated financial information.

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011

	Share Capital		Capital Reserves				Revenue Reserves		Equity attributable to equity holders of the parent	Non-controlling interest	Total
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	Reserve for exceptional losses	Exchange translation reserve	Capital contribution to statutory funds	Investment fluctuation reserve	General reserve	Retained earnings			
	(Rupees in thousand)										
<b>Balance as at 31 December 2009</b>	1,124,586	-	22,859	173,424	(31,840)	3,764	936,500	8,522,098	10,751,391	216,230	<b>10,967,621</b>
Total comprehensive income for the nine months ended 30 September 2010	-	-	-	32,226	(67,823)	-	-	209,323	173,726	(50,137)	<b>123,589</b>
Final dividend for the year ended 31 December 2009 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	-	(168,688)	(168,688)	-	<b>(168,688)</b>
Transfer to Reserve for Issue of Bonus shares	-	112,459	-	-	-	-	-	(112,459)	-	-	-
Issue of bonus shares for the year ended 31 December 2009 @ 10 percent (Rupee 1.0/- per share)	112,459	(112,459)	-	-	-	-	-	-	-	-	-
Interim dividend @10% (Re.1 per share)	-	-	-	-	-	-	-	(123,704)	(123,704)	-	<b>(123,704)</b>
<b>Balance as at 30 September 2010</b>	<u>1,237,045</u>	<u>-</u>	<u>22,859</u>	<u>205,650</u>	<u>(99,663)</u>	<u>3,764</u>	<u>936,500</u>	<u>8,326,570</u>	<u>10,632,725</u>	<u>166,093</u>	<b>10,798,818</b>
<b>Balance as at 31 December 2010</b>	1,237,045	-	22,859	200,725	(116,742)	3,764	936,500	8,736,251	11,020,402	152,444	<b>11,172,846</b>
Total comprehensive income for the nine months ended 30 September 2011	-	-	-	28,776	(59,058)	-	-	295,121	264,839	(42,517)	<b>222,322</b>
Final dividend for the year ended 31 December 2010 @ 15% (Rupees 1.5 per share)	-	-	-	-	-	-	-	(185,558)	(185,558)	-	<b>(185,558)</b>
Interim dividend @10% (Re.1 per share)	-	-	-	-	-	-	-	(123,704)	(123,704)	-	<b>(123,704)</b>
<b>Balance as at 30 September 2011</b>	<u>1,237,045</u>	<u>-</u>	<u>22,859</u>	<u>229,501</u>	<u>(175,800)</u>	<u>3,764</u>	<u>936,500</u>	<u>8,722,110</u>	<u>10,975,979</u>	<u>109,927</u>	<b>11,085,906</b>

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	Nine months ended 30 September 2011	Nine months ended 30 September 2010
	—————(Rupees in thousand)—————	
<b>Operating Cash Flows</b>		
<b>a) Underwriting activities</b>		
Premiums received	9,611,008	8,649,911
Reinsurance premiums paid	(5,120,751)	(3,087,325)
Claims paid	(8,024,431)	(4,613,269)
Surrenders paid	(32,546)	(98,603)
Reinsurance and other recoveries received	4,580,439	889,367
Commissions paid	(1,253,211)	(862,409)
Commissions received	733,332	546,981
Other underwriting payments	(1,157,000)	(916,480)
<b>Net cash flow from underwriting activities</b>	<b>(663,160)</b>	<b>508,173</b>
<b>b) Other operating activities</b>		
Income tax (paid) / refund	(64,730)	(96,691)
General and management expenses paid	(491,574)	(434,985)
Loans advanced	(25,117)	(24,884)
Loan repayments received	22,085	26,263
Other receipts	65,030	10,804
<b>Net cash used in other operating activities</b>	<b>(494,306)</b>	<b>(519,493)</b>
<b>Total cash flow from all operating activities</b>	<b>(1,157,466)</b>	<b>(11,320)</b>
<b>Investment activities</b>		
Profit/ return received	133,644	119,585
Return on Pakistan Investment Bonds	9,085	9,555
Income received on TFCs	13,384	14,950
Dividends received	672,682	352,627
Income received on rent	476	3,249
Payments for investments	(4,945,565)	(4,273,750)
Proceeds from disposal of investments	5,085,264	4,452,180
Fixed capital expenditure	(92,453)	(218,421)
Proceeds from disposal of fixed assets	111,424	30,765
<b>Total cash flow from investing activities</b>	<b>987,941</b>	<b>490,740</b>
<b>Financing activities</b>		
Dividends paid	(182,860)	(167,372)
Payments on finance lease	(49,945)	(33,244)
<b>Total cash used in financing activities</b>	<b>(232,805)</b>	<b>(200,616)</b>
<b>Net cash inflow from all activities</b>	<b>(402,330)</b>	<b>278,804</b>
Cash at the beginning of the period	2,737,741	2,168,705
<b>Cash at the end of the period</b>	<b>2,335,411</b>	<b>2,447,509</b>



# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	Nine months ended 30 September 2011	Nine months ended 30 September 2010
	—————(Rupees in thousand)—————	
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(1,157,466)	(11,320)
Depreciation expense	(145,923)	(145,269)
Provision for gratuity	(5,202)	(3,248)
Other income - bank deposits	94,643	95,220
Profit / Loss on disposal of fixed assets	20,805	2,298
Finance charge on lease rentals	(10,606)	(14,855)
Share of profit of associated companies	185,090	69,465
Rental income	476	882
Increase / (Decrease) in assets other than cash	(1,973,814)	4,065,748
(Increase) / Decrease in liabilities other than running finance	2,582,212	(3,798,976)
	<b>(409,785)</b>	259,945
<b>Others</b>		
Profit on sale of investments	349,025	98,372
Amortization expense	(16,034)	(12,095)
Capital contribution from shareholders' fund	107,379	98,304
Increase in unearned premium	(39,533)	(487,572)
Amortisation of income on Government Securities - net	1,636	2,160
Return on Pakistan Investment Bonds	7,221	11,554
Decrease in loans	3,022	(1,379)
Income tax paid / (refund)	61,844	96,691
(Provision) / reversal for diminution in value of investments	(125,624)	(166,194)
Dividend, investment and other income	465,772	398,564
Other income - TFCs and T Bills	24,223	18,629
	<b>838,931</b>	57,034
<b>Profit before taxation</b>	<b>429,146</b>	<b>316,979</b>

## Definition of cash

Cash comprises of cash in hand, bank balances excluding Rupees 4.824 million (2010: Rupees 4.451 million) held under lien, and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

	Nine months ended 30 September 2011	Nine months ended 30 September 2010
	—————(Rupees in thousand)—————	
<b>Cash for the purposes of the Statement of Cash Flows consists of:</b>		
Cash and other equivalent	1,941	3,564
Current and other accounts	1,360,145	909,891
Deposits maturing within 12 months	973,325	1,534,054
<b>Total cash and cash equivalents</b>	<b>2,335,411</b>	<b>2,447,509</b>

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011

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 30 September 2011	Quarter ended 30 September 2010
(Rupees in thousand)										
<b>General insurance:</b>										
<b>Direct and facultative</b>										
Fire and property damage	1,873,255	1,794,848	2,524,698	1,143,405	1,507,280	1,214,677	1,845,177	876,780	<b>266,625</b>	270,524
Marine, aviation and transport	211,103	93,785	67,655	237,233	30,535	19,684	13,598	36,621	<b>200,612</b>	208,949
Motor	772,063	1,682,633	1,628,085	826,611	83,292	158,886	147,297	94,881	<b>731,730</b>	829,299
Miscellaneous	453,136	1,035,062	836,530	651,668	208,347	260,358	267,936	200,769	<b>450,899</b>	309,753
	<u>3,309,557</u>	<u>4,606,328</u>	<u>5,056,968</u>	<u>2,858,917</u>	<u>1,829,454</u>	<u>1,653,605</u>	<u>2,274,008</u>	<u>1,209,051</u>	<b><u>1,649,866</u></b>	<u>1,618,525</u>
<b>Total</b>	<u>3,309,557</u>	<u>4,606,328</u>	<u>5,056,968</u>	<u>2,858,917</u>	<u>1,829,454</u>	<u>1,653,605</u>	<u>2,274,008</u>	<u>1,209,051</u>	<b><u>1,649,866</u></b>	<u>1,618,525</u>
<b>Life insurance:</b>										
Conventional Business	76,311	-	-	76,311	51,219	-	-	51,219	<b>25,092</b>	20,058
Non-unitized Investment Linked Business	202,880	-	-	202,880	1,348	-	-	1,348	<b>201,532</b>	107,904
Accident and Health Business	13	-	-	13	2	-	-	2	<b>11</b>	11
<b>Total</b>	<u>279,204</u>	<u>-</u>	<u>-</u>	<u>279,204</u>	<u>52,569</u>	<u>-</u>	<u>-</u>	<u>52,569</u>	<b><u>226,635</u></b>	<u>127,973</u>
<b>Grand Total</b>	<u>3,588,761</u>	<u>4,606,328</u>	<u>5,056,968</u>	<u>3,138,121</u>	<u>1,882,023</u>	<u>1,653,605</u>	<u>2,274,008</u>	<u>1,261,620</u>	<b><u>1,876,501</u></b>	<u>1,746,498</u>

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Nine months ended 30 September 2011	Nine months ended 30 September 2010
(Rupees in thousand)										
<b>General insurance:</b>										
<b>Direct and facultative</b>										
Fire and property damage	3,871,040	1,977,580	2,524,698	3,323,922	2,882,273	1,371,210	1,845,177	2,408,306	<b>915,616</b>	851,294
Marine, aviation and transport	934,928	57,988	67,655	925,261	215,134	12,199	13,598	213,735	<b>711,526</b>	699,735
Motor	2,412,356	1,760,996	1,628,085	2,545,267	260,169	175,330	147,297	288,202	<b>2,257,065</b>	2,522,752
Miscellaneous	1,684,918	1,220,871	836,530	2,069,259	635,175	215,786	267,936	583,025	<b>1,486,234</b>	975,830
	<u>8,903,242</u>	<u>5,017,435</u>	<u>5,056,968</u>	<u>8,863,709</u>	<u>3,992,751</u>	<u>1,774,525</u>	<u>2,274,008</u>	<u>3,493,268</u>	<b><u>5,370,441</u></b>	<u>5,049,611</u>
<b>Total</b>	<u>8,903,242</u>	<u>5,017,435</u>	<u>5,056,968</u>	<u>8,863,709</u>	<u>3,992,751</u>	<u>1,774,525</u>	<u>2,274,008</u>	<u>3,493,268</u>	<b><u>5,370,441</u></b>	<u>5,049,611</u>
<b>Life insurance:</b>										
Conventional Business	127,739	-	-	127,739	66,250	-	-	66,250	<b>61,489</b>	36,376
Non-unitized Investment Linked Business	444,491	-	-	444,491	8,395	-	-	8,395	<b>436,096</b>	131,753
Accident and Health Business	23	-	-	23	4	-	-	4	<b>19</b>	198
<b>Total</b>	<u>572,253</u>	<u>-</u>	<u>-</u>	<u>572,253</u>	<u>74,649</u>	<u>-</u>	<u>-</u>	<u>74,649</u>	<b><u>497,604</u></b>	<u>168,327</u>
<b>Grand Total</b>	<u>9,475,495</u>	<u>5,017,435</u>	<u>5,056,968</u>	<u>9,435,962</u>	<u>4,067,400</u>	<u>1,774,525</u>	<u>2,274,008</u>	<u>3,567,917</u>	<b><u>5,868,045</u></b>	<u>5,217,938</u>

The annexed notes form an integral part of this condensed interim consolidated financial information.

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011

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 30 September 2011	Quarter ended 30 September 2010
(Rupees in thousand)										
<b>General insurance:</b>										
<b>Direct and facultative</b>										
Fire and property damage	1,883,228	4,736,133	3,107,960	255,055	1,907,955	4,285,790	2,503,790	125,955	<b>129,100</b>	346,817
Marine, aviation and transport	139,325	409,960	451,972	181,337	2,762	194,933	233,494	41,323	<b>140,014</b>	95,474
Motor	509,987	1,626,923	1,690,458	573,522	89,131	1,177,330	1,248,081	159,882	<b>413,640</b>	573,908
Miscellaneous	386,566	400,015	631,974	618,525	47,082	279,725	385,681	153,038	<b>465,487</b>	361,972
	<u>2,919,106</u>	<u>7,173,031</u>	<u>5,882,364</u>	<u>1,628,439</u>	<u>2,046,930</u>	<u>5,937,778</u>	<u>4,371,046</u>	<u>480,198</u>	<b><u>1,148,241</u></b>	<u>1,378,171</u>
<b>Treaty</b>										
Proportional	-	20,332	20,332	-	-	-	-	-	-	-
	-	20,332	20,332	-	-	-	-	-	-	-
<b>Total</b>	<u>2,919,106</u>	<u>7,193,363</u>	<u>5,902,696</u>	<u>1,628,439</u>	<u>2,046,930</u>	<u>5,937,778</u>	<u>4,371,046</u>	<u>480,198</u>	<b><u>1,148,241</u></b>	<u>1,378,171</u>
<b>Life insurance:</b>										
Conventional Business	15,883	14,545	22,282	23,620	16,166	-	-	16,166	<b>7,454</b>	2,494
Non-unitized Investment Linked Business	49	1,386	827	(510)	(357)	-	-	(357)	<b>(153)</b>	59
Accident and Health Business	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>15,932</u>	<u>15,931</u>	<u>23,109</u>	<u>23,110</u>	<u>15,809</u>	<u>-</u>	<u>-</u>	<u>15,809</u>	<b><u>7,301</u></b>	<u>2,553</u>
<b>Grand Total</b>	<u>2,935,038</u>	<u>7,209,294</u>	<u>5,925,805</u>	<u>1,651,549</u>	<u>2,062,739</u>	<u>5,937,778</u>	<u>4,371,046</u>	<u>496,007</u>	<b><u>1,155,542</u></b>	<u>1,380,724</u>

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		Nine months ended 30 September 2011	Nine months ended 30 September 2010
(Rupees in thousand)										
<b>General insurance:</b>										
<b>Direct and facultative</b>										
Fire and property damage	3,835,285	4,893,957	3,107,960	2,049,288	3,318,714	4,334,740	2,503,790	1,487,764	<b>561,524</b>	719,926
Marine, aviation and transport	418,446	426,065	451,972	444,353	3,879	166,072	233,494	71,301	<b>373,052</b>	318,147
Motor	1,904,802	1,540,738	1,690,458	2,054,522	278,913	995,153	1,248,081	531,841	<b>1,522,681</b>	1,705,513
Miscellaneous	1,807,204	1,099,317	631,974	1,339,861	605,939	856,873	385,681	134,747	<b>1,205,114</b>	821,399
	<u>7,965,737</u>	<u>7,960,077</u>	<u>5,882,364</u>	<u>5,888,024</u>	<u>4,207,445</u>	<u>6,352,838</u>	<u>4,371,046</u>	<u>2,225,653</u>	<b><u>3,662,371</u></b>	<u>3,564,985</u>
<b>Treaty</b>										
Proportional	-	20,332	20,332	-	-	-	-	-	-	460
	-	20,332	20,332	-	-	-	-	-	-	460
<b>Total</b>	<u>7,965,737</u>	<u>7,980,409</u>	<u>5,902,696</u>	<u>5,888,024</u>	<u>4,207,445</u>	<u>6,352,838</u>	<u>4,371,046</u>	<u>2,225,653</u>	<b><u>3,662,371</u></b>	<u>3,565,445</u>
<b>Life insurance:</b>										
Conventional Business	58,646	9,395	22,282	71,533	48,084	-	-	48,084	<b>23,449</b>	7,632
Non-unitized Investment Linked Business	49	19	827	857	600	-	-	600	<b>257</b>	59
Accident and Health Business	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>58,695</u>	<u>9,414</u>	<u>23,109</u>	<u>72,390</u>	<u>48,684</u>	<u>-</u>	<u>-</u>	<u>48,684</u>	<b><u>23,706</u></b>	<u>7,691</u>
<b>Grand Total</b>	<u>8,024,432</u>	<u>7,989,823</u>	<u>5,925,805</u>	<u>5,960,414</u>	<u>4,256,129</u>	<u>6,352,838</u>	<u>4,371,046</u>	<u>2,274,337</u>	<b><u>3,686,077</u></b>	<u>3,573,136</u>

The annexed notes form an integral part of this condensed interim consolidated financial information.

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Quarter ended 30 September 2011	Quarter ended 30 September 2010
(Rupees in thousand)									
<b>General insurance:</b>									
<b>Direct and facultative</b>									
Fire and property damage	277,238	290,411	391,804	175,845	54,149	229,994	149,344	80,650	76,523
Marine, aviation and transport	23,886	15,894	152	39,628	40,812	80,440	1,204	79,236	89,283
Motor	54,601	154,965	135,370	74,196	141,620	215,816	15,103	200,713	196,511
Miscellaneous	35,041	54,032	55,312	33,761	91,190	124,951	40,255	84,696	47,298
	390,766	515,302	582,638	323,430	327,771	651,201	205,906	445,295	409,615
<b>Total</b>	390,766	515,302	582,638	323,430	327,771	651,201	205,906	445,295	409,615
<b>Life insurance:</b>									
Conventional Business	3,717	-	-	3,717	10,690	14,407	-	14,407	16,904
Non-unitized Investment Linked Business	78,410	-	-	78,410	27,806	106,216	810	105,406	87,759
Accident and health business	2	-	-	2	239	241	-	241	1,441
<b>Total</b>	82,129	-	-	82,129	38,735	120,864	810	120,054	106,104
<b>Grand Total</b>	472,895	515,302	582,638	405,559	366,506	772,065	206,716	565,349	515,719

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Nine months ended 30 September 2011	Nine months ended 30 September 2010
(Rupees in thousand)									
<b>General insurance:</b>									
<b>Direct and facultative</b>									
Fire and property damage	600,125	259,844	391,804	468,165	170,017	638,182	391,426	246,756	247,533
Marine, aviation and transport	124,406	11,662	152	135,916	131,265	267,181	12,492	254,689	267,889
Motor	209,459	162,226	135,370	236,315	391,176	627,491	46,012	581,479	585,937
Miscellaneous	99,578	78,490	55,312	122,756	276,239	398,995	129,717	269,278	159,796
	1,033,568	512,222	582,638	963,152	968,697	1,931,849	579,647	1,352,202	1,261,155
<b>Total</b>	1,033,568	512,222	582,638	963,152	968,697	1,931,849	579,647	1,352,202	1,261,155
<b>Life insurance:</b>									
Conventional Business	16,029	-	-	16,029	27,067	43,096	-	43,096	81,757
Non-unitized Investment Linked Business	228,258	-	-	228,258	88,769	317,027	2,139	314,888	109,463
Accident and health business	6	-	-	6	285	291	-	291	3,253
<b>Total</b>	244,293	-	-	244,293	116,121	360,414	2,139	358,275	194,473
<b>Grand Total</b>	1,277,861	512,222	582,638	1,207,445	1,084,818	2,292,263	581,786	1,710,477	1,455,628

The annexed notes form an integral part of this condensed interim consolidated financial information.

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011

	Nine months ended 30 September 2011	Nine months ended 30 September 2010	Quarter ended 30 September 2011	Quarter ended 30 September 2010
(Rupees in thousand)				
<b>General insurance:</b>				
<b>Income from non-trading investments</b>				
<b>Available-for-sale</b>				
Return on fixed income securities	-	2,160	-	-
Return on Term Finance Certificates	17,692	18,629	5,769	6,144
Return on Pakistan Investments Bonds	7,222	11,554	731	4,080
Return on Treasury bills	6,531	-	3,686	-
Dividend income				
- associated undertakings	234,273	205,693	86,079	73,226
- others	201,144	170,767	69,634	57,755
	<b>435,417</b>	<b>376,460</b>	<b>155,713</b>	<b>130,981</b>
	<b>466,862</b>	<b>408,803</b>	<b>165,899</b>	<b>141,205</b>
Gain on sale of 'available-for-sale' investments				
- associated undertakings	129,580	62,755	112,017	3,881
- others	203,768	29,774	30,048	3,345
	<b>333,348</b>	<b>92,529</b>	<b>142,065</b>	<b>7,226</b>
(Provision) / Reversal for impairment in value of available-for-sale investment	<b>800,210</b>	<b>501,332</b>	<b>307,964</b>	<b>148,431</b>
	<b>(131,229)</b>	<b>(165,341)</b>	<b>(56,963)</b>	<b>(35,823)</b>
	<b>668,981</b>	<b>335,991</b>	<b>251,001</b>	<b>112,608</b>
<b>Life insurance:</b>				
<b>Share holders' fund</b>				
Appreciation in value of quoted securities	86	(853)	78	(719)
Return on Government Securities	11,678	18,707	3,847	5,132
Return on bank deposit	503	488	261	35
Dividend income	895	588	228	70
Gain on sale of non trading investments	10,506	5,399	1,802	1,383
Reversal of impairment in the value of available for sale investments	1,649	-	1,136	-
	<b>25,317</b>	<b>24,329</b>	<b>7,352</b>	<b>5,901</b>
<b>Statutory Funds</b>				
<b>Conventional Business</b>				
Return on Government Securities	3,012	1,058	986	793
Investment income on bank deposits	833	371	571	52
Gain on sale of units of open end mutual funds	1,138	444	131	94
Loss on sale of Government securities	(2)	-	-	-
Reversal for impairment in value of 'available-for-sale investment	394	-	287	-
	<b>5,375</b>	<b>1,873</b>	<b>1,975</b>	<b>939</b>
<b>Non-utized Investment Linked Business</b>				
Unrealised mark to market gain on held for trading Government securities	5,253	-	4,419	-
Unrealised mark to market gain on held for trading mutual funds	266	-	148	-
Return on Government Securities	6,665	530	1,888	530
Investment income on bank deposits	1,658	359	669	343
Gain on sale of units of open end mutual funds	64	-	21	-
Gain on sale of government securities	3,973	-	861	-
	<b>17,879</b>	<b>889</b>	<b>8,006</b>	<b>873</b>
<b>Accident and Health Business</b>				
Return on Government Securities	-	-	-	-
Investment income on bank deposits	6	3	2	1
Gain on sale of units of open end mutual funds	-	-	-	-
	<b>6</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>Net investment income</b>	<b>717,558</b>	<b>363,085</b>	<b>268,336</b>	<b>120,322</b>
Net investment income - statutory fund	23,260	2,765	9,983	1,813
Net investment income - other	694,298	360,320	258,353	118,509
	<b>717,558</b>	<b>363,085</b>	<b>268,336</b>	<b>120,322</b>

The annexed notes form an integral part of this condensed interim consolidated financial information.

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer

# CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011

## 1. THE GROUP AND ITS OPERATIONS

The group consists of:

### Holding company

Adamjee Insurance Company Limited

### Subsidiary company

Adamjee Life Assurance Company Limited

Percentage holding of Adamjee Insurance Company Limited  
55%

### Adamjee Insurance Company Limited (holding company)

Adamjee Insurance Company Limited (holding company) is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the 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 Islamabad Stock Exchange Building, Islamabad.

The Company also operates branches in the United Arab Emirates (UAE), the Kingdom of Saudi Arabia (KSA) and the Export Processing Zone (EPZ). The branch in the KSA has closed down its operations and is in "run-off" status with effect from October 01, 2003.

### Adamjee Life Assurance Company Limited (subsidiary company)

Adamjee Life Assurance Company Limited (Subsidiary Company) was incorporated in Pakistan on 4 August 2008 as a public unlisted company under the Companies Ordinance, 1984 and started its operations from 24 April 2009. The registered office of the Company is located at MCB Building, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is located at Third Floor, The Forum, Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of Adamjee Insurance Company Limited and an associate of IVM Intersurer B.V. who have a holding of 55% and 45% respectively in the share capital of the Company. IVM Intersurer B.V. has nominated Hollard Life Assurance Company Limited (HLA), a subsidiary of IVM Intersurer B.V., to act on its behalf. HLA is South Africa's largest private sector insurance company.

The Company is engaged in life assurance business carrying on non-participating business only. In accordance with the requirements of the Insurance Ordinance, 2000, the Company has established a shareholders' fund and the following statutory funds in respect of its each class of life assurance business:

- Conventional Business
- Accident and Health
- Non-unitized Investment Linked Business

## 2. BASIS OF PREPARATION

### a) Statement of Compliance

This consolidated condensed interim financial report of the company for the nine months period ended 30 September 2011 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions or directives of Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

The SECP has allowed insurance companies to defer the application of International Accounting Standard - 39 (IAS - 39) 'Financial Instruments: Recognition and Measurement' in respect of "Investment available-for-sale" until suitable amendments have been made in the law. Accordingly, the requirements of IAS - 39, to the extent allowed by SECP, have not been considered in the preparation of this consolidated condensed financial information.

### b) Basis of presentation

This consolidated condensed interim financial information comprises the consolidated financial information of Adamjee Insurance Company Limited and its subsidiary company, Adamjee Life Assurance Company Limited, as at 30 September 2011. The condensed interim financial information of the subsidiary companies has been consolidated on line by line basis. All inter company balances and transaction have been eliminated.

### 3. BASIS OF MEASUREMENT

This consolidated condensed interim financial information has been prepared under the historical cost convention except that obligations under certain employee benefits are measured at present value.

### 4. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended 31 December 2010.

### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this consolidated condensed interim financial information are the same as those applied to the preceding annual published financial statements of the company for the year ended 31 December 2010.

## 6 CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies

The income tax assessments of the holding company have been finalized up to and including the tax year 2009. However, the holding company has filed appeals in respect of certain assessment years mainly on account of following:

- i) The Deputy Commissioner of Income Tax (DCIT) has finalized 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 Rupees 48.205 million against which the holding company has made a total provision of Rupees 44.141 million resulting in a shortfall of Rupees 4.064 million. The holding company filed appeals with the Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal (ITAT) which were decided against the holding company. Consequently the holding company has filed an appeal before the Honorable High Court of Sindh and the petition is fixed for regular hearing;
- 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 holding company during the above mentioned periods resulting in an additional tax liability of Rupees 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 holding company but the Tax Department filed an appeal before the ITAT against the order of the Additional Commissioner, which has been decided in favour of the holding company. However, the holding company again received a notice from Additional Commissioner for reassessment of the case. The holding company has filed a constitutional petition in Sindh High Court against such order.
- iii) While finalizing the assessment for the assessment year 2002-2003, DCIT has reduced the business loss for the year by Rupees 88.180 million by adjusting the dividend income against this loss. The holding 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 holding company in this respect have been rejected by the Commissioner of Income Tax (Appeals), the ITAT and the Sindh High Court. The holding company has now filed a reference application with the Supreme Court of Pakistan. The management is confident that the matter will eventually be decided in favour of the holding company and has consequently not made any provision against the additional tax liability of Rupees 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 holding company has not apportioned management and general administration expenses against capital gain and dividend income. The holding company has filed constitution petition in the High Court of Sindh against the amendment in the assessment order. The holding company may be liable to pay Rupees 5.881 million in the event of decision against the holding company, out of which Rupees 2.727 million has been provided by the holding company resulting in a shortfall of Rupees 3.154 million.

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- v) The Taxation Officer has passed an order in the tax year 2005 and 2006 under section 221 of the Income Tax Ordinance, 2001 (the Ordinance) levying minimum tax liability aggregating to Rupees 38.358 million. An appeal had been filed before the Commissioner of Income Tax (Appeals) who upheld the order of the Taxation Officer. The holding company has filed an appeal before ITAT which is pending to be heard.
- vi) The holding company received a notice from Additional Commissioner Inland Revenue pertaining to the assessment of tax year 2008. Among others, the Additional Commissioner raised issues pertaining to avoidance of tax on capital gains on listed securities. However, the holding company filed a constitutional petition in Sindh High Court against such order and the Court has granted stay in this regard.

Pending resolution of the above-mentioned appeals filed by the holding company, no provision has been made in this consolidated condensed interim financial information for the aggregate amount of Rupees 86.938 million (31 December 2010: 88.201 million) as the management is confident that the eventual outcome of the above matters will be in favour of the holding company.

## 6.2 Commitments

### Holding company

There were no capital or other commitments as at 30 September 2011 (31 December 2010: Nil).

### Subsidiary company

Commitments in respect of leased assets - not later than one year is Rupees 0.228 million (31 December 2010: 2.996) and intangible assets not later than one year is Rupees 2.550 million (31 December 2010: 2.550 million).

30 September      31 December  
2011                      2010  
—————(Rupees in thousand)—————

## 7. INVESTMENTS

### Available-for-sale

#### In related parties

Marketable securities	6,748,034	6,699,828
Less: Provision for impairment in value of investments	(43,269)	-
	<b>6,704,765</b>	6,699,828

#### Others

Marketable securities	3,071,867	3,264,744
Less: Provision for impairment in value of investments	(498,847)	(412,931)
	<b>2,573,020</b>	2,851,813
Fixed income investments	125,169	-
	<b>2,698,189</b>	2,851,813

### At fair value through profit or loss

Listed equity securities	7,990	853
Government securities	209,365	55,363
	<b>217,355</b>	56,216
	<b>9,620,309</b>	<b>9,607,857</b>



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	Note	30 September 2011	31 December 2010
—————(Rupees in thousand)—————			
<b>8. PREMIUMS DUE BUT UNPAID - Unsecured</b>			
Considered good		4,403,568	4,554,824
Considered doubtful		541,954	199,015
		4,945,522	4,753,839
Less: Provision for doubtful balances	8.1	(541,954)	(199,015)
		4,403,568	4,554,824
<b>8.1 Reconciliation of provision for doubtful balances</b>			
Opening provision		199,015	119,530
Exchange loss		-	274
Charge for the period		481,726	86,867
Written off during the period / year		(137,047)	(7,656)
Bad debts recovered		(1,740)	-
Closing provision		541,954	199,015
<b>9. AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - Unsecured</b>			
Considered good		620,590	993,584
Considered doubtful		52,327	30,000
		672,917	1,023,584
Less: Provision for doubtful balances	9.1	(52,327)	(30,000)
		620,590	993,584
<b>9.1 Reconciliation of provision for doubtful balances</b>			
Opening provision		30,000	30,000
Charge for the period / year		40,000	-
Written off during the period / year		(17,673)	-
Closing provision		52,327	30,000
<b>10 FIXED ASSETS</b>			
<b>10.1 The following capital expenditure was incurred during the period / year:</b>			
Building		7,706	116,039
Furniture and fixtures		12,947	40,014
Motor vehicles		36,241	80,085
Machinery and equipment		11,798	34,917
Computer and related accessories		7,912	28,773
Intangible Assets		4,467	45,602
		81,071	345,430
<b>Leased</b>			
Motor vehicles		-	-
		81,071	345,430

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	30 September 2011	31 December 2010
	—————(Rupees in thousand)—————	
<b>10.2 The following are the written down values of fixed assets disposed off during the period:</b>		
Building	2,633	618
Furniture and fixtures	567	616
Motor vehicles	7,404	41,553
Machinery and equipment	1,494	1,555
Computer and related accessories	11,204	695
	<u>23,302</u>	<u>45,037</u>
<b>Leased</b>		
Motor vehicles	30,271	22,999
	<u>53,573</u>	<u>68,036</u>

## 11. TRANSACTIONS WITH RELATED PARTIES

The company has related party relationships with its subsidiary company, associates, 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. There are no transactions with key management personnel other than their terms of employment.

Investment in related parties have been disclosed in note 7 to the financial statements. Other transactions with related parties are summarised as follows:

	30 September 2011	30 September 2010
	—————(Rupees in thousand)—————	
<b>Subsidiary company</b>		
<b>Associated undertakings</b>		
Premium written	70,102	-
Claims expense	34,600	18,132
Commission and other incentives in respect of Bancassurance	224,803	86,764
Profit on bank deposits	2,094	-
Investment advisor fee	105	-
Custodian fee	149	-
Technical support fee	9,679	10,149
Bank charges	51	-
<b>Holding Company</b>		
Premium underwritten	1,282,096	715,580
Premium received	1,080,206	716,061
Premium ceded	2,788	403
Claims paid	3,093,205	330,772
Rent paid	6,152	12,225
Dividend received	492,933	205,693
Dividend paid	66,157	60,126
		<b>Number of shares</b>
Bonus shares received	2,326,338	2,114,852
Bonus shares issued	-	4,008,442

## 12. 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:

		30 September 2011																					
		Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities		Total		Aggregate General Insurance		Life Insurance		Aggregate Life Insurance		Grand Total	
		Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Aggregate General Insurance	Conventional Business	Accident and Health Business	Non-united investment linked business	Aggregate Life Insurance	Grand Total		
(Rupees in thousand)																							
<b>OTHER INFORMATION</b>																							
Segment assets		6,648,144	152,212	720,874	12,897	920,202	2,218,037	1,567,001	25,244	-	-	9,856,221	2,408,390	12,264,611	162,675	160	347,784	510,619	12,775,230				
Unallocated assets		-	-	-	-	-	-	11,335,706	1,326,639	-	-	11,335,706	1,326,639	12,662,345	-	-	-	-	283,511	12,945,856			
Total assets		6,648,144	152,212	720,874	12,897	920,202	2,218,037	1,567,001	25,244	-	-	21,191,927	3,735,029	24,926,956	162,675	160	347,784	794,130	25,721,086				
Segment liabilities		6,052,556	130,304	545,306	19,283	1,376,655	2,221,149	1,580,701	27,657	20,332	-	9,577,550	2,398,393	11,975,943	162,675	160	347,784	510,619	12,486,562				
Unallocated liabilities		-	-	-	-	-	-	1,555,686	207,961	-	-	1,555,686	207,961	1,763,647	-	-	-	-	39,231	1,802,878			
Total liabilities		6,052,556	130,304	545,306	19,283	1,376,655	2,221,149	1,580,701	27,657	20,332	-	11,133,236	2,606,354	13,739,590	162,675	160	347,784	549,850	14,289,440				
(Rupees in thousand)																							
<b>OTHER INFORMATION</b>																							
Segment assets		7,696,091	120,913	638,440	59,835	1,044,736	2,408,230	2,197,241	34,218	2,939	-	11,579,447	2,623,196	14,202,643	83,220	645	119,235	203,100	14,405,743				
Unallocated assets		-	-	-	-	-	-	12,105,976	1,306,123	-	-	12,105,976	1,306,123	13,412,069	-	-	-	-	374,228	13,786,327			
Total assets		7,696,091	120,913	638,440	59,835	1,044,736	2,408,230	2,197,241	34,218	2,939	-	23,685,423	3,929,319	27,614,742	83,220	645	119,235	577,328	28,192,070				
Segment liabilities		7,390,948	101,729	553,040	57,001	1,606,681	2,625,138	2,571,549	33,551	20,936	-	12,143,154	2,817,419	14,960,573	83,220	645	119,235	203,100	15,163,673				
Unallocated liabilities		-	-	-	-	-	-	1,526,644	194,100	-	-	1,526,644	194,100	1,720,744	-	-	-	-	35,328	1,756,072			
Total liabilities		7,390,948	101,729	553,040	57,001	1,606,681	2,625,138	2,571,549	33,551	20,936	-	13,669,798	3,011,519	16,681,317	83,220	645	119,235	238,428	16,919,745				
																				(Unaudited) 30 September 2011	(Audited) 31 December 2010		
																				(Rupees in thousand)		81,071	345,430

Capital expenditure

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## 13. GENERAL

Figures have been rounded off to the nearest thousand of rupees.

## 14. AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial information have been authorized for issue on 27 October 2011 by the Board of Directors of the Company.

Umer Mansha  
Chairman

S.M. Jawed  
Director

Ahmed Ebrahim Hasham  
Director

Manzar Mushtaq  
Managing Director & Chief Executive Officer