askari
general insurance co. ltd.

BRINGING INNOVATION

2014

1st Quarter Report
January-March

VISION

The Vision of askari general insurance company limited is to be amongst the leading insurance companies of the country with the clear perception of upholding the principles of corporate governance and making agico a profitable and growth oriented insurance company while creating insurance awareness and culture.

MISSION

To become a leading insurance company by providing client friendly services through highly motivated team of dedicated professionals and ensuring progressive return to the shareholders.

CONTENTS

Corporate Information

Chairman
Lt Gen Tahir Mahmood (Retd)

President & Chief Executive Officer
Mr. Abdul Waheed

Board of Directors
Maj Gen Mukhtar Ahmed (Retd)
Brig Irfan Azam (Retd)
Brig M. Ibrahim Khan (Retd)
Mr. Farrukh Iqbal Khan
Mr. M.A. Ghazali Marghoob
Mr. Abdul Hai Mahmood Bhaimia
Khawaja M. Iqbal

Company Secretary
Mr. Suleman Khalid

Chief Financial Officer
Mr. Jamil Ahmed

Head of Internal Audit
Mr. Rizwan Saeed

Executive Committee
Maj Gen Mukhtar Ahmed (Retd)
Chairman
Brig M. Ibrahim Khan (Retd)
Member
Mr. M.A. Ghazali Marghoob
Member

Audit Committee
Brig M. Ibrahim Khan (Retd)
Chairman
Brig Irfan Azam (Retd)
Member
Mr. Farrukh Iqbal Khan
Member

Human Resource and Remuneration (HR&R) Committee
Brig Irfan Azam (Retd)
Chairman
Mr. Farrukh Iqbal Khan
Member
Mr. Abdul Waheed
Member

Underwriting Committee
Brig M. Ibrahim Khan (Retd)
Chairman
Mr. Abdul Waheed
Member
Mrs. Samina Khan
Member

Claim Settlement Committee
Mr. M.A. Ghazali Marghoob
Chairman
Mr. Abdul Waheed
Member
Dr. Abbas Zaidi
Member

Reinsurance & Co-Insurance Committee
Maj Gen Mukhtar Ahmed (Retd)
Chairman
Mr. Abdul Waheed
Member
Mr. Sohail Khalid
Member

External Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad

Legal Advisors
Hassan Kaunain Nafees

Bankers
Askari Bank Ltd.
Askari Islamic Bank Ltd.
Habib Bank Ltd.
Standard Chartered Bank (Pakistan) Ltd.
Summit Bank Ltd.
Soneri Bank Ltd.
Silk Bank Ltd.
Faysal Bank Ltd.

Registrar & Share Transfer Office
THK Associates (Private) Limited
Ground Floor, State Life Building
No. 3, Dr. Zia ud Din Ahmad Road,
Karachi 75530, PO Box 8533
Ph: +92-21-111 000 322
Fax: +92-21-35655595

Registered Office/Head Office
4th Floor, AWT Plaza, The Mall,
Rawalpindi, Pakistan
Ph: +92-51-9272425-7
Fax: +92-51-9272424
Email: info@agico.com.pk

Branch Network

1. Head Office
Askari general insurance co ltd
(Underwriting /Claims Dept., askari health)
276-A, Peshawar Road, Rawalpindi Cantt.
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agicoho@agico.com.pk

2. Abbottabad
Askari general insurance co ltd
Room # 10 & 11, 2nd Floor, Silk Plaza, Mansehra Road,
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agicoabt@agico.com.pk

3. Rawalpindi-2
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2nd Floor, National Business Centre, Murree Road,
Shamsabad, Rawalpindi
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agicorwp@agico.com.pk

4. Faisalabad -1
Askari general insurance co ltd
2nd Floor, Platinum Centre, Kotwali Road, Faisalabad
TEL#041-2412302-5, FAX#041-2412301

5. Faisalabad-3
Askari general insurance co ltd, Ground Floor,
Mian Arif Plaza, Lahore Road, Khurrianwala, Faisalabad
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6. Gujranwala
Askari general insurance co ltd
1st Floor, Al-Azhar Plaza, Opp. Iqbal High School,
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7. Lahore-1
Askari general insurance co ltd
75-d/1, Lower Ground , Lahore Lagoon
Main bulevard, Gulberg III, Lahore.
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8. Multan
Askari general insurance co ltd
Golden Heights, Nusrat Road, Multan
TEL#061-4547842, FAX#061-4547862
agicormtn@agico.com.pk

9. Hyderabad
Askari general insurance co ltd
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10. Karachi-2
Askari general insurance co ltd
3rd Floor, AWT Plaza, i.i Chundrigar Road, Karachi
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agicokch2@agico.com.pk

11. Islamabad-1
Askari general insurance co ltd
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TEL#051-2270471-3, FAX#051-2279566
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12. Islamabad-2
Askari general insurance co ltd
11-West Jinnah Avenue, Blue Area, Islamabad
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13. Rawalpindi-3
Askari general insurance co ltd
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15. Sialkot
Askari general insurance co ltd
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16. Lahore-3
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17. Bahawalpur
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18. Karachi-1
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19. Peshawar
Askari general insurance co ltd
6th Floor, State Life Building,
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TEL#091-5284768, FAX#091-5284769
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Directors' Report to the Shareholders

For the First Quarter Ended 31st March 2014

The Directors are pleased to present the un-audited condensed interim financial statements of the Company for the first quarter ended 31st March 2014. During the period, the Company earned better profits over the similar period last year. Key financial performance indicators' comparison is as follows:

	(Rupees in Millions) 31st March 2014	2013
Gross premium written	432	429
Net premium revenue	237	204
Underwriting Profit	56	62
Investment and other income	27	15
Profit before tax	49	44
Profit after tax	40	32
Earnings per share (Restated for 2013)	1.03	0.83

Despite a slight increase in gross premiums written, the net premiums rose by 16% and profit after taxes & earnings per share increased by 25%.

The increase in profits was made primarily possible through the sharp increase in investment income for the period. The Company had been consistently building up its investment portfolio which is now Rs. 895 million. This enabled the Company to achieve a better investment income during the period. Good underwriting profits in Fire, Marine and Miscellaneous classes of business contributed positively to the operational profits during the period.

Future Outlook

We look forward to work on introducing new products and to uphold the results attained in this quarter, in the coming months.

Acknowledgements

We would like to take this opportunity to thank our Regulators and the Insurance Association of Pakistan for their continuous support and guidance, our valued reinsurers and other stakeholders for posing trust and confidence in us.

For and Behalf of the Board

Lt Gen Tahir Mahmood (Retd)
Chairman

Rawalpindi
22 April 2014

Condensed Interim Balance Sheet (Unaudited)

As at 31 March 2014

	Note	(Unaudited) March 31 2014	(Audited) December 31 2013
		Rupees	
Share Capital and Reserves			
Authorized share capital			
50,000,000 (2012: 50,000,000) ordinary shares of Rs. 10 each		500,000,000	500,000,000
Paid up share capital		388,344,030	388,344,030
Retained earnings		195,630,134	155,473,689
Reserves		74,657,681	74,657,681
		658,631,845	618,475,400
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		248,088,687	280,899,123
Provision for unearned premium		935,888,088	926,428,492
Commission income unearned		90,030,973	100,451,694
		1,274,007,748	1,307,779,309
Deferred Liability			
Staff Compensated Absences		10,944,872	11,080,700
Creditors and Accruals			
Premium received in advance		10,076,678	17,358,218
Amounts due to other insurers / reinsures		108,245,869	119,400,979
Accrued expenses		9,800,933	1,964,044
Taxation - provision less payments		258,288	
Other creditors and accruals	8	139,489,774	142,915,481
		267,871,542	281,638,722
Other Liabilities			
Unclaimed dividend		830,102	830,102
Others		16,262,970	18,190,530
		17,093,072	19,020,632
TOTAL LIABILITIES		1,569,917,233	1,619,519,363
TOTAL EQUITY AND LIABILITIES		2,228,549,078	2,237,994,763
CONTINGENCIES AND COMMITMENTS	13		

	Note	(Unaudited) March 31 2014	(Audited) December 31 2013
		Rupees	
Cash and Bank Deposits			
Cash and other equivalents		157,959	1,045,113
Current and other accounts		79,336,085	118,557,371
Total Cash and Bank		79,494,044	119,602,484
Advances to Employees		2,011,229	1,111,191
Investments	9	895,151,620	864,102,144
Investment Property	10	48,033,335	48,360,833
Deferred Taxation		7,189,578	7,189,578
Current Assets - Others			
Premium due but unpaid-unsecured, considered good	11	362,509,226	305,582,662
Amounts due from other insurers / reinsurers - unsecured, considered good		103,733,958	67,784,260
Salvage recoveries accrued		14,814,513	15,256,493
Accrued investment income		2,567,527	1,649,869
Reinsurance recoveries against outstanding claims - unsecured, considered good		91,950,112	134,629,829
Taxation - payment less provision		-	5,043,245
Deferred commission expense		56,565,836	56,685,195
Prepayments		472,116,032	509,417,884
Sundry receivables		29,436,728	34,456,554
		1,133,693,931	1,130,505,991
Fixed Assets	12		
Furniture and fixtures		7,010,580	7,165,764
Computer and office equipment		6,663,754	7,335,777
Motor vehicles		4,448,210	4,690,394
Tracking devices		24,365,934	26,218,968
Leasehold improvements		3,101,888	3,380,795
Software license		3,649,046	4,140,124
Capital work in progress		13,735,929	14,190,720
		62,975,341	67,122,542
TOTAL ASSETS		2,228,549,078	2,237,994,763

The annexed notes 1 to 17 form an integral part of these financial statements.

Abdul Waheed
President & Chief Executive

Brig M Ibrahim Khan (Retd)
Director

Maj Gen Mukhtar Ahmed (Retd)
Director

Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Profit and Loss Account/Statement of Comprehensive Income (Unaudited)

For the period ended 31 March 2014

	Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscellaneous	2014 Aggregate	2013 Aggregate
		Rupees						
Revenue Account								
Net premium revenue		12,352,598	20,954,491	145,673,175	35,180,464	22,482,257	236,642,985	204,175,593
Net claims		(5,341,684)	(6,676,228)	(89,240,121)	(36,752,760)	(207,919)	(138,218,712)	(101,657,493)
Expenses		(2,552,863)	(4,330,582)	(41,523,892)	(7,270,609)	(4,646,320)	(60,324,266)	(50,319,560)
Net commission		7,557,903	65,968	(6,671,466)	9,468,294	7,742,642	18,163,341	9,514,087
Underwriting Results		12,015,954	10,013,649	8,237,696	625,389	25,370,660	56,263,348	61,712,627
Other Income and Expenses								
Investment income							21,863,335	11,837,016
Rental income							745,272	350,280
Other income							735,528	217,100
Profit on bank deposits							1,785,031	1,937,212
Share of profit in associated company							2,307,867	831,452
General and administration expenses							(34,325,324)	(33,124,835)
							(6,888,290)	(17,951,775)
Profit before tax							49,375,058	43,760,852
Provision for taxation							(9,218,613)	(11,581,447)
Profit after tax							40,156,445	32,179,405
Other comprehensive income for the period							-	-
Total comprehensive income for the period							40,156,445	32,179,405
Profit and loss appropriation account								
Balance at commencement of the period							155,473,689	108,876,122
Profit after tax for the period							40,156,445	32,179,405
Balance of unappropriated profit at end of the period							195,630,134	141,055,527
Earning per share - basic and diluted	16						1.03	0.83

The annexed notes 1 to 17 form an integral part of these financial statements.

Abdul Waheed
President & Chief Executive

Brig M Ibrahim Khan (Retd)
Director

Maj Gen Mukhtar Ahmed (Retd)
Director

Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Changes in Equity (Unaudited)

For the period ended 31 March 2014

	Share capital Issued, subscribed and paid up	Capital reserve Share premium	Reserves Revenue reserve General reserve	Retained earnings	Total reserves	Total equity
	Rupees					
Balance as at 01 January 2013	323,620,030	4,657,681	70,000,000	108,876,122	74,657,681	507,153,833
Total comprehensive loss for the period						
Profit for the period	-	-	-	32,179,405	-	32,179,405
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	32,179,405	-	32,179,405
Changes in owners' equity						
Total transactions with owners - Issuance of bonus shares	-	-	-	-	-	-
Balance as at 31 March 2013	323,620,030	4,657,681	70,000,000	141,055,527	74,657,681	539,333,238
Balance as at 01 January 2014	388,344,030	4,657,681	70,000,000	155,473,689	74,657,681	618,475,400
Total comprehensive income for the period						
Profit for the period	-	-	-	40,156,445	-	40,156,445
Other comprehensive income for the period	-	-			-	-
Total comprehensive income for the period	-	-	-	40,156,445	-	40,156,445
Changes in owners' equity						
Total transactions with owners - Issuance of bonus shares	-	-	-	-	-	-
Balance as at 31 March 2014	388,344,030	4,657,681	70,000,000	195,630,134	74,657,681	658,631,845

The annexed notes 1 to 17 form an integral part of these financial statements.

Abdul Waheed President & Chief Executive	Brig M Ibrahim Khan (Retd) Director	Maj Gen Mukhtar Ahmed (Retd) Director	Lt Gen Tahir Mahmood (Retd) Chairman

Condensed Interim Statement of Cash Flows (Unaudited)
For the period ended 31 March 2014

	March 31 2014	March 31 2013
	Rupees	Rupees
Operating Cash Flows		
a) Underwriting activities:		
Premium received	340,673,749	254,931,618
Reinsurance premium paid	(15,838,013)	(366,176,567)
Claims paid	(227,539,902)	(151,539,747)
Reinsurance and other recoveries received	1,538,288	20,790,355
Commission paid	(21,345,893)	(18,939,662)
Commission received	329,996	23,437,890
Other underwriting payments (management expenses)	(60,470,253)	(52,610,692)
Net cash flow from underwriting activities	17,347,972	(290,106,805)
b) Other operating activities:		
Income tax paid	(3,917,080)	(4,271,976)
General management expenses paid	(36,252,158)	(31,254,828)
Other operating payments	(7,807,998)	(50,698,080)
Advances to employees	(900,038)	48,434
Net cash used in other operating activities	(48,877,274)	(86,176,450)
Total cash flow (used in) / generated from all operating activities	(31,529,303)	(376,283,255)
Investment activities:		
Profit / return received	2,285,471	3,353,373
Dividends received	405,819	602,288
Payments for investments	(62,867,827)	(35,656,047)
Proceeds from disposal of investments	54,165,735	-
Redemption of term finance certificates	-	23,614,800
Fixed capital expenditure	(2,594,167)	(910,774)
Proceeds from disposal of fixed assets	25,832	-
Total cash used in investing activities	(8,579,137)	(8,996,360)
Total cash used in financing activities	-	-
Net cash (used in) / generated from all activities	(40,108,439)	(385,279,615)
Cash at beginning of the year	119,602,483	483,241,871
Cash at end of the year	79,494,044	97,962,256

The annexed notes 1 to 17 form an integral part of these financial statements.

	March 31 2014	March 31 2013
	Rupees	Rupees
Reconciliation to Profit and Loss Account:		
Operating cash flows	(31,529,303)	(376,283,255)
Depreciation expense	(7,042,059)	(6,207,635)
(Loss) on disposal of fixed assets	(876)	-
Increase in assets other than cash	8,213,565	151,811,966
Increase in liabilities other than running finance	49,860,418	255,562,121
Unrealized gain on investments, held for trading	18,660,800	9,436,605
Dividend income	405,819	602,288
Investment income	2,205,791	1,798,123
Profit on bank deposits	1,785,031	1,937,212
Share of profit in associated company	2,307,867	831,452
Income tax provision	(9,218,613)	(11,581,447)
Gain on trading	590,924	-
Tax paid	3,917,080	4,271,976
Profit after taxation	40,156,445	32,179,405

Definition of cash:

Cash comprises of cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

	March 31 2014	March 31 2013
Cash for the purpose of the statement of cash flows consist of:	Rupees	Rupees
Cash and other equivalents		
Cash in hand	135,543	178,313
Stamp in hand	22,416	55,453
	157,959	233,766
Current and other accounts		
On current accounts	17,572,852	1,813,669
On deposit accounts	61,763,233	95,914,821
	79,336,085	97,728,490
Total	79,494,044	97,962,256

The annexed notes 1 to 17 form an integral part of these financial statements.

Abdul Waheed
President & Chief Executive

Brig M Ibrahim Khan (Retd)
Director

Maj Gen Mukhtar Ahmed (Retd)
Director

Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Premiums (Unaudited)
For the period ended 31 March 2014

Business underwritten inside Pakistan

Class of Business	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	March 31 2014 Net premium revenue	March 31 2013 Net premium revenue
		Opening	Closing			Opening	Closing			
	Rupees									
Direct and facultative										
Fire and property damage	61,716,397	106,609,536	112,983,245	55,342,688	41,832,879	82,756,393	81,599,182	42,990,090	12,352,598	9,477,218
Marine, aviation and transport	40,982,159	20,845,349	21,503,411	40,324,097	19,191,592	10,081,030	9,903,016	19,369,606	20,954,491	9,921,217
Motor	195,634,381	276,059,879	321,523,326	150,170,934	7,730,010	6,863,340	10,095,591	4,497,759	145,673,175	125,604,868
Accident and health	61,324,831	215,888,889	189,910,143	87,303,577	36,794,899	129,340,719	114,012,505	52,123,113	35,180,464	24,958,263
Miscellaneous	72,826,166	307,024,839	289,967,963	89,883,042	25,746,314	269,221,291	227,566,820	67,400,785	22,482,257	34,214,027
Grand total	432,483,934	926,428,492	935,888,088	423,024,338	131,295,694	498,262,773	443,177,114	186,381,353	236,642,985	204,175,593

The annexed notes 1 to 17 form an integral part of these financial statements.

Abdul Waheed
President & Chief Executive

Brig M Ibrahim Khan (Retd)
Director

Maj Gen Mukhtar Ahmed (Retd)
Director

Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Claims (Unaudited)

For the period ended 31 March 2014

Business underwritten inside Pakistan

Class of Business	Claims paid	Outstanding Claims Opening	Outstanding Claims Closing	Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims Opening	Reinsurance and other recoveries in respect of outstanding claims Closing	Reinsurance and other recoveries revenue	March 31 2014 Net claims expense	March 31 2013 Net claims expense
	Rupees									
Direct and facultative										
Fire and property damage	17,565,027	48,888,854	41,980,499	10,656,672	17,824,111	39,115,896	26,606,773	5,314,988	5,341,684	3,564,966
Marine, aviation and transport	27,800,524	26,827,929	18,529,003	19,501,598	18,016,576	18,107,906	12,916,700	12,825,370	6,676,228	3,021,499
Motor	88,310,136	101,633,449	104,504,131	91,180,818	4,959,011	6,377,355	3,359,040	1,940,696	89,240,121	74,054,219
Accident and health	83,154,379	59,119,056	46,531,890	70,567,213	49,892,627	43,997,355	27,919,181	33,814,453	36,752,760	20,172,958
Miscellaneous	10,709,837	44,429,835	36,543,164	2,823,166	8,498,146	27,031,317	21,148,418	2,615,247	207,919	843,851
Grand total	227,539,902	280,899,123	248,088,687	194,729,466	99,190,471	134,629,829	91,950,112	56,510,754	138,218,712	101,657,493

The annexed notes 1 to 17 form an integral part of these financial statements.

Abdul Waheed
President & Chief Executive

Brig M Ibrahim Khan (Retd)
Director

Maj Gen Mukhtar Ahmed (Retd)
Director

Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Expenses (Unaudited)
For the period ended 31 March 2014

Business underwritten inside Pakistan

Class of Business	Commission Paid or payable	Deferred commission Opening	Deferred commission Closing	Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurer*	March 31 2014 Net Underwriting expense	March 31 2013 Net Underwriting expense
	Rupees								
Direct and facultative									
Fire and property damage	6,153,290	14,498,357	13,547,128	7,104,519	2,552,863	9,657,382	14,662,422	(5,005,040)	(1,993,800)
Marine, aviation and transport	7,110,900	2,402,777	2,901,985	6,611,692	4,330,582	10,942,274	6,677,660	4,264,614	691,423
Motor	9,362,915	12,624,538	15,045,403	6,942,050	41,523,892	48,465,942	270,584	48,195,358	40,541,644
Accident and health	1,967,483	9,045,044	7,451,502	3,561,025	7,270,609	10,831,634	13,029,319	(2,197,685)	(1,746,366)
Miscellaneous	6,205,251	18,114,479	17,619,818	6,699,912	4,646,320	11,346,232	14,442,554	(3,096,322)	3,312,574
Grand total	30,799,839	56,685,195	56,565,836	30,919,198	60,324,266	91,243,464	49,082,539	42,160,925	40,805,475

* Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission.

The annexed notes 1 to 17 form an integral part of these financial statements.

Abdul Waheed
President & Chief Executive

Brig M Ibrahim Khan (Retd)
Director

Maj Gen Mukhtar Ahmed (Retd)
Director

Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Investment Income (Unaudited)
For the period ended 31 March 2014

	March 31 2014	March 31 2013
	Rupees	
Income from trading investments		
Gain on trading	590,924	-
Dividend income	255,069	602,288
	845,993	602,288
Income from non-trading investments		
Return on government securities	937,672	770,548
Return on other fixed income securities	518,604	1,027,575
	1,456,276	1,798,123
Available for sale investments		
Dividend income	150,750	-
Gain on sale of investments	787,698	-
	938,448	-
Unrealized profit on re-measurement of investments held for trading	18,660,800	9,436,605
Investment related Expense	(38,183)	-
Net investment income	21,863,335	11,837,016

The annexed notes 1 to 17 form an integral part of these financial statements.

Abdul Waheed	Brig M Ibrahim Khan (Retd)	Maj Gen Mukhtar Ahmed (Retd)	Lt Gen Tahir Mahmood (Retd)
President & Chief Executive	Director	Director	Chairman

Notes to the Condensed Interim Financial Information (Unaudited)
For the period ended 31 March 2014

1. THE COMPANY AND ITS BUSINESS

askari general insurance company limited ("the Company") was incorporated under the Companies Ordinance, 1984 as a public limited company on 12 April 1995. The Company is engaged in non-life insurance business comprising of fire, marine, motor, health and miscellaneous. The Company commenced its commercial operations on 15 October 1995. Shares of the Company are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The registered office and principal place of business of the Company is located at AWT Plaza, Rawalpindi. The Company has 19 branches in Pakistan. Army Welfare Trust (AWT) directly and indirectly holds a significant portion of the Company's equity.

2. BASIS OF PREPARATION

This condensed interim financial informaiton of the Company for three months period ended 31 March 2014 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 and Insurance Ordinace, 2000 and SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 and Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

This condensed interim financial information is being sumitted to the shareholders in accordance with the listing regulations of Karachi, Lahore and Islamabad Stock Exchange and Section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of International Accounting Standard - 34 " Interim Financial Reporting" and in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 7 of 2003 dated 27 August 2003.

This condesed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2013. Comparitive balance sheet is extracted from annual financial statements for the year ended 31 December 2013 whereas comparative for condensed interim profit and loss account, condensed interim statement of comprehansive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income are stated from unaudited condensed interim financial information for three months' period ended 31 March 2013.

3. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments which are carried at their fair values and obligations under certain employee benefits which are measured at their present values. Figures have been rounded off to the nearest rupee.

4. ACCOUNTING POLICIES AND COMPUTATION METHOD

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 31 December 2013 except the following:

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2013.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgment made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the preparation of the financial statements for the year ended 31 December 2013.

7. PREMIUM DEFICIENY RESERVE

During the period, management has reviewed the results of each class of business and considers that no additional reserve is required to be created as the unearned premium reserve for each class of business as at the period end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of the policies in force at the balance sheet date.

8. OTHER CREDITORS AND ACCRUALS

	Note	(Unaudited) March 31 2014	(Audited) December 31 2013
		Rupees	
Agents' commission		54,734,125	51,651,995
Security deposit against bond		42,749,869	44,174,974
Payable to staff gratuity		6,889,636	6,677,388
Payable to staff provident fund		642,847	-
Tax deducted at source		2,465,152	2,353,131
Federal excise duty / Federal insurance fee		17,962,163	24,012,011
Workers' welfare fund		2,753,318	2,753,318
Due to associated Company		6,686,907	6,686,907
Payable against tracker devices and monitoring expenses		4,605,757	4,605,757
		139,489,774	142,915,481

9. INVESTMENTS

	Note	(Unaudited) March 31 2014	(Audited) December 31 2013
Held to maturity - Government securities	9.1	64,608,893	40,396,393
Held to maturity - Term finance certificate, quoted	9.2	6,236,500	6,236,500
		70,845,393	46,632,893
Loans and receivables - Certificate of investments		17,704,880	14,808,716
Investments at fair value through profit and loss - Held for trading (equity securities)		680,319,423	688,374,065
Available for sale - Quoted	9.3	27,012,637	17,325,050
Investment in associated companies		99,269,288	96,961,421
		895,151,620	864,102,144

9.1 Government Securities include Pakistan Investment Bonds (PIBs) of Rs. 64.61 million (31 December 2013: Rs. 40.40 million) with market value of Rs. 64.48 million as at 31 March 2014 (31 December 2013:Rs 39.97 million). PIBs are deposited with the State Bank of Pakistan to comply with the requirements of the Section 29(2) of the Insurance Ordinance, 2000.

9.2 Market value of Term Finance Certificates as at 31 March 2014 was Rs. 6.29 million (31 December 2013: Rs. 6.26 million).

9.3 At 31 March 2014, the fair value of available-for-sale securities was Rs.33.11 million (31 December 2013: Rs. 22.32 million). As per the company's accounting policy, available-for-sale investments are stated at lower of cost or market value (market value being taken as lower if the fall is other than temporary. However, International Accounting Standards (IASs) 39, "Financial Instruments: Recognition and measurements" dealing with the recognition and measurement of financial instruments requires that these instruments should be measured at fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 March 2014 would have been higher by Rs. 0.85 million (31 December 2013: Rs. 4.99 million).

10. INVESTMENT PROPERTY

This represents the carrying amount of two offices in Islamabad Stock Exchange building, classified as investment property based on the management intention to hold the property for earning rental income and/ or capital appreciation.

	Note	(Unaudited) March 31 2014	(Audited) December 31 2013
		Rupees	
Cost		52,400,000	52,400,000
Depreciation			
Balance at beginning of the year		4,039,167	2,729,167
Depreciation for the period / year		327,498	1,310,000
		4,366,665	4,039,167
Carrying value		48,033,335	48,360,833

11. PREMIUM DUE BUT UNPAID, - unsecured, considered good

Considered good	362,509,226	305,582,662
Considered doubtful	9,036,933	9,036,933
	371,546,159	314,619,595
Less: Provision against doubtful balance	(9,036,933)	(9,036,933)
	362,509,226	305,582,662

12. FIXED ASSETS

Tangible and Intangible		
Opening written down value	52,931,822	64,411,712
Additions during the period / year		
- Furniture, fixtures and office equipment	259,150	3,083,636
- Motor vehicles	-	1,308,144
- Leasehold improvements	-	-
- Tracking devices	2,789,808	9,404,837
	3,048,958	13,796,617
	55,980,780	78,208,329
Written down value of disposals	(26,708)	(349,736)
Deprecation for the period / year	(6,714,660)	(24,926,771)
	49,239,412	52,931,822
Capital work in progress	13,735,929	14,190,720
Closing written down value	62,975,341	67,122,542

13. CONTINGENCIES AND COMMITMENT

There is no change in contingencies and commitment as reported in the annual financial statements of the Company for the year ended 31 December 2013.

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Note	(Unaudited) March 31 2014	(Audited) December 31 2013
		Rupees	
Premium due:			
Balance at beginning of the period / year		44,738,721	32,898,275
"Insurance premium written (including government levies, administrative surcharge and policies stamps)"		68,657,420	258,885,757
Receipts during the period / year		(58,220,175)	(247,045,311)
Balance at end of the period / year		55,175,966	44,738,721
Balance in bank accounts at end of the period / year		37,731,480	70,286,520
Investments at end of the period / year		99,269,288	96,961,421
Other balances due		7,711,013	8,194,220

	Note	(Unaudited) March 31 2014	(Unaudited) March 31 2013
		Rupees	
			Restated
Transactions during the period			
Associates:			
Insurance premium written (including govt levies, administrative surcharge and policies stamps)		86,657,420	43,818,977
Profit on deposit accounts		687,515	471,814
Bank charges		28,211	168,245
Insurance claims paid		19,142,718	3,432,499
Purchase of listed securities including brokerage fee		29,977,097	-
Sale of listed securities including brokerage fee		23,948,470	-
Services acquired		2,584,142	5,975,933
Contribution to employees' funds		2,893,608	2,309,466

15. SEGMENT REPORTING

Amount in Rupees

The following table presents revenue and profit information regarding segments for the period ended 31 March, 2014 and 2013 and estimated information regarding certain assets and liabilities of the segments as at 31 March 2014 and 31 December 2013.

	Fire and property damage		Marine, aviation and		Motor		Accident and Health		Miscellaneous		TOTAL	
REVENUE	Unaudited 31-Mar-14	Audited 31-Dec-13	Unaudited 31-Mar-14	Audited 31-Dec-13	Unaudited 31-Mar-14	Audited 31-Dec-13	Unaudited 31-Mar-14	Audited 31-Dec-13	Unaudited 31-Mar-14	Audited 31-Dec-13	Unaudited 31-Mar-14	Audited 31-Dec-13
Net premium revenue	12,352,598	41,958,819	20,954,491	43,476,886	145,673,175	539,666,590	35,180,464	118,844,406	22,482,257	97,978,248	236,642,985	841,924,949
Segment result	12,015,954	30,669,888	10,013,649	14,931,679	8,237,696	50,185,584	625,389	23,006,410	25,370,660	87,970,708	56,263,348	206,764,269
Investment income											21,863,335	65,022,385
Rental income											745,272	2,366,264
Other income											735,528	8,365,792
Profit on bank deposits											1,785,031	8,139,788
Share of profit in associated company											2,307,867	6,080,517
Unallocated general and administration expenses											(34,325,324)	(147,102,873)
											(6,888,290)	(57,128,127)
Profit before tax											49,375,058	149,636,142
Provision for taxation											(9,218,613)	(30,570,673)
Profit after tax											40,156,445	119,065,469
OTHER INFORMATION												
Segment assets	162,006,592	156,560,668	74,079,584	51,512,209	383,739,014	341,211,756	222,394,911	239,569,456	312,993,574	361,512,909	1,155,213,675	1,150,366,998
Unallocated corporate assets											1,073,335,403	1,087,627,765
Consolidated total assets											2,228,549,078	2,237,994,763
Segment liabilities	185,046,660	186,508,673	60,040,685	61,109,319	548,704,719	518,970,397	293,309,394	337,328,350	425,280,750	465,066,503	1,512,382,208	1,568,983,242
Unallocated corporate liabilities											57,535,025	50,536,121
Consolidated total liabilities											1,569,917,233	1,619,519,363
Capital expenditure	159,153	218,872	269,982	226,791	1,876,884	14,123,627	453,272	619,935	289,666	511,089	3,048,957	15,700,314
Unallocated capital expenditure												
Depreciation and amortization	35,501	221,281	60,222	229,287	5,061,498	2,846,081	101,107	626,759	64,613	516,715	5,322,941	4,440,124
Depreciation and amortization											1,719,118	1,767,511

16. EARNINGS PER SHARE - BASIC AND DILUTED

	31 March 2014	31 March 2013
		(Restated)
Profit after tax (Rupees)	40,156,445	32,179,405
Weighted average number of shares	38,834,403	38,834,403
Earnings per share (Rupees)	1.03	0.83

17. DATE OF APPROVAL

This condensed interim financial information has been authorized for issue on April 22, 2014 by the Board of Directors of the Company.

Abdul Waheed President & Chief Executive	Brig M Ibrahim Khan (Retd) Director	Maj Gen Mukhtar Ahmed (Retd) Director	Lt Gen Tahir Mahmood (Retd) Chairman

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