

## SUSTAINABLE RELATIONSHIPS



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## Vision

The vision of the 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 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.

## CORPORATE INFORMATION

<b>Chairman</b>	Lt. Gen. Intiaz Hussain (Retd.)
<b>Directors</b>	Maj. Gen. Saeed Ahmed Khan (Retd.) Brig. Javed Qayum (Retd.) Brig. Tariq Sher (Retd.) Syed Suhail Ahmad Rizvi Mr. Abdul Hai Mehmood Bhaimia Mr. Farrukh Iqbal Khan Mr. Khawaja Muhammad Iqbal
<b>President &amp; Chief Executive</b>	Mr. Abdul Waheed
<b>Chief Financial Officer</b>	Mr. Jamil Ahmed
<b>Company Secretary</b>	Mr. Waseemullah
<b>Internal Auditor</b>	Mr. Sajid Aziz Satti
<b>Auditors</b>	M. Yousuf Adil Saleem & Company Chartered Accountants
<b>Legal Advisor</b>	Hassan Kaunain Nafees
<b>Bankers</b>	Askari Bank Ltd. Habib Bank Ltd. Standard Chartered Bank (Pakistan) Ltd. Summit Bank Ltd. Soneri Bank Ltd. Silk Bank Ltd. Faysal Bank Ltd.
<b>Registrar and Share Transfer Office</b>	THK Associates (Private) Limited Ground Floor, State Life Building No.3 Dr. Zia ud Din Ahmad Road Karachi-75530, P. O. Box 8533 UAN: +92-21-111-000-322 Fax: +92-21-35655595
<b>Registered Office/Head Office</b>	4th Floor, AWT Plaza, The Mall Rawalpindi, Pakistan Tel: 051-9272425-7 Fax: 051-9272424 Website: <a href="http://www.agico.com.pk">www.agico.com.pk</a>

## Directors' Report to the Shareholders

The Directors are pleased to present before you the un-audited financial statements of the Company for the half year ended June 30th, 2011.

### Business Overview

Insurance business continued to operate amid serious challenges of investment outflow from Pakistan and worsening economic situation.

Your Company has managed to improve substantially both in terms of underwriting results and overall profitability. As compared to the corresponding period of last year, underwriting profits and net profit after tax for the half year are higher by 48% and 72% respectively. The Earnings per share (EPS) has also improved by 58%.

In line with the objective of timely meeting the minimum capital requirements, the Company issued Right shares in the first quarter and later-on in the second quarter further issue of Rs. 25 million in the form of Bonus shares was made. These transactions have now substantiated the Company's capital base putting it in a better position to underwrite large risks.

### Operational Results

The key comparative financial figures for the half year ended 30th June 2011 and 2010 are as follows:

	Rupees in Millions	
	30th June	
	2011	2010
Net premium revenue	296	357
Underwriting Profit	63	43
Investment and other income	32	29
Profit after Tax	31	18
Total assets	1,552	1,677
Total equity	398	286
Earnings per Share (Rs)	1.25	0.79

As evident from the above comparison, your Company has improved notably in overall profitability, both at underwriting stage and at the Profit after tax. Due to refined underwriting and improved claim monitoring, your Company has recorded Rs. 63 million underwriting profit as compared to Rs. 43 million in the corresponding period. Equity is increased primarily due to the increase in the Paid up Capital by issuing Right Shares and Bonus Shares of Rs. 51 million and Rs. 25 million respectively.

Company has decided to issue further Bonus shares at the rate of 10% of the existing Paid up Capital.

Company's Paid up Capital thus, after issuance of Bonus shares, will appear as follows:

	Numbers	Rupees
Existing Paid up Capital	28,019,051	280,190,510
Proposed Issuance of Bonus Shares	2,801,905	28,019,050
<b>Enhanced Paid up Capital</b>	<b>30,820,956</b>	<b>308,209,560</b>

### Future Outlook

The economic indicators in the Country are not very promising, however we shall strive to maintain and further enhance our performance.

### Acknowledgments

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.

The Directors also place on record their appreciation for the hard work and devotion of the officers and members of the staff towards the improved performance of the Company.

For and on behalf of the Board

Lt. Gen. Imtiaz Hussain (Retd.)  
Chairman

## Independent Auditors' Report on Review of Condensed Interim Financial Information to the Members

### Introduction

We have reviewed the accompanying:

- (i) condensed interim balance sheet;
- (ii) condensed interim profit and loss account;
- (iii) condensed interim statement of cash flow;
- (iv) condensed interim statement of changes in equity;
- (v) condensed interim statement of premiums;
- (vi) condensed interim statement of claims;
- (vii) condensed interim statement of expenses; and
- (viii) condensed interim statement of investment income;

of askari general insurance company limited ('the Company') as at 30 June 2011 together with the notes forming part thereof, for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

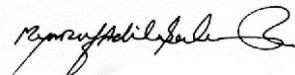
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

### Other Matters

The figures for the quarters ended 30 June 2011 and 30 June 2010 in the condensed interim profit and loss account, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 30 June 2011.



Chartered Accountants

Engagement Partner: Mohammed Saleem

Islamabad  
23 August 2011

## Condensed Interim Balance Sheet

### As at 30 June 2011

Note	Unaudited	Audited
	30 June 2011	31 December 2010
	-----Rupees-----	
<b>Share Capital and Reserves</b>		
Authorized share capital 50,000,000 (2010: 50,000,000) ordinary shares of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
Paid up share capital	<u>280,190,510</u>	<u>203,774,920</u>
Retained earnings	<u>42,731,474</u>	<u>37,396,866</u>
Reserves	<u>74,657,681</u>	<u>74,657,681</u>
	<u>397,579,665</u>	<u>315,829,467</u>
Deposit against issue of shares	-	3,380
<b>TOTAL EQUITY</b>	<u>397,579,665</u>	<u>315,832,847</u>
<b>Underwriting Provisions</b>		
Provision for outstanding claims (including IBNR)	<u>265,552,658</u>	<u>290,047,171</u>
Provision for unearned premium	<u>523,014,257</u>	<u>491,774,350</u>
Commission income unearned	<u>45,655,768</u>	<u>51,197,107</u>
Total underwriting provisions	<u>834,222,683</u>	<u>833,018,628</u>
<b>Deferred Liability - Staff Compensated Absences</b>	<u>8,917,133</u>	<u>6,950,909</u>
<b>Creditors and Accruals</b>		
Premium received in advance	<u>11,181,750</u>	<u>7,858,779</u>
Amounts due to other insurers/ reinsurers	<u>144,402,159</u>	<u>181,930,127</u>
Accrued expenses	<u>5,739,351</u>	<u>5,386,633</u>
Taxation - provision less payments	<u>5,107,373</u>	<u>1,951,780</u>
Other creditors and accruals	<u>132,828,790</u>	<u>92,930,965</u>
	<u>299,259,423</u>	<u>290,058,284</u>
<b>Other Liabilities</b>		
Unclaimed dividend	<u>830,102</u>	<u>830,102</u>
Others	<u>11,643,041</u>	<u>7,242,791</u>
	<u>12,473,143</u>	<u>8,072,893</u>
<b>TOTAL LIABILITIES</b>	<u>1,154,872,382</u>	<u>1,138,100,714</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,552,452,047</u>	<u>1,453,933,561</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Abdul Waheed**  
President & Chief Executive



**Syed Suhail Ahmad Rizvi**  
Director

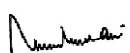


## Condensed Interim Balance Sheet

### As at 30 June 2011

	Unaudited 30 June 2011	Audited 31 December 2010
Note	-----Rupees-----	
<b>Cash and Bank Deposits</b>		
Cash and other equivalents	610,324	445,754
Current and other accounts	35,875,121	90,305,675
Deposits maturing within 12 months	-	500,000
	<b>36,485,445</b>	91,251,429
<b>Advances to Employees</b>	<b>2,138,065</b>	2,158,634
<b>Investments</b>	9 <b>548,789,987</b>	457,771,860
<b>Investment Property</b>	10 <b>51,635,833</b>	52,290,833
<b>Deferred Taxation</b>	<b>877,003</b>	877,003
<b>Current Assets - Others</b>		
Premium due but unpaid - unsecured, considered good	320,678,461	220,880,356
Amounts due from other insurers/ reinsurers - unsecured, considered good	93,634,555	84,449,817
Salvage recoveries accrued	11,037,945	9,244,425
Accrued investment income	3,461,390	3,656,399
Reinsurance recoveries against outstanding claims - unsecured, considered good	124,798,517	144,981,912
Deferred commission expense	45,563,176	43,459,633
Prepayments		
- prepaid reinsurance premium ceded	209,375,522	259,609,763
- others	18,543,326	7,964,538
Sundry receivables	37,872,535	27,689,156
	<b>864,965,427</b>	801,935,999
<b>Fixed Assets</b>		
<b>Tangible and Intangible</b>		
Leasehold improvements	8,855,158	6,907,555
Furniture and fixtures	7,952,884	8,288,277
Computer and office equipment	13,400,831	15,323,057
Motor vehicles	6,338,153	7,801,256
Tracking devices	2,172,757	-
Capital work in progress	5,888,476	6,281,797
Software license	2,952,028	3,045,861
	11 <b>47,560,287</b>	47,647,803
<b>TOTAL ASSETS</b>	<b>1,552,452,047</b>	1,453,933,561

  
Maj. Gen. Saeed Ahmed Khan (Retd.)  
Director

  
Lt. Gen. Imtiaz Hussain (Retd.)  
Chairman





## Statement of Cash Flows (Unaudited)

### For the half year ended 30 June 2011

	2011	2010
	-----Rupees-----	
<b>Operating cash flows:</b>		
<b>a) Underwriting activities:</b>		
Premium received	509,925,870	772,957,555
Reinsurance premium paid	(144,267,145)	(414,480,499)
Claims paid	(284,218,923)	(302,690,546)
Reinsurance and other recoveries received	19,825,617	54,013,369
Commission paid	(39,986,514)	(51,091,860)
Commission received	23,130,106	58,606,268
Other underwriting payments (management expenses)	(71,839,134)	(69,903,134)
<b>Net cash flow from underwriting activities</b>	<b>12,569,877</b>	<b>47,411,153</b>
<b>b) Other operating activities:</b>		
Income tax paid	(3,786,149)	(852,062)
General management expenses paid	(54,531,868)	(47,145,390)
Other net operating receipts	4,738,861	6,679,588
Advances to employees	20,569	(285,666)
<b>Net cash used in other operating activities</b>	<b>(53,558,587)</b>	<b>(41,603,530)</b>
<b>Total cash (used in)/ flow from all operating activities</b>	<b>(40,988,710)</b>	<b>5,807,623</b>
<b>Investing activities:</b>		
Profit/ return received	9,770,472	11,172,024
Dividends received	677,789	274,255
Payments for investments	(137,490,042)	(1,046,772,675)
Proceeds from disposal of investments	59,954,219	1,118,340,627
Redemption of term finance certificates	6,128,980	6,357,660
Fixed capital expenditure	(7,975,688)	(13,238,759)
Proceeds from disposal of fixed assets	4,216,646	1,206,418
<b>Total cash (used in)/ flow from investing activities</b>	<b>(64,717,624)</b>	<b>77,339,550</b>
<b>Financing activities:</b>		
Dividend paid	-	(4,149)
Proceeds against issue of shares	50,940,350	-
Financial charges paid	-	(35,588)
Payment of lease rentals	-	(722,297)
<b>Total cash flow from / (used in) financing activities</b>	<b>50,940,350</b>	<b>(762,034)</b>
<b>Net cash (used in)/ flow from all activities</b>	<b>(54,765,984)</b>	<b>82,385,139</b>
<b>Cash at beginning of the period</b>	<b>91,251,429</b>	<b>114,277,274</b>
<b>Cash at end of the period</b>	<b>36,485,445</b>	<b>196,662,413</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



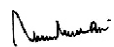
**Abdul Waheed**  
President & Chief Executive



**Syed Suhail Ahmad Rizvi**  
Director



**Maj. Gen. Saeed Ahmed Khan (Retd.)**  
Director



**Lt. Gen. Imtiaz Hussain (Retd.)**  
Chairman

## Statement of Cash Flows (Unaudited)

### For the half year ended 30 June 2011

	2011	2010
	-----Rupees-----	
<b>Reconciliation to profit and loss account:</b>		
Operating cash flows	(40,988,710)	5,807,623
Depreciation/ amortization expense	(6,493,641)	(10,316,366)
Financial charges	-	(35,588)
Profit on disposal of fixed assets	1,991,369	114,085
Increase in assets other than cash	63,203,868	459,488,864
(Increase) in liabilities other than running finance	(13,616,074)	(465,866,449)
Un-realized gain/ (loss) on investments, held for trading	1,792,237	(1,210,786)
Dividend income	20,556,670	2,517,752
Investment income	8,472,896	25,307,558
Profit on bank deposits	2,048,287	3,178,164
Share of profit in associated company	1,800,391	-
Income tax provision	(6,941,742)	(490,580)
(Loss) on trading	(4,805,232)	(1,473,920)
Tax paid	3,786,149	852,062
<b>Profit after taxation</b>	<b>30,806,468</b>	<b>17,872,420</b>

#### 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.

#### Cash for the purpose of the statement of cash flows consist of:

	2011	2010
	-----Rupees-----	
<b>Cash and other equivalents</b>		
Cash in hand	545,313	166,428
Stamp in hand	65,011	78,570
	<b>610,324</b>	<b>244,998</b>
<b>Current and other accounts</b>		
On current accounts	9,692,877	10,391,550
On deposit accounts	26,182,244	185,525,865
	<b>35,875,121</b>	<b>195,917,415</b>
<b>Deposit maturing within 12 months</b>		
Fixed and term deposit accounts	-	500,000
	<b>36,485,445</b>	<b>196,662,413</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



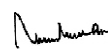
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President & Chief Executive



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Director



**Maj. Gen. Saeed Ahmed Khan (Retd.)**  
Director



**Lt. Gen. Imtiaz Hussain (Retd.)**  
Chairman

# Condensed Interim Statement of Premiums (Unaudited)

## For the half year ended 30 June 2011

### Business under written inside Pakistan

Class of business	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2011 Net premium revenue	2010 Net premium revenue
		Opening	Closing			Opening	Closing			
<b>Quarter ended 30 June</b>										
Rupees										
<b>Direct and facultative</b>										
Fire and property damage	41,880,262	79,900,628	79,090,493	<b>42,690,397</b>	32,899,647	64,416,938	63,949,191	<b>33,367,394</b>	<b>9,323,003</b>	10,624,481
Marine, aviation and transport	44,328,493	12,583,252	29,274,242	<b>27,637,503</b>	33,924,709	8,370,934	23,898,603	<b>18,397,040</b>	<b>9,240,463</b>	6,797,001
Motor	128,011,307	205,542,418	226,127,735	<b>107,425,990</b>	2,016,152	5,206,479	4,933,390	<b>2,289,241</b>	<b>105,136,749</b>	101,909,750
Accident and health	71,394,772	107,521,227	121,411,472	<b>57,504,527</b>	43,077,041	71,980,650	76,395,640	<b>38,662,051</b>	<b>18,842,476</b>	51,863,140
Miscellaneous	37,947,879	66,968,010	67,110,315	<b>37,805,574</b>	24,143,130	44,499,618	40,198,698	<b>28,444,050</b>	<b>9,361,524</b>	4,040,256
<b>Total</b>	<b>323,562,713</b>	<b>472,515,535</b>	<b>523,014,257</b>	<b>273,063,991</b>	<b>136,060,679</b>	<b>194,474,619</b>	<b>209,375,522</b>	<b>121,159,776</b>	<b>151,904,215</b>	<b>175,234,628</b>

### Half year ended 30 June

Class of business	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2011 Net premium revenue	2010 Net premium revenue
		Opening	Closing			Opening	Closing			
<b>Half year ended 30 June</b>										
Rupees										
<b>Direct and facultative</b>										
Fire and property damage	83,087,097	96,395,947	79,090,493	<b>100,392,551</b>	66,220,202	79,439,008	63,949,191	<b>81,710,019</b>	<b>18,682,532</b>	23,991,253
Marine, aviation and transport	68,809,502	10,571,876	29,274,242	<b>50,107,136</b>	49,609,018	8,876,951	23,898,603	<b>34,587,366</b>	<b>15,519,770</b>	12,679,165
Motor	258,437,069	180,200,619	226,127,735	<b>212,509,953</b>	5,589,114	3,771,188	4,933,390	<b>4,426,912</b>	<b>208,083,041</b>	208,976,462
Accident and health	137,753,009	104,627,556	121,411,472	<b>120,969,093</b>	82,989,662	75,597,447	76,395,640	<b>82,191,469</b>	<b>38,777,824</b>	101,914,762
Miscellaneous	67,287,837	99,978,352	67,110,315	<b>100,155,874</b>	33,763,755	91,925,169	40,198,698	<b>85,490,226</b>	<b>14,665,648</b>	9,487,230
<b>Total</b>	<b>615,374,514</b>	<b>491,774,350</b>	<b>523,014,257</b>	<b>584,134,607</b>	<b>238,171,751</b>	<b>259,609,763</b>	<b>209,375,522</b>	<b>288,405,992</b>	<b>295,728,615</b>	<b>357,048,872</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Abdul Waheed**  
President & Chief Executive



**Syed Suhail Ahmad Rizvi**  
Director



**Maj. Gen. Saeed Ahmed Khan (Retd.)**  
Director



**Lt. Gen. Imtiaz Hussain (Retd.)**  
Chairman

## Condensed Interim Statement of Claims (Unaudited)

### For the half year ended 30 June 2011

Business under written inside Pakistan

Class of business	Claims paid		Outstanding claims		Claims and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2011 Net claims expense	2010 Net claims expense
	Opening	Closing	Opening	Closing		Opening	Closing			
<b>Quarter ended 30 June</b>										
-----Rupees-----										
<b>Direct and facultative</b>										
Fire and property damage	14,278,827	57,937,699	49,732,007	6,073,135	8,776,936	39,172,668	35,676,500	5,280,768	792,367	7,547,769
Marine, aviation and transport	20,771,196	48,252,659	41,347,213	13,865,750	14,061,001	33,485,469	27,559,536	8,135,068	5,730,682	2,538,862
Motor	68,785,770	91,307,661	93,889,254	71,367,363	4,561,428	2,085,314	4,846,931	7,323,045	64,044,318	59,809,211
Accident and health	26,616,589	54,905,702	64,384,722	36,095,609	23,137,446	43,201,055	44,256,611	24,193,002	11,902,607	46,489,620
Miscellaneous	2,215,847	14,894,734	16,199,462	3,520,575	1,926,993	11,724,726	12,458,939	2,661,206	859,369	(136,445)
<b>Total</b>	<b>132,668,229</b>	<b>267,298,455</b>	<b>265,552,658</b>	<b>130,922,432</b>	<b>52,463,804</b>	<b>129,669,232</b>	<b>124,798,517</b>	<b>47,593,089</b>	<b>83,329,343</b>	<b>116,249,017</b>

Class of business	Claims paid		Outstanding claims		Claims and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2011 Net claims expense	2010 Net claims expense
	Opening	Closing	Opening	Closing		Opening	Closing			
<b>Half year ended 30 June</b>										
-----Rupees-----										
<b>Direct and facultative</b>										
Fire and property damage	33,073,814	64,768,914	49,732,007	18,046,907	21,285,456	47,058,851	35,676,500	9,903,105	8,143,802	11,175,608
Marine, aviation and transport	27,263,100	49,739,177	41,347,213	18,871,136	17,605,889	33,662,380	27,559,536	11,503,045	7,368,091	4,929,408
Motor	137,768,221	95,786,047	93,889,254	135,871,428	10,804,614	2,755,575	4,846,931	12,895,970	122,975,458	132,410,736
Accident and health	81,965,683	67,764,871	64,384,722	78,585,534	60,527,426	52,409,848	44,256,611	52,374,189	26,211,345	82,667,970
Miscellaneous	4,148,105	11,998,161	16,199,462	8,349,406	3,091,378	9,095,258	12,458,939	6,455,059	1,894,347	1,233,360
<b>Total</b>	<b>284,218,923</b>	<b>290,047,170</b>	<b>265,552,658</b>	<b>259,724,411</b>	<b>113,314,763</b>	<b>144,981,912</b>	<b>124,798,517</b>	<b>93,131,368</b>	<b>166,593,043</b>	<b>232,417,082</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



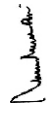
**Abdul Waheed**  
President & Chief Executive



**Syed Suhail Ahmad Rizvi**  
Director



**Maj. Gen. Saeed Ahmed Khan (Retd.)**  
Director



**Lt. Gen. Imtiaz Hussain (Retd.)**  
Chairman

# Condensed Interim Statement of Expenses (Unaudited)

## For the half year ended 30 June 2011

Business underwritten inside Pakistan

Class of business	Commission Paid or payable		Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers*	2011 Net underwriting expense	2010 Net underwriting expense
	Opening	Closing	Opening	Closing						
<b>Quarter ended 30 June</b>										
-----Rupees-----										
<b>Direct and facultative</b>										
Fire and property damage	8,211,989	13,228,113	11,380,975	13,228,113	<b>6,364,851</b>	2,503,717	8,868,568	7,872,330	<b>996,238</b>	(178,275)
Marine, aviation and transport	5,477,018	3,351,751	2,235,920	3,351,751	<b>4,361,187</b>	2,429,146	6,790,333	5,424,208	<b>1,366,125</b>	843,318
Motor	7,964,575	16,148,462	15,716,144	16,148,462	<b>7,532,257</b>	28,189,252	35,721,509	184,287	<b>35,537,222</b>	29,846,991
Accident and health	3,718,524	5,829,900	5,377,738	5,829,900	<b>3,266,362</b>	5,078,010	8,344,372	9,714,317	<b>(1,369,945)</b>	10,245,488
Miscellaneous	3,931,869	7,004,950	6,878,862	7,004,950	<b>3,805,781</b>	2,442,482	6,248,263	4,644,739	<b>1,603,524</b>	(1,630,802)
<b>Total</b>	<b>29,303,975</b>	<b>45,563,176</b>	<b>41,589,639</b>	<b>45,563,176</b>	<b>25,330,438</b>	<b>40,642,607</b>	<b>65,973,045</b>	<b>27,839,881</b>	<b>38,133,164</b>	<b>39,126,720</b>

Class of business	Commission Paid or payable		Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers*	2011 Net underwriting expense	2010 Net underwriting expense
	Opening	Closing	Opening	Closing						
<b>Half year ended 30 June</b>										
-----Rupees-----										
<b>Direct and facultative</b>										
Fire and property damage	13,803,187	13,228,113	12,756,469	13,228,113	<b>13,331,543</b>	4,689,324	18,020,867	17,011,837	<b>1,009,030</b>	1,451,085
Marine, aviation and transport	9,828,593	3,351,751	2,000,533	3,351,751	<b>8,477,375</b>	3,895,469	12,372,844	11,001,973	<b>1,370,871</b>	2,031,450
Motor	17,419,655	16,148,462	14,030,005	16,148,462	<b>15,301,198</b>	52,228,935	67,530,133	345,494	<b>67,184,639</b>	60,122,158
Accident and health	6,870,087	5,829,900	6,048,235	5,829,900	<b>7,088,422</b>	9,733,201	16,821,623	20,754,583	<b>(3,932,960)</b>	20,193,467
Miscellaneous	6,922,669	7,004,950	8,624,391	7,004,950	<b>8,542,110</b>	3,681,084	12,223,194	11,782,752	<b>440,442</b>	(1,913,523)
<b>Total</b>	<b>54,844,191</b>	<b>45,563,176</b>	<b>43,459,633</b>	<b>45,563,176</b>	<b>52,740,648</b>	<b>74,228,013</b>	<b>126,968,661</b>	<b>60,896,639</b>	<b>66,072,022</b>	<b>81,884,637</b>

\* 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 this condensed interim financial information.



**Abdul Waheed**  
President & Chief Executive



**Syed Suhail Ahmad Rizvi**  
Director



**Maj. Gen. Saeed Ahmed Khan (Retd.)**  
Director



**Lt. Gen. Imtiaz Hussain (Retd.)**  
Chairman

## Condensed Interim Statement of Investment Income (Unaudited)

### For the half year ended 30 June 2011

	Quarter ended 30 June		Half year ended 30 June	
	2011	2010	2011	2010
-----Rupees-----				
<b>Income from trading investments</b>				
(Loss) on trading	(4,176,131)	(292,944)	(4,805,232)	(1,473,920)
Dividend income	336,740	237,575	677,789	274,255
	(3,839,391)	(55,369)	(4,127,443)	(1,199,665)
<b>Income from non-trading investments</b>				
Return on government securities	682,481	500,001	1,205,598	1,000,001
Return on other fixed income securities	3,476,361	3,574,101	6,363,818	7,100,902
	4,158,842	4,074,102	7,569,416	8,100,903
<b>Available for sale investments</b>				
Dividend income	10,858,559	814,479	19,878,882	2,243,497
Gain on sale of investments	547,609	9,592,103	903,480	17,206,656
	11,406,168	10,406,582	20,782,362	19,450,153
<b>Unrealized profit/ (loss) on re-measurement of investments at fair value through profit and loss</b>	2,879,440	(2,702,776)	1,792,237	(1,210,786)
<b>Net investment income</b>	<b>14,605,059</b>	<b>11,722,539</b>	<b>26,016,572</b>	<b>25,140,605</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

## Condensed Interim Statement of Changes in Equity (Unaudited)

### For the half year ended 30 June 2011

	Share capital	Reserves		Total reserves	Retained earnings	Deposit against issue of shares	Total equity
	Issued, subscribed and paid up	Share premium	General reserve				
-----Rupees-----							
Balance as at 01 January 2010	203,774,920	4,657,681	70,000,000	74,657,681	(10,021,303)	-	268,411,298
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	17,872,420	-	17,872,420
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	17,872,420	-	17,872,420
Balance as at 30 June 2010	203,774,920	4,657,681	70,000,000	74,657,681	7,851,117	-	286,283,718
Balance as at 01 January 2011	203,774,920	4,657,681	70,000,000	74,657,681	37,396,866	3,380	315,832,847
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	30,806,468	-	30,806,468
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	30,806,468	-	30,806,468
<b>Owners' equity</b>							
Issuance of right shares	50,943,730	-	-	-	-	(3,380)	50,940,350
Issuance of bonus shares	25,471,860	-	-	-	(25,471,860)	-	-
Total transactions with owners	76,415,590	-	-	-	(25,471,860)	(3,380)	50,940,350
<b>Balance as at 30 June 2011</b>	<b>280,190,510</b>	<b>4,657,681</b>	<b>70,000,000</b>	<b>74,657,681</b>	<b>42,731,474</b>	<b>-</b>	<b>397,579,665</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



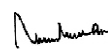
**Abdul Waheed**  
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**Syed Suhail Ahmad Rizvi**  
Director



**Maj. Gen. Saeed Ahmed Khan (Retd.)**  
Director



**Lt. Gen. Imtiaz Hussain (Retd.)**  
Chairman



## Notes to the Condensed Interim Financial Information (Unaudited)

### For the half year ended 30 June 2011

#### 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 information is unaudited and is being submitted to the shareholders in accordance with the listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and Section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended 30 June 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 of or directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

This condensed interim financial information is presented in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan (SECP) in its circular No.7 of 2003 dated 27 August 2003. This condensed interim financial information do not include all 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 2010.

#### 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.

#### 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 2010 in addition to the following:

The Company has added tracking devices in its fixed assets during the period. These tracking devices are accounted for under the same policy of the Company as it stands for other fixed assets as applied in the preparation of financial statements for the year ended 31 December 2010. Depreciation is charged on tracker devices over the straight line method at the rate of 33.33% as these are considered to have a useful life of 3 years.

#### 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 2010.

#### 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 judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied in the preparation of the financial statements for the year ended 31 December 2010.

#### 7 PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at the period ended 30 June 2011 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

	Unaudited 30 June 2011	Audited 31 December 2010
	-----Rupees-----	
Agents' commission payable	52,752,448	37,175,661
Security deposit against bond insurance	46,183,489	42,919,831
Staff gratuity fund payable	1,010,503	30,005
Staff provident fund payable	-	16,782
Tax deducted at source	2,328,852	1,741,235
Federal excise duty/ Federal insurance fee	28,640,453	9,246,158
Workers' welfare fund	1,913,045	1,801,293
	<u>132,828,790</u>	<u>92,930,965</u>

	Unaudited 30 June 2011	Audited 31 December 2010
	-----Rupees-----	
<b>9 INVESTMENTS</b>	<b>Note</b>	
These represent the following:		
Held to maturity - Government securities	9.1	25,000,000
- Term finance certificate - Quoted	9.1	106,205,040
- Certificate of investments		16,218,441
	<b>146,749,488</b>	147,423,481
Provision for impairment	<b>(11,128,415)</b>	(11,128,415)
	<b>135,621,073</b>	136,295,066
Investments at fair value through profit and loss	<b>14,954,788</b>	18,500,929
- Held for trading (equity securities)		
Available for sale - Quoted	9.2	289,425,214
Provision for impairment in the value of investments		(2,025,229)
	<b>358,363,085</b>	287,399,985
	<b>(2,025,229)</b>	(2,025,229)
	<b>356,337,856</b>	287,399,985
Investment in associated company - equity method		15,575,880
	<b>41,876,270</b>	15,575,880
	<b>548,789,987</b>	457,771,860
<b>9.1</b>	Government Securities include Pakistan Investment Bonds (PIBs) of Rs. 29.77 million (31 December 2010: Rs. 25 million) with market value of Rs. 26.59 million as at 30 June 2011 (31 December 2010: Rs 21.22 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. Market value of Term Finance Certificates as at 30 June 2011 was Rs. 97.17 million (31 December 2010: Rs. 101.77 million).	
<b>9.2</b>	At 30 June 2011, the fair value of available-for-sale securities was Rs. 356.51 million (31 December 2010: Rs. 288.32 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 30 June 2011 would have been higher by Rs. 0.18 million (31 December 2010: Rs. 0.92 million).	
<b>10 INVESTMENT PROPERTY</b>		
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.		
	Unaudited 30 June 2011	Audited 31 December 2010
	-----Rupees-----	
Opening written down value	<b>52,290,833</b>	-
Addition during the period/ year	-	52,400,000
	<b>52,290,833</b>	52,400,000
Depreciation for the period/ year	<b>(655,000)</b>	(109,167)
<b>Carrying value</b>	<b>51,635,833</b>	52,290,833
<b>11 FIXED ASSETS</b>		
<b>Tangible and Intangible</b>		
Opening written down value	<b>41,366,006</b>	75,072,671
Additions during the period/ year		
- Furniture, fixtures and office equipment	<b>919,007</b>	11,152,941
- Motor vehicles	<b>1,446,236</b>	70,000
- Tracking devices	<b>2,318,936</b>	-
- Leasehold improvements	<b>3,385,547</b>	1,168,180
- Software license	<b>300,000</b>	-
	<b>8,369,726</b>	12,391,121
	<b>49,735,732</b>	87,463,792
Written down value of disposals	<b>(2,225,279)</b>	(27,373,860)
Depreciation for the period/ year	<b>(5,838,641)</b>	(18,723,926)
	<b>41,671,812</b>	41,366,006
Capital work in progress	<b>5,888,475</b>	6,281,797
Closing written down value	<b>47,560,287</b>	47,647,803

## 12 SEGMENT REPORTING

	Fire and property damage		Marine, aviation and transport		Motor		Accident and health		Miscellaneous		Total	
	Unaudited 30 June 2011	Audited 31 December 2010	Unaudited 30 June 2011	Audited 31 December 2010	Unaudited 30 June 2011	Audited 31 December 2010	Unaudited 30 June 2011	Audited 31 December 2010	Unaudited 30 June 2011	Audited 31 December 2010	Unaudited 30 June 2011	Audited 31 December 2010
Segment assets	50,163,792	36,655,429	41,671,574	21,182,994	558,716,264	344,891,432	104,120,398	123,630,311	39,378,202	15,059,354	794,050,230	541,419,520
Unallocated corporate assets											758,401,817	912,514,041
Consolidated total assets											<u>1,552,452,047</u>	<u>1,453,933,561</u>
Segment liabilities	67,672,562	72,389,448	56,216,304	41,833,511	753,726,346	681,113,312	140,461,791	244,152,922	53,122,471	29,740,160	1,071,199,494	1,069,229,353
Unallocated corporate liabilities											83,672,888	68,871,361
Consolidated total liabilities											<u>1,154,872,382</u>	<u>1,138,100,714</u>
Capital expenditure	503,861	789,425	418,562	456,205	5,611,920	7,427,709	1,045,818	2,662,548	395,527	324,324	7,975,688	11,660,211
Unallocated capital expenditure											754,919	6,281,797
Depreciation and amortization	410,233	1,275,047	340,785	736,843	4,569,110	11,996,931	851,483	4,300,438	322,030	523,834	6,493,641	18,833,093



15 EARNINGS PER SHARE - BASIC AND DILUTED	Unaudited Quarter ended 30 June		Unaudited Half year ended 30 June	
	2011	2010	2011	2010
Profit after tax (Rupees)	<b>14,353,604</b>	6,779,176	<b>30,806,468</b>	17,872,420
		<b>Restated</b>		<b>Restated</b>
Weighted average number of shares outstanding at beginning of the period	<b>22,372,193</b>	20,512,390	<b>20,377,492</b>	20,377,492
Effect of right issue	-	-	<b>1,994,701</b>	134,898
Effect of bonus issue	<b>2,237,219</b>	2,051,239	<b>2,237,219</b>	2,051,239
Weighted average number of shares outstanding at end of the period	<b>24,609,412</b>	22,563,629	<b>24,609,412</b>	22,563,629
<b>Earnings per share (Rupees)</b>	<b>0.58</b>	0.30	<b>1.25</b>	0.79

The corresponding figures of weighted average number of shares outstanding and earnings per share have been restated to include the effect of right shares and bonus shares issued by the Company during the current period.

## 16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on 23 August 2011 by the Board of Directors of the Company.

## 17 GENERAL

- 17.1 Corresponding figure, wherever necessary, has been rearranged and reclassified to reflect more appropriate presentation of events and transactions.  
Significant re-classification made is as follows:  
Workers' welfare fund amounting to Rs. 374,755 has been reclassified to general and administration expenses for better presentation and disclosure.
- 17.2 Figures have been rounded off to the nearest Pak rupee.
- 17.3 The Board of Directors in their meeting held on 23 August 2011 have proposed bonus shares of 0.10 per share.



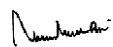
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President & Chief Executive



Syed Suhail Ahmad Rizvi  
Director



Maj. Gen. Saeed Ahmed Khan (Retd.)  
Director



Lt. Gen. Imtiaz Hussain (Retd.)  
Chairman

## BRANCH NETWORK

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### Abbotabad (0992)

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e-mail: [agicoabt@agico.com.pk](mailto:agicoabt@agico.com.pk)

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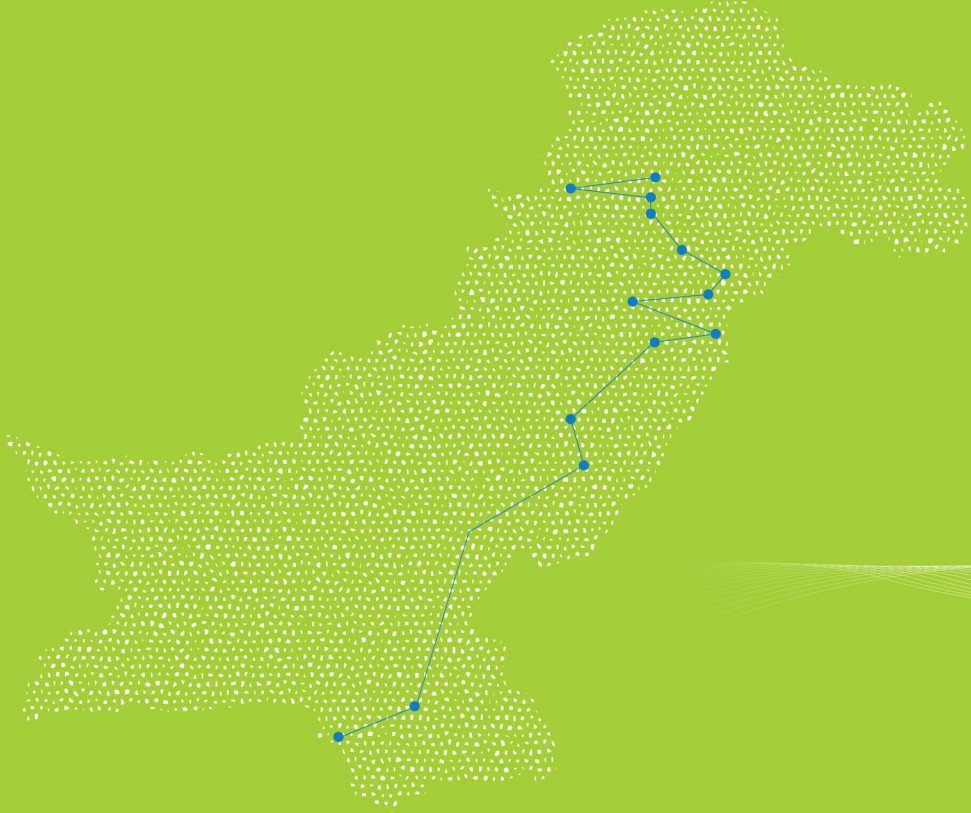
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