

## SUSTAINABLE RELATIONSHIPS



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### **Vision**

This 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 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

**askari general insurance co. ltd.****Corporate Information**

Chairman	Lt. Gen. Imtiaz Hussain (Retd.)	Bankers	Askari Bank Ltd. Habib Bank Ltd. Standard Chartered Bank (Pakistan) Ltd. Summit Bank Ltd. Soneri Bank Ltd. Silk Bank Ltd. Faysal Bank Ltd.
Directors	Maj. Gen. Saeed Ahmed Khan (Retd.) Brig. Javed Qayum (Retd.) Brig. Tariq Sher (Retd.) Mr. Ejaz Ahmed Khan Syed Suhail Ahmad Rizvi Mr. Abdul Hai Mehmood Bhaimia Khawaja Muhammad Iqbal	Registrar and Share Transfer Office	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
President & Chief Executive	Mr. Abdul Waheed	Registered Office/Head Office	4th Floor, AWT Plaza, The Mall, Rawalpindi, Pakistan Tel: 051-9272425-7 Fax: 051-9272424 Website: www.agico.com.pk
Chief Financial Officer	Mr. Jamil Ahmed		
Company Secretary	Mr. Waseemullah		
Internal Auditor	Syed Imran Abid Bukhari		
Auditors	M. Yousuf Adil Saleem & Company Chartered Accountants		
Legal Advisor	Hassan Kaunain Nafees		

## **askari general insurance co. ltd.**

### **Branch Network**

#### **Head Office (051)**

(Underwriting /Claims Deptt.,  
askari health)  
276-A, Peshawar Road, Rawalpindi Cantt  
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#### **Rawalpindi (051)**

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#### **Gujranwala (055)**

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**Directors' Report**

The Directors are pleased to present the un-audited financial statements of the Company for the first quarter ended 31 March 2011.

**General Review**

The economic slowdown inherited from year 2010 has continued in the first quarter of current year, thus shrinking the overall business volume in the country.

The performance of your Company has improved 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 first quarter are higher by 43% and 48% respectively. The Earnings per share (EPS) has also improved by 26%.

The management had taken key measures in management of motor claims and other operational areas in year 2010, fruits of the same have started to appear now. The Company has issued right shares amounting to Rs. 51 million in the current period. These funds have further strengthened the Company's capital base and its ability to meet its claims; making it in a better position to underwrite large risks.

**Operational Results**

The key comparative financial figures for the quarter ended 31st March 2011 and 2010 are as follows:

	Rupees in Millions	
	31st March	
	2011	2010
Net premium revenue	144	182
Underwriting Profit	33	23
Investment and other income	14	15
Profit after Tax	16	11
Total assets	1,450	1,647
Total equity	383	280
Basic Earnings per Share (Rs)	0.67	0.53

As evident from the above figures your Company has improved substantially in overall profitability, both at underwriting stage and at the Profit after tax. Due to focussed underwriting and effective risk management your Company has recorded Rs. 33 million underwriting profit as compared to Rs. 23 million in the corresponding period. Increase in equity is mainly because of the Rights Issue of Rs. 51 million in the period and the increase in retained earnings due to profit of Rs. 47 million in Year 2010.

**Future Outlook**

We target to achieve the same beneficial results achieved in this quarter, in the remaining part of the year, with a hope that economic and political conditions will show improvement.

**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 on behalf of the Board

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

Rawalpindi  
27 April 2011

**askari general insurance co. ltd.**
**Condensed Interim Balance Sheet (Unaudited)  
As at 31 March 2011**

	Note	March 31 2011 Rupees	December 31 2010		Note	March 31 2011 Rupees	December 31 2010
<b>Share Capital and Reserves</b>				<b>Cash and Bank Deposits</b>			
Authorized share capital		500,000,000	500,000,000	Cash and other equivalents		434,345	445,754
50,000,000 (2009: 50,000,000) ordinary shares of Rs. 10 each				Current and other accounts		33,011,141	90,305,675
Paid up share capital		254,718,650	203,774,920	Deposits maturing within 12 months		-	500,000
Retained earnings		53,849,732	37,396,866			33,445,486	91,251,429
Reserves		74,657,681	74,657,681	<b>Advances to Employees</b>		4,460,428	2,158,634
		383,226,063	315,829,467	<b>Investments</b>	8	532,054,175	457,771,860
Deposit against issue of shares		-	3,380	<b>Investment Property</b>	9	51,963,333	52,290,833
		383,226,063	315,832,847	<b>Deferred Taxation</b>		877,003	877,003
				<b>Current Assets - Others</b>			
Provision for outstanding claims (including IBNR)		267,298,455	290,047,171	Premium due but unpaid - unsecured, considered good		255,508,239	220,880,356
Provision for unearned premium		472,515,535	491,774,350	Amounts due from other insurers/ reinsurers - unsecured, considered good		88,452,956	84,449,817
Commission income unearned		44,258,231	51,197,107	Salvage recoveries accrued		8,795,283	9,244,425
Total underwriting provisions		784,072,221	833,018,628	Accrued investment income		4,527,763	3,656,399
<b>Deferred Liability-Staff Compensated Absences</b>		7,826,368	6,950,909	Reinsurance recoveries against outstanding claims - unsecured, considered good		129,669,232	144,981,912
<b>Creditors and Accruals</b>				Taxation - Payments less provision		-	-
Premium received in advance		10,604,286	7,858,779	Deferred commission expense		41,589,639	43,459,633
Amounts due to other insurers/reinsurers		139,274,924	181,930,127	Prepayments			
Accrued expenses		5,068,280	5,386,633	- prepaid reinsurance premium ceded		194,474,619	259,609,763
Taxation - provision less payments		3,490,023	1,951,780	- others		24,075,142	7,964,538
Other creditors and accruals	7	104,730,608	92,930,965	Sundry receivables		33,870,670	27,689,156
		263,168,121	290,058,284			780,963,543	801,935,999
<b>Other Liabilities</b>				<b>Fixed Assets</b>			
Unclaimed dividend		830,102	830,102	<b>Tangible and Intangible</b>			
Others		11,157,087	7,242,791	Leasehold improvements	10	7,131,355	6,907,555
		11,987,189	8,072,893	Furniture and fixtures		8,098,033	8,288,277
<b>TOTAL LIABILITIES</b>		1,067,053,899	1,138,100,714	Computer and office equipment		14,103,345	15,323,057
				Motor vehicles		8,117,257	7,801,256
<b>TOTAL EQUITY AND LIABILITIES</b>		1,450,279,962	1,453,933,561	Capital work in progress		6,214,560	6,281,797
				Software license		2,851,444	3,045,861
<b>CONTINGENCIES AND COMMITMENTS</b>						46,515,994	47,647,803
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.				<b>TOTAL ASSETS</b>		1,450,279,962	1,453,933,561

Abdul Waheed  
President & Chief Executive

Ejaz Ahmed Khan  
Director

06

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

Lt. Gen. Imtiaz Hussain (Retd.)  
Chairman


**askari general insurance co. ltd.****Condensed Interim Profit and Loss Account (Unaudited)  
For the period ended 31 March 2011**

Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscellaneous	2011 Aggregate	2010 Aggregate
Rupees							
<b>Revenue Account</b>							
Net premium revenue	9,359,529	6,279,307	102,946,292	19,935,148	5,304,124	143,824,400	181,814,244
Net claims	(7,351,435)	(1,637,409)	(58,931,140)	(14,308,737)	(1,034,978)	(83,263,699)	(116,168,065)
Expenses	(2,185,607)	(1,466,323)	(24,039,683)	(4,655,191)	(1,238,602)	(33,585,406)	(37,713,804)
Net commission	2,172,815	1,461,577	(7,607,734)	7,218,206	2,401,685	5,646,549	(5,044,112)
<b>Underwriting Results</b>	<b>1,995,302</b>	<b>4,637,152</b>	<b>12,367,735</b>	<b>8,189,426</b>	<b>5,432,229</b>	<b>32,621,844</b>	<b>22,888,263</b>
Investment income						11,411,513	12,919,279
Other income						878,947	13,364
Profit on bank deposits						1,035,375	1,905,499
Share of profit in associated company						726,971	498,787
Finance cost						-	(35,329)
General and administration expenses						(26,097,931)	(25,655,255)
						(12,045,125)	(10,353,655)
Profit before workers' welfare fund						20,576,719	12,534,608
Workers' welfare fund						(411,534)	(250,692)
<b>Profit before tax</b>						<b>20,165,185</b>	<b>12,283,916</b>
Provision for taxation						(3,712,319)	(1,190,671)
<b>Profit after tax</b>						<b>16,452,866</b>	<b>11,093,245</b>
Other comprehensive income for the period						-	-
<b>Total comprehensive income for the period</b>						<b>16,452,866</b>	<b>11,093,245</b>
<b>Profit and loss appropriation account</b>							
Balance at commencement of the period						37,396,866	(10,021,303)
Profit after tax for the period						16,452,866	11,093,245
<b>Balance of unappropriated profit at end of the year</b>						<b>53,849,732</b>	<b>1,071,942</b>
<b>Earnings per share - basic and diluted</b>	14					<b>0.67</b>	<b>0.53</b>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

  
Abdul Waheed  
President & Chief Executive  
Ejaz Ahmed Khan  
Director

07

  
Maj. Gen. Saeed Ahmed Khan (Retd.)  
Director  
Lt. Gen. Imtiaz Hussain (Retd.)  
Chairman




**askari general insurance co. ltd.****Condensed Interim Statement of Cash Flows (Unaudited)  
For the period ended 31 March 2011**

	2011	2010		2011	2010
	Rupees			Rupees	
<b>Operating Cash Flows</b>					
<b>a) Underwriting activities:</b>			<b>Reconciliation to Profit and Loss Account:</b>		
Premium received	256,767,695	511,256,557	Operating cash flows	(45,460,247)	103,196,985
Reinsurance premium paid	(93,674,051)	(234,836,486)	Depreciation expense	(3,032,469)	(4,993,036)
Claims paid	(151,550,694)	(183,926,899)	Financial charges	-	(35,329)
Reinsurance and other recoveries received	8,881,663	24,112,179	Profit on disposal of fixed assets	266,936	-
Commission paid	(19,155,035)	(19,090,132)	Increase in assets other than cash	(19,542,026)	339,035,136
Commission received	15,867,805	29,127,864	Increase in liabilities other than running finance	72,585,056	(440,695,238)
Other underwriting payments (management expenses)	(32,776,624)	(34,213,262)	Un-realized gain on investments, held for trading	(1,087,203)	1,491,990
<b>Net cash flow from underwriting activities</b>	<b>(15,639,241)</b>	<b>92,429,821</b>	Provision for diminution in value of investment	-	64,450,236
			Dividend income	9,361,372	1,465,698
<b>b) Other operating activities:</b>			Investment income	3,766,445	(53,307,669)
Income tax paid	(2,174,076)	(451,834)	Profit on bank deposits	1,035,375	1,905,499
General management expenses paid	(24,324,214)	(23,130,838)	Share of profit in associated company	726,971	498,787
Other operating receipts	20,520,491	50,164,581	Income tax provision	(3,712,319)	(1,190,672)
Advances to employees	(2,301,794)	(347,259)	(Loss) on trading	(629,101)	(1,180,976)
Other payments on operating assets	(21,541,412)	(15,467,486)	Tax paid	2,174,076	451,834
<b>Net cash used in other operating activities</b>	<b>(29,821,005)</b>	<b>10,767,164</b>	<b>Profit after taxation</b>	<b>16,452,866</b>	<b>11,093,245</b>
<b>Total cash flow (used in) / from all operating activities</b>	<b>(45,460,246)</b>	<b>103,196,985</b>	<b>Definition of cash :</b>		
<b>Investment activities:</b>			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.		
Profit/return received	3,574,586	5,724,465	<b>Cash for the purpose of the statement of cash flows consist of:</b>		
Dividends received	341,049	36,680		2011	2010
Payments for investments	(100,827,218)	(683,427,318)		Rupees	
Proceeds from disposal of investments	31,306,622	536,301,371	<b>Cash and other equivalents</b>		
Redemption of term finance certificates	3,625,140	2,946,820	Cash in hand	401,997	350,633
Fixed capital expenditure	(1,591,226)	(9,847,030)	Stamp in hand	32,348	19,195
Proceeds from disposal of fixed assets	285,000	7,735		<b>434,345</b>	<b>369,828</b>
<b>Total cash flow used in investing activities</b>	<b>(63,286,047)</b>	<b>(148,257,277)</b>			
<b>Financing activities</b>			<b>Current and other accounts</b>		
Proceeds against issue of shares	50,940,350	-	On current accounts	3,068,758	10,669,790
Financial charges paid	-	(35,329)	On deposit accounts	29,942,383	57,172,107
Payment of lease rentals	-	(469,928)		<b>33,011,141</b>	<b>67,841,897</b>
<b>Total cash used in financing activities</b>	<b>50,940,350</b>	<b>(505,257)</b>			
<b>Net cash (used in)/from all activities</b>	<b>(57,805,943)</b>	<b>(45,565,549)</b>	<b>Deposit maturing within 12 months</b>		
<b>Cash at beginning of the period</b>	<b>91,251,429</b>	<b>114,277,274</b>	Fixed and term deposit accounts	-	500,000
<b>Cash at end of the year period</b>	<b>33,445,486</b>	<b>68,711,725</b>		<b>33,445,486</b>	<b>68,711,725</b>


The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

  
**Abdul Waheed**  
 President & Chief Executive

  
**Ejaz Ahmed Khan**  
 Director

08

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

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

**askari general insurance co. ltd.****Condensed Interim Statement of Premiums (Unaudited)  
For the period ended 31 March 2011****Business underwritten inside Pakistan**

Class of Business	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expense	March 31	March 31
		Opening	Closing			ceded	Closing		2011	2010
									Net premium revenue	Net premium revenue
									Rupees	
Direct and facultative										
Fire and property damage	41,206,835	96,395,947	79,900,628	57,702,154	33,320,555	79,439,008	64,416,938	48,342,625	9,359,529	13,366,772
Marine, aviation and transport	24,481,009	10,571,876	12,583,252	22,469,633	15,684,309	8,876,951	8,370,934	16,190,326	6,279,307	5,882,164
Motor	130,425,762	180,200,619	205,542,418	105,083,963	3,572,962	3,771,188	5,206,479	2,137,671	102,946,292	107,066,712
Accident and health	66,358,237	104,627,556	107,521,227	63,464,566	39,912,621	75,597,447	71,980,650	43,529,418	19,935,148	50,051,622
Miscellaneous	29,339,958	99,978,352	66,968,010	62,350,300	9,620,625	91,925,169	44,499,618	57,046,176	5,304,124	5,446,974
Total	291,811,801	491,774,350	472,515,535	311,070,616	102,111,072	259,609,763	194,474,619	167,246,216	143,824,400	181,814,244


The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

  
Abdul Waheed  
President & Chief Executive

  
Ejaz Ahmed Khan  
Director

09

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

  
Lt. Gen. Imtiaz Hussain (Retd.)  
Chairman

**askari general insurance co. ltd.****Condensed Interim Statement of Claims (Unaudited)  
For the period ended 31 March 2011**


Business underwritten inside Pakistan

Class of Business	Claims paid	Outstanding claims		Claims expense	Reinsurance ceded other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	March 31 2011 Net claims expense	March 31 2010 Net claims expense
		Opening	Closing			Opening	Closing			
		Rupees								
Direct and facultative										
Fire and property damage	18,794,987	64,758,914	57,937,699	11,973,772	12,508,520	47,058,851	39,172,668	4,622,337	7,351,435	3,627,839
Marine, aviation and transport	6,491,904	49,739,177	48,252,659	5,005,386	3,544,888	33,662,380	33,485,469	3,367,977	1,637,409	2,390,546
Motor	68,982,451	95,786,047	91,307,661	64,504,065	6,243,186	2,755,575	2,085,314	5,572,925	58,931,140	72,601,525
Accident and health	55,349,094	67,764,872	54,905,702	42,489,924	37,389,980	52,409,848	43,201,055	28,181,187	14,308,737	36,178,350
Miscellaneous	1,932,258	11,998,161	14,894,734	4,828,831	1,164,385	9,095,258	11,724,726	3,793,853	1,034,978	1,369,805
Total	151,550,694	290,047,171	267,298,455	128,801,978	60,850,959	144,981,912	129,669,232	45,538,279	83,263,699	116,168,065

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

  
Abdul Waheed  
President & Chief Executive  
Ejaz Ahmed Khan  
Director

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Maj. Gen. Saeed Ahmed Khan (Retd.)  
Director  
Lt. Gen. Imtiaz Hussain (Retd.)  
Chairman

**askari general insurance co. ltd.****Condensed Interim Statement of Expenses (Unaudited)  
For the period ended 31 March 2011****Business underwritten inside Pakistan**

Business underwritten inside Pakistan									
Class of Business	Commission Paid or payable	Deferred commission		Net commission expense	Other management expense	Underwriting Expenses	Commission from reinsurer*	March 31 2011 Net underwriting expense	March 31 2010 Net underwriting expense
		Opening	Closing						
Rupees									
Direct and facultative									
Fire and property damage	5,591,198	12,756,469	11,380,975	6,966,692	2,185,607	9,152,299	9,139,507	12,792	1,629,360
Marine, aviation and transport	4,351,575	2,000,533	2,235,920	4,116,188	1,466,323	5,582,511	5,577,765	4,746	1,188,132
Motor	9,455,080	14,030,005	15,716,144	7,768,941	24,039,683	31,808,624	161,207	31,647,417	30,275,166
Accident and health	3,151,563	6,048,235	5,377,738	3,822,060	4,655,191	8,477,251	11,040,266	(2,563,015)	9,947,979
Miscellaneous	2,990,800	8,624,391	6,878,862	4,736,329	1,238,602	5,974,931	7,138,014	(1,163,083)	(282,721)
Total	25,540,216	43,459,633	41,589,639	27,410,210	33,585,406	60,995,616	33,056,759	27,938,857	42,757,916

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


The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

  
Abdul Waheed  
President & Chief Executive

  
Ejaz Ahmed Khan  
Director

11

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

  
Lt. Gen. Imtiaz Hussain (Retd.)  
Chairman

**askari general insurance co. ltd.**

**Condensed Interim Statement of Investment Income (Unaudited)**  
**For the period ended 31 March 2011**

	2011	2010
	—Rupees—	
<b>Income from trading investments</b>		
(Loss) on trading	(629,101)	(1,180,976)
Dividend income	341,049	36,680
	(288,052)	(1,144,296)
<b>Income from non-trading investments</b>		
Return on government securities	523,117	500,000
Return on other fixed income securities	2,887,457	3,526,801
	3,410,574	4,026,801
<b>Available for sale investments</b>		
Dividend income	9,020,323	1,429,018
Gain/(loss) on sale of investments	355,871	(57,334,470)
	9,376,194	(55,905,452)
<b>Unrealized (loss) /profit on re-measurement of investments at fair value through profit and loss</b>	(1,087,203)	1,491,990
<b>Reversal of provision for impairment in available for sale investments</b>	-	64,450,236
<b>Net investment income</b>	<b>11,411,513</b>	<b>12,919,279</b>

Abdul Waheed  
President & Chief Executive

Ejaz Ahmed Khan  
Director

**Condensed Interim Statement of Changes in Equity (Unaudited)**  
**For the period ended 31 March 2011**

	Share Capital Issued, and paid up	Reserves Share premium General reserve	Total reserves	Retained earnings	Deposit against issue of shares	Total equity
	—Rupees—					
Balance as at 01 January 2010	203,774,920	4,657,681	70,000,000	74,657,681	(10,021,303)	-
<b>Total comprehensive loss for the period</b>						
Profit for the period	-	-	-	-	11,093,245	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	11,093,245	-
Balance as at 31 March 2010	203,774,920	4,657,681	70,000,000	74,657,681	1,071,942	-
Balance as at 01 January 2011	203,774,920	4,657,681	70,000,000	74,657,681	37,396,866	3,380
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	16,452,866	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	16,452,866	-
<b>Owners' equity</b>						
Issue of right shares	50,943,730				(3,380)	50,940,350
<b>Balance as at 31 March 2011</b>	<b>254,718,650</b>	<b>4,657,681</b>	<b>70,000,000</b>	<b>74,657,681</b>	<b>53,849,732</b>	<b>-</b>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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

Lt. Gen. Imtiaz Hussain (Retd.)  
Chairman

## askari general insurance co. ltd.

### Notes to the Condensed Interim Financial Statement (Unaudited) For the period ended 31 March 2011

#### 1. The Company and its operations

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 18 branches in Pakistan. Army Welfare Trust (AWT) directly and indirectly holds a significant portion of the Company's equity.

#### 2. Basis of presentation

These condensed interim financial statements have been prepared 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) in its Circular No.7 of 2003 dated 27 August 2003 and are 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 and being presented in condensed form.

These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2010. Comparative balance sheet is extracted from annual audited financial statements for the year ended 31 December 2010 whereas comparative for condensed interim profit and loss account, condensed interim statement of changes in equity, condensed interim cash flow statement, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income are stated from unaudited condensed interim financial statements for the three months' period ended 31 March 2010.

#### 3. Accounting policies and estimates

Accounting policies, related judgments, estimates and assumptions adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual financial statements of the Company for the year ended 31 December 2010.

#### 4. Estimates

The preparation of condensed interim financial statements 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.

#### 5. Premium deficiency 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.

#### 6. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2010.

#### 7. Other Creditors and Accruals

Note	(Unaudited) 31 March 2011 (Rupees)	(Audited) 31 December 2010 (Rupees)
Agents' commission payable	45,043,646	37,175,661
Security deposit against bond insurance	40,732,148	42,919,831
Staff gratuity fund	305,187	30,005
Staff Provident fund	-	16,782
Tax deducted at source	3,282,453	1,741,235
Federal Excise Duty/ Federal Insurance Fee	13,154,347	9,246,158
Workers' Welfare fund	2,212,827	1,801,293
	<u>104,730,608</u>	<u>92,930,965</u>

#### 8. Investments

These represent the following:

Held to maturity	-Government Securities	8.1	29,726,000	25,000,000
	-Term Finance Certificate - Quoted	8.1	102,579,900	106,205,040
	-Certificate of Investments (COIs)		5,090,026	5,090,026
Investments at fair value through profit and loss			16,912,038	18,500,929
-Held for trading (equity securities)				
Available for sale	-Quoted	8.2	346,861,362	287,399,985
Investment in associated company-equity method			30,884,849	15,575,880
			<u>532,054,175</u>	<u>457,771,860</u>

8.1 Government Securities include Pakistan Investment Bonds of Rs. 29.73 million (31 December 2010: Rs. 25 million) with market value of Rs.26.34 million as at 31 March 2011 (31 December 2010: Rs.21.22 million). Market value of Term Finance Certificates as at 31 March 2011 was Rs. 98.46 million (31 December 2010: Rs. 101.77 million).

8.2 At 31 March 2011, the fair value of available-for-sale securities was Rs. 379.19 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 31 March, 2011 would have been higher by Rs.1 million (2010: Rs. 0.98 million).

## askari general insurance co. ltd.

### 9. Investment property

The market value the investment property as per valuation carried out by professional valuer in year 2010 is Rs. 65.50 million.

	(Unaudited) 31 March 2011 (Rupees)	(Audited) 31 December 2010 (Rupees)
<b>10. Fixed assets - tangible &amp; intangible</b>		
Opening written down value	41,366,006	75,072,671
Add: Additions during the period/year		
- Furniture, fixtures and office equipment	148,900	11,152,941
- Motor vehicles	692,816	70,000
- Leasehold improvements	816,747	1,168,180
- Software Licence	-	-
	<u>43,024,469</u>	<u>87,463,792</u>
Less: Written down value of deletions	(18,064)	(27,373,860)
Depreciation for the period/year	<u>(2,704,971)</u>	<u>(18,723,926)</u>
	<u>40,301,434</u>	<u>41,366,006</u>
Closing written down value	6,214,560	6,281,797
Capital work in progress		
	<u>46,515,994</u>	<u>47,647,803</u>

### Transactions during the period

#### Associates:

	(Unaudited) 31 March 2011 (Rupees)	(Unaudited) 31 March 2010 (Rupees)
Insurance premium written	27,272,932	21,147,427
Profit on deposit accounts	838,375	858,106
Bank charges	91,027	182,645
Interest income	726,971	6,397
Insurance commission expense	368,307	216,501
Insurance claims paid	3,988,615	14,721,997
Purchase of listed securities including brokerage fee	14,672,083	5,881,774
Sale of listed securities including brokerage fee	14,329,324	5,901,964
Services acquired	1,906,333	1,651,776

#### Others

Contribution to employees' funds	3,277,010	2,314,880
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### 11. Contingency and commitment

There is no change in contingency and commitment as reported in the Financial Statements for the year ended 31 December 2010.

### 12. Transactions and balances with related parties

	(Unaudited) 31 March 2011 (Rupees)	(Audited) 31 December 2010 (Rupees)
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#### Balances at end of the period

##### Associates:

##### Premium due

Balance at beginning of the period/year	10,085,287	8,739,383
Insurance premium written (including government levies, administrative surcharge and policies stamps)	27,271,932	64,819,434
Receipts during the period/year	(13,891,801)	(63,473,530)
Balance at end of the period/year	<u>23,465,418</u>	<u>10,085,287</u>
Balances in bank accounts	<u>24,540,448</u>	<u>43,279,780</u>
Investments	<u>30,884,849</u>	<u>15,575,880</u>
Commission payable	<u>1,551,722</u>	<u>1,183,415</u>
Other balances due	<u>898,632</u>	<u>1,260,348</u>

**askari general insurance co. ltd.**

**13. SEGMENT REPORTING**

Class of business wise revenue and results have been disclosed in the condensed interim statement of premium and condensed interim profit and loss account, respectively, prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents estimated information regarding certain assets and liabilities of the segments as at 31 March 2011 and 31 December 2010.

	Fire and property damage		Marine, aviation and transport		Motor		Accident and Health		Miscellaneous		(Amounts in Rupees)	
	Unaudited 31 Mar 2011	Audited 31 Dec 2010	Unaudited 31 Mar 2011	Audited 31 Dec 2010	Unaudited 31 Mar 2011	Audited 31 Dec 2010	Unaudited 31 Mar 2011	Audited 31 Dec 2010	Unaudited 31 Mar 2011	Audited 31 Dec 2010	Unaudited 31 Mar 2011	Audited 31 Dec 2010
<b>REVENUE</b>												
Net premium revenue	9,359,529	43,322,885	6,279,307	25,036,085	102,946,292	407,625,619	19,935,148	146,118,104	5,304,124	17,798,582	143,824,400	639,901,275
Segment result	1,995,302	19,757,830	4,637,152	8,578,811	12,367,735	47,000,202	8,189,426	15,329,886	5,432,229	18,470,482	32,621,843	109,137,211
Investment income											11,411,513	51,095,806
Other income											878,947	6,233,873
Profit on bank deposits											1,035,375	5,150,369
Share of profit in associated company											726,971	575,880
Finance cost											-	(35,585)
Unallocated general and administration expenses											(26,097,931)	(117,722,100)
Profit before Workers Welfare Fund											(12,045,125)	(54,701,757)
											20,576,719	54,435,454
Workers Welfare Fund											(411,534)	(1,088,709)
Profit before tax											20,165,185	53,346,745
Provision for taxation											(3,712,319)	(5,928,576)
Profit after tax											16,452,866	47,418,169
<b>OTHER INFORMATION</b>												
Segment assets	36,555,584	36,655,429	24,525,137	21,182,994	402,078,121	344,891,432	77,860,860	123,630,311	20,716,358	15,059,354	561,736,060	541,419,520
Unallocated corporate assets											888,543,902	912,514,041
Consolidated total assets											1,450,279,962	1,453,933,561
Segment liabilities	63,798,854	72,389,448	42,802,644	41,833,511	701,729,268	681,113,312	135,887,136	244,152,922	36,155,348	29,740,160	980,373,250	1,069,229,353
Unallocated corporate liabilities											86,680,649	68,871,361
Consolidated total liabilities											1,067,053,899	1,138,100,714
Capital expenditure	107,926	789,425	72,408	456,205	1,187,091	7,427,709	229,876	2,662,548	61,163	324,324	1,658,464	11,660,211
Unallocated capital expenditure											6,281,797	6,281,797
Depreciation and amortization	176,029	1,275,047	118,098	736,843	1,936,158	11,996,931	374,929	4,300,438	99,757	523,834	2,704,971	18,833,093



**14. Earnings per share - basic and diluted**

	<u>31 March 2011</u>	<u>31 December 2010</u>
	—Rupees—	(Restated)
Profit after tax (Rupees)	<b>16,452,866</b>	11,093,245
Weighted average number of shares	<b>23,419,743</b>	20,737,317
<b>Earnings per share (Rupees)</b>	<b><u>0.67</u></b>	<b><u>0.53</u></b>

Company issued 5,094,373 right shares during the period. Accordingly the Earnings per Shares has been calculated for the current period and restated for the corresponding period in light of the requirements of the IAS 33 "Earnings per Share".

**15. Authorization for issue**

These Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on 27 April 2011 at Rawalpindi.

**16. General**


Figures have been rounded off to the nearest rupee.

  
Abdul Waheed  
President & Chief Executive

  
Ejaz Ahmed Khan  
Director

16

  
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Director

  
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