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VISION

Our will is to explore,
innovate and differentiate.

Our passion is to provide leadership
to the insurance industry.



VALUES

Integrity

Humility

Fun at the Workplace

Corporate Social Responsibility

COMPANY INFORMATION

BOARD OF DIRECTORS

Umer Mansha	Chairman
Ahmed Ebrahim Hasham	Director
Ali Munir	Director
Fredrik Coenrard de Beer	Director
Kamran Rasool	Director
Ibrahim Shamsi	Director
Imran Maqbool	Director
Muhammad Umar Virk	Director
Shahid Malik	Director
Shaikh Muhammad Jawed	Director
Muhammad Ali Zeb	Managing Director & CEO

ADVISOR

Mian Muhammad Mansha

AUDIT COMMITTEE

Shaikh Muhammad Jawed	Chairman
Ahmed Ebrahim Hasham	Member
Ali Munir	Member
Ibrahim Shamsi	Member
Umer Mansha	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Umer Mansha	Chairman
Ibrahim Shamsi	Member
Kamran Rasool	Member
Muhammad Ali Zeb	Member

UNDERWRITING COMMITTEE

Umer Mansha	Chairman
Fredrik Coenrard de Beer	Member
Muhammad Ali Zeb	Member
Head of Technical	Member

CLAIM SETTLEMENT COMMITTEE

Shaikh Muhammad Jawed	Chairman
Ahmed Ebrahim Hasham	Member
Muhammad Ali Zeb	Member
Head of Claims	Member

RE-INSURANCE COMMITTEE AND CO-INSURANCE

Ali Munir	Chairman
Muhammad Umar Virk	Member
Muhammad Ali Zeb	Member
Head of Re-Insurance	Member

COMPANY SECRETARY

Tameez-ul-Haque
F.C.A.

CHIEF FINANCIAL OFFICER

Rehan Ahmad Khan
F.C.A., A.C.M.A.

EXECUTIVE MANAGEMENT TEAM

Adnan Ahmad Chaudhry
Amir A. Hamid
Asif Jabbar
Muhammad Ahsan
Muhammad Ali Zeb
Muhammad Salim Iqbal
Najib Nasir Syed
Rehan Ahmad Khan

AUDITORS

KPMG Taseer Hadi & Company
Chartered Accountants
2nd Floor, Servis House
2-Main Gulberg, Jail Road
Lahore

SHARES REGISTRAR

Technology Trade (Pvt.) Limited
Dagja House, 241-C, Block-2, P.E.C.H.S.,
Off Shahrah-e-Quaideen, Karachi
Phone: (92-21) 34391316-7, 34387960-1
Fax: (92-21) 34391318

BANKERS

Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Citibank N.A.
Habib Bank Limited
HSBC Bank Middle East Limited
Industrial Development Bank of Pakistan
FINCA Microfinance Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Tameer Microfinance Bank Limited
The Punjab Provincial Cooperative Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited

REGISTERED OFFICE

4th Floor, 27-C-III, Tanveer Building,
M.M. Alam Road, Gulberg-III,
Lahore - 54000, Pakistan
Phone: (92-42) 35772960-79
Fax: (92-42) 35772868
Email: info@adamjeeinsurance.com
Website: www.adamjeeinsurance.com

DIRECTORS' REPORT TO THE MEMBERS ON UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 31 MARCH 2014

On behalf of the Board, I am pleased to present the unconsolidated financial information of the Company for the first quarter ended 31 March 2014.

The highlights for the period under review are as follows:

	31 March 2014	31 March 2013
	Rupees in thousand	
Gross premium	2,872,378	2,614,390
Net premium	1,531,146	1,309,101
Underwriting results	34,641	46,258
Investment income	701,649	709,258
Profit before tax	688,475	738,359
Profit after tax	628,269	701,239
Earnings per share - restated (Rupees)	1.80	2.00

The gross premium of the Company has increased by 10% where as the net premium has increased by 17%. Net claims and net commission have increased by 15% and 46%, respectively over the corresponding period of last year.

The investment income of the Company has decreased by 1% as compared to last year and the Profit Before and After Tax have decreased by 7% and 10%, respectively from the same period of last year.

We thank our shareholders, valued customers, employees and development staff for their sustained support in ensuring the continued success of our Company and trusting Adamjee Insurance as their brand of first choice. We are also grateful to the Insurance Division, Securities and Exchange Commission of Pakistan for their continued guidance and assistance.

On Behalf of Board of Directors

Date: 29 April 2014
Lahore

Muhammad Ali Zeb
Managing Director and Chief Executive Officer

**UNCONSOLIDATED CONDENSED
INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER ENDED
31 MARCH 2014**

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2014

Note	31 March 2014	31 December 2013
	Rupees in thousand	
	(Unaudited)	(Audited)
Share capital and reserves		
Authorised share capital	3,750,000	3,750,000
Paid-up share capital	3,500,000	3,500,000
Retained earnings	8,384,407	8,106,138
Reserves	1,368,084	1,440,409
	9,752,491	9,546,547
TOTAL EQUITY	13,252,491	13,046,547
Underwriting provisions		
Provision for outstanding claims (including IBNR)	6,590,174	7,322,673
Provision for unearned premium	4,192,530	4,044,831
Commission income unearned	186,652	182,184
	10,969,356	11,549,688
Deferred liabilities		
Staff retirement benefits	40,898	40,477
Creditors and accruals		
Premiums received in advance	83,623	153,420
Amounts due to other insurers / reinsurers	485,748	641,197
Accrued expenses	120,062	112,572
Other creditors and accruals	2,025,299	1,613,727
	2,714,732	2,520,916
Borrowings		
Liabilities against assets subject to finance lease	3,512	6,683
Other liabilities		
Unclaimed dividends	44,226	37,675
TOTAL LIABILITIES	13,772,724	14,155,439
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	27,025,215	27,201,986

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

	Note	31 March 2014	31 December 2013
		Rupees in thousand	
		(Unaudited)	(Audited)
Cash and bank deposits			
Cash and other equivalents		3,700	4,411
Current and other accounts		1,269,461	1,385,675
Deposits maturing within 12 months		1,048,500	1,156,190
		2,321,661	2,546,276
Loans			
To employees		16,361	16,151
Investments	7	12,113,594	11,359,717
Deferred taxation		90,496	105,401
Current assets - others			
Premiums due but unpaid	8	2,884,471	2,658,071
Amounts due from other insurers / reinsurers	9	872,526	1,093,985
Salvage recoveries accrued		185,758	179,703
Premium and claim reserves retained by cedants		23,252	23,252
Accrued investment income		166,182	15,877
Reinsurance recoveries against outstanding claims		4,908,447	5,574,428
Taxation - payments less provision		52,734	78,249
Deferred commission expense		372,873	390,649
Prepayments		1,609,303	1,766,507
Sundry receivables		237,508	197,048
		11,313,054	11,977,769
Fixed assets - Tangible & Intangible	10		
Owned			
Land and buildings		426,228	445,207
Furniture and fixtures		137,414	140,695
Motor vehicles		262,767	262,808
Machinery and equipment		112,525	113,428
Computers and related accessories		134,985	42,923
Intangible asset - computer software		64,065	68,674
Capital work in progress - Tangible		1,721	89,310
		1,139,705	1,163,045
Leased			
Motor vehicles		30,344	33,627
TOTAL ASSETS		<u>27,025,215</u>	<u>27,201,986</u>

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand							
Revenue account							
Net premium revenue	234,371	160,414	706,228	430,133	-	1,531,146	1,309,101
Net claims	(103,259)	(36,008)	(523,011)	(284,628)	-	(946,906)	(825,170)
Expenses	(79,020)	(51,336)	(190,551)	(101,626)	-	(422,533)	(350,774)
Net commission	(20,148)	(24,826)	(77,377)	(4,715)	-	(127,066)	(86,899)
Underwriting result	<u>31,944</u>	<u>48,244</u>	<u>(84,711)</u>	<u>39,164</u>	<u>-</u>	<u>34,641</u>	<u>46,258</u>
Investment income						701,649	709,258
Rental income						1,248	1,191
Other income						23,914	34,685
						<u>761,452</u>	<u>791,392</u>
General and administration expenses						(71,284)	(53,653)
Exchange (loss) / gain						(1,520)	1,233
Finance charges on lease liabilities						(173)	(613)
Profit before tax						<u>688,475</u>	<u>738,359</u>
Provision for taxation						(60,206)	(37,120)
Profit after tax						<u>628,269</u>	<u>701,239</u>
Balance at the commencement of the period						8,106,138	8,806,823
Profit after tax for the period						628,269	701,239
Final dividend for the year ended 31 December 2013 @ 10% (Rupee 1/- per share) [2012: @10% (Rupee 1/- per share)]						(350,000)	(123,705)
Balance unappropriated profit at the end of the period						<u>8,384,407</u>	<u>9,384,357</u>

	Rupees	
	(Restated)	
Earnings per share - basic and diluted (Note 11)	<u>1.80</u>	<u>2.00</u>

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand							
Revenue account							
Net premium revenue	228,316	150,968	319,218	426,274	-	1,124,776	920,621
Net claims	(97,701)	(36,008)	(165,218)	(283,537)	-	(582,464)	(554,210)
Expenses	(74,191)	(47,635)	(122,936)	(94,570)	-	(339,332)	(281,940)
Net commission	(20,404)	(23,567)	(26,786)	(4,351)	-	(75,108)	(53,967)
Underwriting result	<u>36,020</u>	<u>43,758</u>	<u>4,278</u>	<u>43,816</u>	<u>-</u>	<u>127,872</u>	<u>30,504</u>
Investment income						701,649	709,258
Rental income						-	-
Other income						18,795	22,008
						<u>848,316</u>	<u>761,770</u>
General and administration expenses						(55,625)	(36,087)
Exchange (loss) / gain						(1,520)	1,233
Finance charges on lease liabilities						(173)	(613)
Profit before tax						<u>790,998</u>	<u>726,303</u>

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand						
Revenue account						
Net premium revenue	6,055	9,446	387,010	3,859	406,370	388,480
Net claims	(5,558)	-	(357,793)	(1,091)	(364,442)	(270,960)
Expenses	(4,829)	(3,701)	(67,615)	(7,056)	(83,201)	(68,834)
Net commission	256	(1,259)	(50,591)	(364)	(51,958)	(32,932)
Underwriting result	(4,076)	4,486	(88,989)	(4,652)	(93,231)	15,754
Investment income					-	-
Rental income					1,248	1,191
Other income					5,119	12,677
					(86,864)	29,622
General and administration expenses					(15,659)	(17,566)
Exchange gain					-	-
Finance charges on lease liabilities					-	-
(Loss) / profit before tax					(102,523)	12,056

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
Profit for the period	628,269	701,239
Other comprehensive income:		
Effect of translation of net investment in foreign branches	(72,325)	83,571
Total comprehensive income for the period	<u>555,944</u>	<u>784,810</u>

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Share Capital	Capital Reserves				Revenue Reserves		Total
	Issued, subscribed and paid-up	Reseve for issue of bonus shares	Reseve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	General reserve	Retained earnings	
	Rupees in thousand							
Balance as at 31 December 2012 - (Audited)	1,237,045	-	22,859	3,764	478,756	936,500	8,806,823	11,485,747
Profit for the period ended 31 March 2013	-	-	-	-	-	-	701,239	701,239
Other comprehensive income for the period	-	-	-	-	83,571	-	-	83,571
Final dividend for the year ended 31 December 2012 @10% (Rupee 1/- per share)	-	-	-	-	-	-	(123,705)	(123,705)
Balance as at 31 March 2013 - (Unaudited)	1,237,045	-	22,859	3,764	562,327	936,500	9,384,357	12,146,852
Profit for the period from 01 April 2013 to 31 December 2013	-	-	-	-	-	-	1,264,920	1,264,920
Other comprehensive income for the period	-	-	-	-	(85,041)	-	29,078	(55,963)
Interim dividend @ 25% (Rupees 2.5/- per share)	-	-	-	-	-	-	(309,262)	(309,262)
Transferred to reserve for issue of bonus shares	-	2,262,955	-	-	-	-	(2,262,955)	-
Issue of bonus shares @182.93%	2,262,955	(2,262,955)	-	-	-	-	-	-
Balance as at 31 December 2013 - (Audited)	3,500,000	-	22,859	3,764	477,286	936,500	8,106,138	13,046,547
Profit for the period ended 31 March 2014	-	-	-	-	-	-	628,269	628,269
Other comprehensive income for the period	-	-	-	-	(72,325)	-	-	(72,325)
Final dividend for the year ended 31 December 2013	-	-	-	-	-	-	(350,000)	(350,000)
Balance as at 31 March 2014 (Unaudited)	3,500,000	-	22,859	3,764	404,961	936,500	8,384,407	13,252,491

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
Operating cash flows		
a) Underwriting activities		
Premiums received	2,587,024	2,238,164
Reinsurance premiums paid	(1,131,587)	(1,521,643)
Claims paid	(2,214,575)	(1,640,449)
Surrenders paid	(10,843)	(4,636)
Reinsurance and other recoveries received	1,441,269	1,147,275
Commissions paid	(207,715)	(223,233)
Commissions received	134,750	153,073
Other underwriting payments	(477,872)	(274,387)
Net cash flow from / (used in) underwriting activities	120,451	(125,836)
b) Other operating activities		
Income tax paid	(19,785)	(14,248)
General and other expenses paid	(111,891)	(191,371)
Loans disbursed	(12,982)	(6,397)
Loan repayments received	10,627	5,674
Other receipts	2,380	9,327
Net cash used in other operating activities	(131,651)	(197,015)
Total cash used in all operating activities	(11,200)	(322,851)
Investment activities		
Profit / return received	24,577	24,758
Dividends received	159,179	129,199
Payments for investments	(1,919,131)	(1,705,814)
Proceeds from disposal of investments	1,539,921	1,250,849
Fixed capital expenditure - Tangible assets	(30,880)	(50,342)
Fixed capital expenditure - Intangible assets	(515)	(3,649)
Proceeds from disposal of fixed assets	3,145	7,069
Rental received	1,248	1,191
Income received on PIBs	5,105	5,817
Income received on TBs	7,305	-
Income received on TFCs	929	1,265
Total cash used in investing activities	(209,117)	(339,657)
Financing activities		
Lease rentals paid	(3,344)	10,215
Dividends paid	(954)	(17,167)
Total cash used in financing activities	(4,298)	(6,952)
Net cash outflow from all activities	(224,615)	(669,460)
Cash at the beginning of the period	2,537,200	2,498,335
Cash at the end of the period	2,312,585	1,828,875

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand		
Reconciliation to Profit and Loss Account		
Operating cash flows	(11,200)	(322,851)
Depreciation expense	(29,416)	(29,707)
Provision for gratuity	(421)	(1,562)
Other income - bank deposits	20,418	26,302
Profit on disposal of fixed assets	(404)	(109)
Finance charges on lease obligations	(173)	(613)
Rental income	(1,248)	1,191
Decrease in assets other than cash	(791,443)	(217,590)
Decrease in liabilities other than running finance	926,367	706,132
	114,976	161,193
Others		
Profit on sale of investments	374,557	309,215
Amortization expense	(4,971)	(5,695)
Increase in unearned premium	(147,699)	(141,504)
Amortization of income on Government Securities - net	-	136
Decrease in loans	2,355	723
Income tax paid	19,785	14,248
Profit on PIBs	2,607	2,921
Reversal / (provision) for diminution in value of investments	-	-
Dividend, investment and other income	317,542	392,985
Income on treasury bills	7,650	913
Income on TFCs	1,673	3,224
	573,499	577,166
Profit before taxation	688,475	738,359

Definition of cash:

Cash comprises cash in hand, bank balances excluding Rupees 9.076 million (2013: Rupees 9.076 million) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent	3,700	698
Current and other accounts	1,269,461	801,631
Deposits maturing within 12 months	1,039,424	1,026,546
Total cash and cash equivalents	2,312,585	1,828,875

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
Operating cash flows		
a) Underwriting activities		
Premiums received	2,037,426	1,750,237
Reinsurance premiums paid	(936,354)	(1,382,841)
Claims paid	(1,704,118)	(1,094,149)
Surrenders paid	(10,843)	(4,636)
Reinsurance and other recoveries received	1,166,686	957,049
Commissions paid	(148,981)	(172,846)
Commissions received	114,544	129,318
Other underwriting payments	(266,794)	(241,466)
Net cash flow from / (used in) underwriting activities	251,566	(59,334)
b) Other operating activities		
Income tax paid	(19,785)	(14,248)
General and other expenses paid	(104,304)	(176,069)
Loans disbursed	(9,668)	(5,726)
Loan repayments received	8,558	3,316
Other receipts	2,750	2,560
Net cash used in other operating activities	(122,449)	(190,167)
Total cash flow from / (used in) all operating activities	129,117	(249,501)
Investment activities		
Profit / return received	14,840	20,396
Dividends received	159,179	129,199
Payments for investments	(1,919,131)	(1,705,814)
Proceeds from disposal of investments	1,539,921	1,250,849
Fixed capital expenditure - Tangible assets	(27,395)	(44,934)
Fixed capital expenditure - Intangible assets	(515)	(3,649)
Proceeds from disposal of fixed assets	3,145	7,069
Rental received	-	-
Income received on PIBs	5,105	5,817
Income received on TBs	7,305	-
Income received on TFCs	929	1,265
Total cash used in investing activities	(216,617)	(339,802)
Financing activities		
Lease rentals paid	(3,344)	10,215
Dividends paid	(954)	(17,167)
Total cash used in financing activities	(4,298)	(6,952)
Net cash outflow from all activities	(91,798)	(596,255)
Cash at the beginning of the period	1,274,188	1,289,119
Cash at the end of the period	1,182,390	692,864

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand		
Reconciliation to Profit and Loss Account		
Operating cash flows	129,117	(249,501)
Depreciation expense	(23,463)	(23,386)
Provision for gratuity	1,339	-
Other income - bank deposits	14,930	20,391
Profit on disposal of fixed assets	(404)	(109)
Finance charges on lease obligations	(173)	(613)
Rental income	-	-
Decrease in assets other than cash	(517,815)	(541,209)
Decrease in liabilities other than running finance	753,913	795,262
	357,444	835
Others		
Profit on sale of investments	374,557	309,215
Amortization expense	(4,971)	(5,695)
(Increase) / decrease in unearned premium	(286,399)	5,111
Amortization of income on Government Securities - net	-	136
Decrease in loans	1,110	2,410
Income tax paid	19,785	14,248
Profit on PIBs	2,607	2,921
Reversal / (provision) for diminution in value of investments	-	-
Dividend, investment and other income	317,542	392,985
Income on treasury bills	7,650	913
Income on TFCs	1,673	3,224
	433,554	725,468
Profit before taxation	790,998	726,303

Definition of cash:

Cash comprises cash in hand, bank balances excluding Rupees 9.076 million (2013: Rupees 9.076 million) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent	3,487	431
Current and other accounts	1,173,701	687,698
Deposits maturing within 12 months	5,202	4,735
Total cash and cash equivalents	1,182,390	692,864

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
Operating cash flows		
a) Underwriting activities		
Premiums received	549,598	487,927
Reinsurance premiums paid	(195,233)	(138,802)
Claims paid	(510,457)	(546,300)
Surrenders paid	-	-
Reinsurance and other recoveries received	274,583	190,226
Commissions paid	(58,734)	(50,387)
Commissions received	20,206	23,755
Other underwriting payments	(211,078)	(32,921)
Net cash used in underwriting activities	(131,115)	(66,502)
b) Other operating activities		
Income tax refund/(paid)	-	-
General and other expenses paid	(7,587)	(15,302)
Loans disbursed	(3,314)	(671)
Loan repayments received	2,069	2,358
Other receipts	(370)	6,767
Net cash used in all operating activities	(9,202)	(6,848)
Total cash used in other operating activities	(140,317)	(73,350)
Investment activities		
Profit / return received	9,737	4,362
Dividends received	-	-
Payments for investments	-	-
Proceeds from disposal of investments	-	-
Fixed capital expenditure - Tangible assets	(3,485)	(5,408)
Fixed capital expenditure - Intangible assets	-	-
Proceeds from disposal of fixed assets	-	-
Rental received	1,248	1,191
Income received on PIBs	-	-
Income received on TBs	-	-
Income received on TFCs	-	-
Total cash flow from investing activities	7,500	145
Financing activities		
Lease rentals paid	-	-
Dividends paid	-	-
Total cash used in financing activities	-	-
Net cash outflow from all activities	(132,817)	(73,205)
Cash at the beginning of the period	1,263,012	1,209,216
Cash at the end of the period	1,130,195	1,136,011

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand		
Reconciliation to Profit and Loss Account		
Operating cash flows	(140,317)	(73,350)
Depreciation expense	(5,953)	(6,321)
Provision for gratuity	(1,760)	(1,562)
Other income - bank deposits	5,488	5,911
Loss on disposal of fixed assets	-	-
Finance charges on lease obligations	-	-
Rental income	1,248	1,191
(Decrease) / increase in assets other than cash	(273,628)	323,619
Decrease / (increase) in liabilities other than running finance	172,454	(89,130)
	(242,468)	160,358
Others		
Profit on sale of investments	-	-
Amortization expense	-	-
Decrease / (Increase) in unearned premium	138,700	(146,615)
Amortization of income on Government Securities - net	-	-
Decrease / (increase) in loans	1,245	(1,687)
Income tax paid	-	-
Profit on PIBs	-	-
(Provision) / reversal of impairment in value of investments	-	-
Dividend, investment and other income	-	-
Income on TFCs	-	-
	139,945	(148,302)
Profit before taxation	<u>(102,523)</u>	<u>12,056</u>

Definition of cash:

Cash comprises cash in hand, bank balances excluding Rupees Nil (2013: Nil) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent	213	267
Current and other accounts	95,760	113,933
Deposits maturing within 12 months	1,034,222	1,021,811
Total cash and cash equivalents	<u>1,130,195</u>	<u>1,136,011</u>

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

Class	Premiums written	Unearned premium reserve			Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded			Reinsurance expense	Net premium revenue	
		Opening	Closing	Currency translation effect			Opening	Closing	Currency translation effect		Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	875,809	1,854,900	1,665,107	(4,632)	1,060,970	637,320	1,358,743	1,165,708	(3,756)	826,599	234,371	218,535
Marine, aviation and transport	215,281	55,695	72,106	(240)	198,630	49,550	7,378	18,669	(43)	38,216	160,414	136,607
Motor	790,385	1,504,870	1,445,346	(59,112)	790,797	83,259	125,874	115,877	(8,687)	84,569	706,228	685,588
Miscellaneous	990,903	629,366	1,009,971	(1,364)	608,934	206,009	209,775	236,201	(782)	178,801	430,133	268,371
Total	2,872,378	4,044,831	4,192,530	(65,348)	2,659,331	976,138	1,701,770	1,536,455	(13,268)	1,128,185	1,531,146	1,309,101
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	2,872,378	4,044,831	4,192,530	(65,348)	2,659,331	976,138	1,701,770	1,536,455	(13,268)	1,128,185	1,531,146	1,309,101

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

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Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Premiums written	Unearned premium reserve			Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded			Reinsurance expense	Net premium revenue	
		Opening	Closing	Currency translation effect			Opening	Closing	Currency translation effect		Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	842,084	1,787,707	1,603,495	-	1,026,296	611,343	1,302,991	1,116,354	-	797,980	228,316	213,375
Marine, aviation and transport	207,098	51,249	69,368	-	188,979	49,228	6,838	18,055	-	38,011	150,968	131,424
Motor	397,302	606,262	679,579	-	323,985	4,734	205	172	-	4,767	319,218	312,644
Miscellaneous	979,762	611,637	990,811	-	600,588	198,728	200,399	224,813	-	174,314	426,274	263,178
Total	2,426,246	3,056,855	3,343,253	-	2,139,848	864,033	1,510,433	1,359,394	-	1,015,072	1,124,776	920,621
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	2,426,246	3,056,855	3,343,253	-	2,139,848	864,033	1,510,433	1,359,394	-	1,015,072	1,124,776	920,621

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

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Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Premiums written	Unearned premium reserve			Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded			Reinsurance expense	Net premium revenue	
		Opening	Closing	Currency translation effect			Opening	Closing	Currency translation effect		Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	33,725	67,193	61,612	[4,632]	34,674	25,977	55,752	49,354	[3,756]	28,619	6,055	5,160
Marine, aviation and transport	8,183	4,446	2,738	[240]	9,651	322	540	614	[43]	205	9,446	5,183
Motor	393,083	898,608	765,767	[59,112]	466,812	78,525	125,669	115,705	[8,687]	79,802	387,010	372,944
Miscellaneous	11,141	17,729	19,160	[1,364]	8,346	7,281	9,376	11,388	[782]	4,487	3,859	5,193
Total	446,132	987,976	849,277	[65,348]	519,483	112,105	191,337	177,061	[13,268]	113,113	406,370	388,480
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	446,132	987,976	849,277	[65,348]	519,483	112,105	191,337	177,061	[13,268]	113,113	406,370	388,480

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

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

Class	Total claims paid	Outstanding claims			Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims			Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing	Currency translation effect			Opening	Closing	Currency translation effect		Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	901,435	3,516,994	3,050,041	(2,544)	437,026	808,772	2,919,240	2,442,075	(2,160)	333,767	103,259	194,775
Marine, aviation and transport	39,603	176,944	162,088	(564)	25,311	807	126,959	115,455	-	(10,697)	36,008	88,399
Motor	627,409	2,612,650	2,601,416	(166,996)	783,171	187,905	2,068,984	1,998,004	(143,235)	260,160	523,011	416,459
Miscellaneous	646,128	995,753	756,297	(24)	406,696	222,326	638,948	538,671	(19)	122,068	284,628	125,537
Total	2,214,575	7,302,341	6,569,842	(170,128)	1,652,204	1,219,810	5,754,131	5,094,205	(145,414)	705,298	946,906	825,170
Treaty												
Proportional	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Total	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Grand Total	2,214,575	7,322,673	6,590,174	(170,128)	1,652,204	1,219,810	5,754,131	5,094,205	(145,414)	705,298	946,906	825,170

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

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Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Total claims paid	Outstanding claims			Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims			Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing	Currency translation effect			Opening	Closing	Currency translation effect		Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	838,748	3,454,234	3,029,002	-	413,516	757,524	2,865,914	2,424,205	-	315,815	97,701	186,364
Marine, aviation and transport	39,603	168,844	154,552	-	25,311	807	126,959	115,455	-	(10,697)	36,008	88,252
Motor	183,926	227,331	219,637	-	176,232	1,047	52,854	62,821	-	11,014	165,218	155,570
Miscellaneous	641,841	995,490	755,924	-	402,275	219,111	638,764	538,391	-	118,738	283,537	124,024
Total	1,704,118	4,845,899	4,159,115	-	1,017,334	978,489	3,684,491	3,140,872	-	434,870	582,464	554,210
Treaty												
Proportional	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Total	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Grand Total	1,704,118	4,866,231	4,179,447	-	1,017,334	978,489	3,684,491	3,140,872	-	434,870	582,464	554,210

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

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Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Total claims paid	Outstanding claims			Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims			Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing	Currency translation effect			Opening	Closing	Currency translation effect		Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	62,687	62,760	21,039	(2,544)	23,510	51,248	53,326	17,870	(2,160)	17,952	5,558	8,411
Marine, aviation and transport	-	8,100	7,536	(564)	-	-	-	-	-	-	-	147
Motor	443,483	2,385,319	2,381,779	(166,996)	606,939	186,858	2,016,130	1,935,183	(143,235)	249,146	357,793	260,889
Miscellaneous	4,287	263	373	(24)	4,421	3,215	184	280	(19)	3,330	1,091	1,513
Total	510,457	2,456,442	2,410,727	(170,128)	634,870	241,321	2,069,640	1,953,333	(145,414)	270,428	364,442	270,960
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	510,457	2,456,442	2,410,727	(170,128)	634,870	241,321	2,069,640	1,953,333	(145,414)	270,428	364,442	270,960

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

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Director

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Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

Class	Commissions paid or payable	Deferred commission			Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing	Currency translation effect					Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand									
Direct and facultative										
Fire and property damage	98,765	188,330	179,041	(789)	107,265	79,020	186,285	87,117	99,168	86,010
Marine, aviation and transport	28,736	3,163	6,384	(31)	25,484	51,336	76,820	658	76,162	56,401
Motor	79,131	150,110	140,866	(6,901)	81,474	190,551	272,025	4,097	267,928	200,870
Miscellaneous	39,967	49,046	46,582	(109)	42,322	101,626	143,948	37,607	106,341	94,392
Total	246,599	390,649	372,873	(7,830)	256,545	422,533	679,078	129,479	549,599	437,673
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	246,599	390,649	372,873	(7,830)	256,545	422,533	679,078	129,479	549,599	437,673

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

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Director

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Director

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Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commissions paid or payable	Deferred commission			Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing	Currency translation effect					Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand									
Direct and facultative										
Fire and property damage	93,662	176,680	168,641	-	101,701	74,191	175,892	81,297	94,595	78,079
Marine, aviation and transport	27,087	2,946	5,839	-	24,194	47,635	71,829	627	71,202	51,570
Motor	27,828	48,702	49,731	-	26,799	122,936	149,735	13	149,722	121,253
Miscellaneous	38,393	47,883	44,913	-	41,363	94,570	135,933	37,012	98,921	85,005
Total	186,970	276,211	269,124	-	194,057	339,332	533,389	118,949	414,440	335,907
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	186,970	276,211	269,124	-	194,057	339,332	533,389	118,949	414,440	335,907

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Chairman

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Director

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Commissions paid or payable	Deferred commission			Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing	Currency translation effect					Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand										
Direct and facultative										
Fire and property damage	5,103	11,650	10,400	(789)	5,564	4,829	10,393	5,820	4,573	7,931
Marine, aviation and transport	1,649	217	545	(31)	1,290	3,701	4,991	31	4,960	4,831
Motor	51,303	101,408	91,135	(6,901)	54,675	67,615	122,290	4,084	118,206	79,617
Miscellaneous	1,574	1,163	1,669	(109)	959	7,056	8,015	595	7,420	9,387
Total	59,629	114,438	103,749	(7,830)	62,488	83,201	145,689	10,530	135,159	101,766
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	59,629	114,438	103,749	(7,830)	62,488	83,201	145,689	10,530	135,159	101,766

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

Umer Mansha
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Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
Income from non-trading investments		
Available-for-sale		
Return on Term Finance Certificates	1,673	3,224
Return on Pakistan Investment Bonds	2,607	2,921
Profit on Treasury Bills	7,650	913
Dividend income		
- associated undertakings	189,166	195,603
- others	125,996	197,382
	315,162	392,985
	327,092	400,043
Gain on sale of available-for-sale investments		
- associated undertakings	61,259	-
- others	313,298	309,215
	374,557	309,215
	701,649	709,258
Reversal of impairment in value of available-for-sale investments	-	-
Net investment income	701,649	709,258

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

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Director

Shahid Malik
Director

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Managing Director & Chief Executive Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 31 MARCH 2014

1 THE COMPANY AND ITS OPERATIONS

Adamjee Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984). The Company is listed on all the stock exchanges in Pakistan and is engaged in the non-life insurance business.

The registered office of the Company is situated at Tanveer Building, 27-C-III, MM Alam Road, Gulberg III, Lahore.

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

2 BASIS OF PREPARATION

This unconsolidated condensed interim financial information of the Company for the quarter ended 31 March 2014 has been prepared in accordance with 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 provision of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

The disclosures made in this unconsolidated condensed interim financial information have, however, been limited based on format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard 34 - 'Interim Financial Reporting'. They do not include all the disclosures required for annual financial statements, and these condensed interim financial information should be read in conjunction with annual financial statements of the Company for the year ended 31 December 2013.

3 BASIS OF MEASUREMENT

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

4 ACCOUNTING POLICIES

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

4.1 Provision for taxation

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

5 ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied to the preceding annual published financial statements of the Company for the year ended 31 December 2013.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There has been no significant change in the contingencies since the date of preceding published annual financial statements.

6.2 Commitments

There were no capital or other commitments as at 31 March 2014 (31 December 2013: Nil).

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 31 MARCH 2014

7 INVESTMENTS

Note	Quarter ended 31 March 2014	Quarter ended 31 December 2013
	Rupees in thousand	
	(Unaudited)	(Audited)
In related parties		
Available-for-sale		
Marketable securities		
Listed	7,979,195	7,477,264
Investment in subsidiary - Adamjee Life Assurance Company Limited	694,895	694,895
	<u>8,674,090</u>	<u>8,172,159</u>
Others		
Available-for-sale		
Marketable securities	3,660,394	3,408,448
Less: Provision for impairment in value of investments	(220,890)	(220,890)
	<u>3,439,504</u>	<u>3,187,558</u>
	<u>12,113,594</u>	<u>11,359,717</u>

7.1 On 31 March 2014, the market value of available-for-sale investments was Rupees 19,191.008 million (31 December 2013: Rupees 18,391.034 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 reduction is other than temporary). However, International Accounting Standard 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 at 31 March 2014 would have been higher by Rupees 7,077.414 million (31 December 2013: higher by Rupees 7,031.317 million).

8 PREMIUMS DUE BUT UNPAID - Unsecured

Considered good	2,884,471	2,658,071
Considered doubtful	360,151	369,231
	<u>3,244,622</u>	<u>3,027,302</u>
Less: Provision for doubtful balances	(360,151)	(369,231)
	<u>2,884,471</u>	<u>2,658,071</u>

8.1 Reconciliation of provision for doubtful balances

Opening provision	369,231	359,147
Exchange (gain) / loss	(9,080)	10,084
Charge for the period	-	-
Written off during the period	-	-
Closing provision	<u>360,151</u>	<u>369,231</u>

9 AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - Unsecured

Considered good	872,526	1,093,985
Considered doubtful	322,810	322,810
	<u>1,195,336</u>	<u>1,416,795</u>
Less: Provision for doubtful balances	(322,810)	(322,810)
	<u>872,526</u>	<u>1,093,985</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 31 MARCH 2014

9.1 Reconciliation of provision for doubtful balances

	Quarter ended 31 March 2014	Quarter ended 31 December 2013
	Rupees in thousand	
	(Unaudited)	(Audited)
Opening provision	322,810	326,327
Charge for the period	-	-
Written off during the period	-	(3,517)
Closing provision	<u>322,810</u>	<u>322,810</u>

10 FIXED ASSETS

Additions during the first quarter ended 31 March 2014 (including transfers from capital work in progress) amounted to Rupees 118.228 million (2013: Rupees 53.991million) while disposals had a cost of Rupees 7.533 million (2013: Rupees13.231 million) and written down value of Rupees 3.549 million (2013: Rupees 7.178 million).

11 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:
Net profit after tax for the period

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
	<u>628,269</u>	<u>701,239</u>
	Number of shares	
		(Restated)
Weighted average number of shares	350,000,000	350,000,000
	Rupees	
Basic earnings per share	<u>1.80</u>	<u>2.00</u>

12 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationships with its associates, subsidiary company, employee benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them. There are no transactions with key management personnel other than their terms of employment.

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

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
Premium underwritten	264,643	353,002
Premium received	262,250	135,514
Claims paid	56,817	89,889
Rent paid	-	1,130
Rent received	1,248	-
Dividend received	189,166	195,603
	Number of shares	
Bonus shares received	3,004,653	5,626,611

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 31 MARCH 2014

13. SEGMENT REPORTING

Each class of business has been identified as reportable segment. Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following is a schedule of class of business wise assets and liabilities:

	31 March 2014													
	Rupees in thousand													
	Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities		Total	
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan
Segment assets	4,693,212	149,066	381,352	18,494	576,989	2,974,719	1,953,012	36,938	-	-	-	-	7,604,565	3,179,217
Unallocated assets	-	-	-	-	-	-	-	-	-	-	14,861,306	1,380,032	14,861,401	1,380,032
Total assets	4,693,212	149,066	381,352	18,494	576,989	2,974,719	1,953,012	36,938	-	-	14,861,306	1,380,032	22,465,966	4,559,249
Segment liabilities	4,886,571	107,478	257,306	13,830	961,548	3,328,025	1,937,481	26,156	20,332	-	-	-	8,063,238	3,475,489
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	2,002,885	231,112	2,002,885	231,112
Total liabilities	4,886,571	107,478	257,306	13,830	961,548	3,328,025	1,937,481	26,156	20,332	-	2,002,885	231,112	10,066,123	3,706,601
Capital expenditure													27,910	3,485
														31,395

OTHER INFORMATION

	31 December 2013													
	Rupees in thousand													
	Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities		Total	
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan
Segment assets	5,708,947	190,382	386,545	10,849	533,403	3,209,264	1,555,476	26,992	-	-	-	-	8,184,371	3,437,487
Unallocated assets	-	-	-	-	-	-	-	-	-	-	14,051,217	1,528,911	14,051,217	1,528,911
Total assets	5,708,947	190,382	386,545	10,849	533,403	3,209,264	1,555,476	26,992	-	-	14,051,217	1,528,911	22,235,588	4,966,398
Segment liabilities	5,633,773	157,179	270,550	15,024	919,898	3,520,445	1,784,373	22,731	20,332	-	-	-	8,628,926	3,715,379
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	1,590,929	220,205	1,590,929	220,205
Total liabilities	5,633,773	157,179	270,550	15,024	919,898	3,520,445	1,784,373	22,731	20,332	-	1,590,929	220,205	10,219,855	3,935,584
Capital expenditure													224,520	21,411
														245,931

OTHER INFORMATION

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 31 MARCH 2014

14 GENERAL

14.1 No significant reclassification / rearrangement of corresponding figures has been made in this unconsolidated condensed interim financial information.

14.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 29 April 2014 by the Board of Directors of the Company.

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

Directors' Report to the Members on Consolidated Condensed Interim Financial Information

FOR THE QUARTER ENDED 31 MARCH 2014

On behalf of the Board, I am pleased to present the consolidated financial information of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company Limited for the quarter ended 31 March 2014.

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

	31 March 2014	31 March 2013
	Rupees in thousand	
	Unaudited	Unaudited
Profit before tax	695,549	741,458
Taxation	(61,202)	(37,896)
Profit after tax	634,347	703,562
Profit attributable to non-controlling interest	(1,563)	(762)
Profit attributable to ordinary shareholders	632,784	702,800
Unappropriated profit brought forward	8,139,204	8,831,228
Profit available for appropriation	8,771,988	9,534,028
Appropriation		
Final dividend for the year ended 31 December 2013 @10% (Rupee 1/- per share) [2012: @ 10% (Rupee 1/- per share)]	(350,000)	(123,705)
Profit after appropriation	8,421,988	9,410,323

Earnings per share

The interim consolidated financial information reflects Rupees 1.81 (31 March 2013: Rupees 2.01 - restated) earnings per share for the period under review.

On Behalf of Board of Directors

Date: 29 April 2014
Lahore

Muhammad Ali Zeb
Managing Director and Chief Executive Officer

**CONSOLIDATED CONDENSED
INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER ENDED
31 MARCH 2014**

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2014

Note	31 March 2014	31 December 2013
	Rupees in thousand	
	(Unaudited)	(Audited)
Share capital and reserves		
Authorised share capital	3,750,000	3,750,000
Paid-up share capital	3,500,000	3,500,000
Retained earnings	8,421,988	8,139,204
Reserves	1,036,447	1,108,772
	9,458,435	9,247,976
Equity attributable to equity holders of the parent	12,958,435	12,747,976
Non-controlling interest	24,264	22,701
Total equity	12,982,699	12,770,677
Balance of statutory funds	5,082,629	4,860,342
Underwriting provisions		
Provision for outstanding claims (including IBNR)	6,693,062	7,406,692
Provision for unearned premium	4,192,530	4,044,831
Commission income unearned	186,652	182,184
	11,072,244	11,633,707
Deferred liabilities		
Staff retirement benefits	58,369	56,152
Creditors and accruals		
Premiums received in advance	145,942	228,934
Amounts due to other insurers / reinsurers	498,013	662,515
Accrued expenses	123,426	114,855
Other creditors and accruals	2,164,336	1,728,975
	2,931,717	2,735,279
Borrowings		
Liabilities against assets subject to finance lease	3,512	6,683
Other liabilities		
Unclaimed dividends	44,226	37,675
TOTAL LIABILITIES	14,110,068	14,469,496
CONTINGENCIES AND COMMITMENTS	6	
TOTAL EQUITY AND LIABILITIES	32,175,396	32,100,515

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

	Note	31 March 2014	31 December 2013
		Rupees in thousand	
		(Unaudited)	(Audited)
Cash and bank deposits			
Cash and other equivalents		3,853	4,531
Current and other accounts		1,419,158	1,698,980
Deposits maturing within 12 months		1,048,500	1,156,190
		2,471,511	2,859,701
Loans			
To employees		16,361	16,151
Investments	7	16,854,054	15,822,211
Deferred taxation		92,197	107,346
Current assets - others			
Premiums due but unpaid	8	2,894,315	2,673,944
Amounts due from other insurers / reinsurers	9	872,526	1,094,914
Salvage recoveries accrued		185,758	179,703
Premium and claim reserves retained by cedants		23,252	23,252
Accrued investment income		252,785	30,121
Reinsurance recoveries against outstanding claims		4,908,447	5,574,428
Taxation - payments less provision		61,346	87,428
Deferred commission expense		372,873	390,649
Prepayments		1,630,417	1,784,281
Sundry receivables		314,485	205,305
		11,516,204	12,044,025
Fixed assets - Tangible & Intangible	10		
Owned			
Land and buildings		426,228	445,207
Furniture and fixtures		175,135	156,160
Motor vehicles		262,767	272,065
Machinery and equipment		112,525	116,425
Computers and related accessories		148,607	54,507
Intangible asset - computer software		64,065	83,780
Capital work in progress - Tangible		5,398	89,310
		1,194,725	1,217,454
Leased			
Motor vehicles		30,344	33,627
TOTAL ASSETS		<u>32,175,396</u>	<u>32,100,515</u>

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

AS AT 31 MARCH 2014

	General Insurance					Life Insurance				Total	
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Conventional Business	Accident and Health Business	Non-Unitized Investment Link Business	Unit Link Business	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand											
Revenue account											
Net premium revenue	234,371	160,414	706,228	430,133	-	12,074	-	83,399	547,665	2,174,284	2,114,551
Net claims	(103,259)	(36,008)	(523,011)	(284,628)	-	(11,993)	-	(3,498)	(322,832)	(1,285,229)	(892,724)
Expenses	(79,020)	(51,336)	(190,551)	(101,626)	-	(9,121)	-	(13,692)	(71,275)	(516,621)	(415,077)
Net commission	(20,148)	(24,826)	(77,377)	(4,715)	-	(1,003)	-	(13,718)	(142,966)	(284,753)	(241,123)
Net investment income - statutory fund	-	-	-	-	-	4,513	1	37,553	127,179	169,246	49,566
Add: Policyholders' liabilities at beginning of the period	-	-	-	-	-	96,910	11	1,076,689	3,651,062	4,824,672	1,954,675
Less: Policyholders' liabilities at end of the period	-	-	-	-	-	(92,544)	(10)	(1,175,207)	(3,800,208)	(5,067,969)	(2,529,853)
Capital contribution from shareholders' fund	-	-	-	-	-	-	-	-	-	-	10,215
Excess capital contribution from shareholders' fund	-	-	-	-	-	1,164	(2)	8,474	11,375	21,011	(3,972)
Underwriting result	31,944	48,244	(84,711)	39,164	-	-	-	-	-	34,641	46,258
Investment income - other										712,986	714,277
Rental income										1,248	1,191
Other income										24,950	36,305
										773,825	798,031
General and administration expenses										(76,583)	(57,193)
Exchange (loss) / gain										(1,520)	1,233
Finance charge on lease liabilities										(173)	(613)
Profit before tax										695,549	741,458
Provision for taxation										(61,202)	(37,896)
Profit after tax										634,347	703,562
Profit attributable to:											
Equity holders of the parent										632,784	702,800
Non-controlling interest										1,563	762
Profit and loss appropriation account - Parent Company											
Balance at the commencement of the year										8,139,204	8,831,228
Profit after tax for the period										632,784	702,800
Final dividend for the year ended 31 December 2013											
@10% (Rupee 1/- per share) [2012: @ 10% (Rupee 1/- per share)]										(350,000)	(123,705)
Balance unappropriated profit at the end of the period										8,421,988	9,410,323
Rupees											
(Restated)											
Earnings per share - basic and diluted										1.81	2.01

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
Profit for the period	634,347	703,562
Other comprehensive income:		
Effect of translation of net investment in foreign branches	(72,325)	83,571
Capital contribution to statutory funds	-	(10,215)
Total comprehensive income for the period	<u>562,022</u>	<u>776,918</u>
Comprehensive income attributable to:		
Equity holders of the parent	560,459	779,506
Non-controlling interest	<u>1,563</u>	<u>(2,588)</u>
	<u>562,022</u>	<u>776,918</u>

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED 31 MARCH 2014

	Share capital	Capital reserves					Revenue reserves		Equity attributable to equity holders of the parent	Non-controlling interest	Total Equity
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	Reserve for exceptional losses	Investment fluctuation reserve	Capital contribution to statutory funds	Exchange translation reserve	General reserve	Retained earnings			
Rupees in thousand											
Balance as at 31 December 2012 (Audited)	1,237,045	-	22,859	3,764	(307,309)	478,756	936,500	8,831,228	11,202,843	28,889	11,231,732
Profit for the period ended 31 March 2013	-	-	-	-	-	-	-	702,800	702,800	762	703,562
Other comprehensive income for the period	-	-	-	-	(6,865)	83,571	-	-	76,706	(3,350)	73,356
Final dividend for the year ended 31 December 2012 @10% (Rupee 1/- per share)	-	-	-	-	-	-	-	(123,705)	(123,705)	-	(123,705)
Balance as at 31 March 2013 (Unaudited)	1,237,045	-	22,859	3,764	(314,174)	562,327	936,500	9,410,323	11,858,644	26,301	11,884,945
Profit for the period from 01 April 2013 to 31 December 2013	-	-	-	-	-	-	-	1,272,020	1,272,020	2,659	1,274,679
Other comprehensive income for the period	-	-	-	-	(17,463)	(85,041)	-	29,078	(73,426)	(6,259)	(79,685)
Interim dividend @ 25% (Rupees 2.5 /- per share)	-	-	-	-	-	-	-	(309,262)	(309,262)	-	(309,262)
Transferred to reserve for issue of bonus shares	-	2,262,955	-	-	-	-	-	(2,262,955)	-	-	-
Issue of bonus shares @ 182.93%	2,262,955	(2,262,955)	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2013 (Audited)	3,500,000	-	22,859	3,764	(331,637)	477,286	936,500	8,139,204	12,747,976	22,701	12,770,677
Profit for the period ended 31 March 2014	-	-	-	-	-	-	-	632,784	632,784	1,563	634,347
Other comprehensive income for the period	-	-	-	-	-	(72,325)	-	-	(72,325)	-	(72,325)
Final dividend for the year ended 31 December 2013 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	-	(350,000)	(350,000)	-	(350,000)
Balance as at 31 March 2014 (Unaudited)	3,500,000	-	22,859	3,764	(331,637)	404,961	936,500	8,421,988	12,958,435	24,264	12,982,699

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
Operating cash flows		
a) Underwriting activities		
Premiums received	3,254,507	3,085,738
Reinsurance premiums paid	(1,131,587)	(1,516,796)
Claims paid	(2,572,328)	(1,743,741)
Surrenders paid	(10,843)	(4,636)
Reinsurance and other recoveries received	1,441,269	1,147,275
Commissions paid	(399,062)	(395,970)
Commissions received	134,750	153,073
Other underwriting payments	(477,872)	(274,387)
Net cash flow from underwriting activities	238,834	450,556
b) Other operating activities		
Income tax paid	(19,969)	(14,612)
General and other expenses paid	(220,533)	(264,765)
Loans disbursed	(12,982)	(6,397)
Loan repayments received	10,627	5,674
Other receipts	2,380	9,327
Net cash used in other operating activities	(240,477)	(270,773)
Total cash (used in) / flow from all operating activities	(1,643)	179,783
Investment activities		
Profit / return received	24,577	37,511
Dividends received	159,771	129,537
Payments for investments	(10,437,729)	(5,073,829)
Proceeds from disposal of investments	9,890,304	4,103,729
Fixed capital expenditure - Tangible assets	(36,276)	(61,886)
Fixed capital expenditure - Intangible assets	(841)	-
Proceeds from disposal of fixed assets	4,063	8,965
Disbursement of policy loans	(705)	-
Rental received	1,248	1,191
Income received on PIBs	5,105	5,817
Income received on TBs	7,305	-
Income received on TFCs	929	1,265
Total cash used in investing activities	(382,249)	(847,700)
Financing activities		
Lease rentals paid	(3,344)	10,215
Dividends paid	(954)	(17,167)
Total cash used in financing activities	(4,298)	(6,952)
Net cash used in all activities	(388,190)	(674,869)
Cash at the beginning of the period	2,850,625	2,723,883
Cash at the end of the period	2,462,435	2,049,014

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand		
Reconciliation to Profit and Loss Account		
Operating cash flows	(1,643)	179,782
Depreciation expense	(32,717)	(32,030)
Provision for gratuity	(421)	(1,562)
Other income - bank deposits	20,418	26,302
Profit on disposal of fixed assets	514	1,452
Finance charge on lease liabilities	(173)	(613)
Rental income	1,248	1,191
Decrease in assets other than cash	(766,124)	(209,544)
Decrease in liabilities other than running finance	721,989	130,578
	(56,909)	95,556
Others		
Profit on sale of investments	381,798	309,310
Amortization expense	(6,781)	(7,280)
Capital contribution from shareholders' fund	-	10,215
Decrease in unearned premium	(147,699)	(141,504)
Amortization of income on Government Securities - net	-	136
Profit on PIBs	2,607	2,921
Decrease in loans	2,355	723
Income tax paid	19,969	15,024
Appreciation / reversal of diminution in value of investments	45,795	3,573
Dividend, investment and other income	445,091	448,647
Income on Treasury Bills	7,650	913
Income on TFCs	1,673	3,224
	752,458	645,902
Profit before taxation	695,549	741,458

Definition of cash:

Cash comprises cash in hand, bank balances excluding Rs 9.076 million (2013: Rs 9.076 million) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent	3,853	884
Current and other accounts	1,419,158	1,021,584
Deposits maturing within 12 months	1,039,424	1,026,546
Total cash and cash equivalents	2,462,435	2,049,014

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

Class	Premiums written	Unearned premium reserve			Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded			Reinsurance expense	Net premium revenue	
		Opening	Closing	Currency translation effect			Opening	Closing	Currency translation effect		Quarter ended 31 March 2014	Quarter ended 31 March 2013

Rupees in thousand

General Insurance:

Direct and facultative

Fire and property damage	875,809	1,854,900	1,665,107	(4,632)	1,060,970	637,320	1,358,743	1,165,708	(3,756)	826,599	234,371	218,535
Marine, aviation and transport	215,281	55,695	72,106	(240)	198,630	49,550	7,378	18,669	(43)	38,216	160,414	136,607
Motor	790,385	1,504,870	1,445,346	(59,112)	790,797	83,259	125,874	115,877	(8,687)	84,569	706,228	685,588
Miscellaneous	990,903	629,366	1,009,971	(1,364)	608,934	206,009	209,775	236,201	(782)	178,801	430,133	268,371
Total	2,872,378	4,044,831	4,192,530	(65,348)	2,659,331	976,138	1,701,770	1,536,455	(13,268)	1,128,185	1,531,146	1,309,101

Treaty

Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	2,872,378	4,044,831	4,192,530	(65,348)	2,659,331	976,138	1,701,770	1,536,455	(13,268)	1,128,185	1,531,146	1,309,101

Life Insurance:

Conventional Business	32,023	-	-	-	32,023	19,949	-	-	-	19,949	12,074	18,195
Accident and Health Business	-	-	-	-	-	-	-	-	-	-	-	2
Non-united Investment Link Business	85,028	-	-	-	85,028	1,629	-	-	-	1,629	83,399	105,900
Unit Link Business	556,263	-	-	-	556,263	8,598	-	-	-	8,598	547,665	681,353
Total	673,314	-	-	-	673,314	30,176	-	-	-	30,176	643,138	805,450
Grand total	3,545,692	4,044,831	4,192,530	(65,348)	3,332,645	1,006,314	1,701,770	1,536,455	(13,268)	1,158,361	2,174,284	2,114,551

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

Class	Total claims paid	Outstanding claims			Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims			Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing	Currency translation effect			Opening	Closing	Currency translation effect		Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand												
General Insurance:												
Direct and facultative												
Fire and property damage	901,435	3,516,994	3,050,041	[2,544]	437,026	808,772	2,919,240	2,442,075	[2,160]	333,767	103,259	194,775
Marine, aviation and transport	39,603	176,944	162,088	[564]	25,311	807	126,959	115,455	-	[10,697]	36,008	88,399
Motor	627,409	2,612,650	2,601,416	[166,996]	783,171	187,905	2,068,984	1,998,004	[143,235]	260,160	523,011	416,459
Miscellaneous	646,128	995,753	756,297	[24]	406,696	222,326	638,948	538,671	[19]	122,068	284,628	125,537
	2,214,575	7,302,341	6,569,842	[170,128]	1,652,204	1,219,810	5,754,131	5,094,205	[145,414]	705,298	946,906	825,170
Treaty												
Proportional	-	20,332	20,332	-	-	-	-	-	-	-	-	-
	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Total	2,214,575	7,322,673	6,590,174	[170,128]	1,652,204	1,219,810	5,754,131	5,094,205	[145,414]	705,298	946,906	825,170
Life Insurance:												
Conventional Business	44,551	38,307	36,653	-	42,897	30,904	-	-	-	30,904	11,993	12,477
Accident and Health Business	-	-	-	-	-	-	-	-	-	-	-	-
Non-unitised Investment Link Business	3,679	10,280	10,787	-	4,186	688	-	-	-	688	3,498	1,346
Unit Link Business	309,523	35,432	55,448	-	329,539	6,707	-	-	-	6,707	322,832	53,731
Total	357,753	84,019	102,888	-	376,622	38,299	-	-	-	38,299	338,323	67,554
Grand total	2,572,328	7,406,692	6,693,062	[170,128]	2,028,826	1,258,109	5,754,131	5,094,205	[145,414]	743,597	1,285,229	892,724

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

Class	Commissions paid or payable	Deferred commission			Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing	Currency translation effect					Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand										
General Insurance:										
Direct and facultative										
Fire and property damage	98,765	188,330	179,041	(789)	107,265	79,020	186,285	87,117	99,168	86,010
Marine, aviation and transport	28,736	3,163	6,384	(31)	25,484	51,336	76,820	658	76,162	56,401
Motor	79,131	150,110	140,866	(6,901)	81,474	190,551	272,025	4,097	267,928	200,870
Miscellaneous	39,967	49,046	46,582	(109)	42,322	101,626	143,948	37,607	106,341	94,392
	246,599	390,649	372,873	(7,830)	256,545	422,533	679,078	129,479	549,599	437,673
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total	246,599	390,649	372,873	(7,830)	256,545	422,533	679,078	129,479	549,599	437,673
Life Insurance:										
Conventional Business	1,003	-	-	-	1,003	9,121	10,124	-	10,124	11,963
Accident and Health Business	-	-	-	-	-	-	-	-	-	-
Non-unitised Investment Link Business	13,718	-	-	-	13,718	13,692	27,410	-	27,410	29,311
Unit Link Business	142,966	-	-	-	142,966	71,275	214,241	-	214,241	177,253
Total	157,687	-	-	-	157,687	94,088	251,775	-	251,775	218,527
Grand total	404,286	390,649	372,873	(7,830)	414,232	516,621	930,853	129,479	801,374	656,200

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
General insurance:		
Income from non-trading investments		
Available-for-sale		
Return on Term Finance Certificates	1,673	3,224
Return on Pakistan Investment Bonds	2,607	2,921
Profit on Treasury Bills	7,650	913
Dividend income		
- associated undertakings	189,166	195,603
- others	125,996	197,382
	315,162	392,985
	327,092	400,043
 Gain / (Loss) on sale of available-for-sale investments		
- associated undertakings	61,259	-
- others	313,298	309,215
	374,557	309,215
	701,649	709,258
 Reversal / (Charge) for impairment in value of available-for-sale investments		
	-	-
	701,649	709,258
 Life insurance:		
Shareholders' fund		
Appreciation in value of quoted securities	194	20
Return on Government Securities	6,876	3,431
Return on bank deposits	255	312
Dividend income	884	1,256
Gain on sale of non-trading investments	3,128	-
Reversal of impairment in the value of available-for-sale investments	-	-
	11,337	5,019
 Statutory Funds		
Conventional Business		
Return on bank deposits	1,512	1,180
Return on Government Securities	3,001	1,076
Gain / (loss) on sale of Government Securities	-	12
Gain on sale of Units of open end mutual funds	-	-
Reversal of impairment in the value of available-for-sale investments	-	-
	4,513	2,268
 Accident and Health Business		
Return on bank deposits	1	7
	1	7

CONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
	Rupees in thousand	
Non-unitised Investment Link Business		
Appreciation / (loss) in value of quoted securities	8,037	(569)
Return on bank deposits	1,170	-
Return on Government Securities	26,667	14,105
(Loss) / gain on sale of Government Securities	(88)	36
Return on other fixed income securities	1,401	644
Gain on disposal of open end mutual funds	366	21
	37,553	14,237
Unit Link Business		
Appreciation in value of quoted securities	37,564	4,122
Return on Government Securities	79,980	28,201
Dividend income	122	6
Investment income on bank deposits	3,069	-
Return on other fixed income securities	2,610	698
Gain on sale of listed equities	61	-
Gain on disposal of open end mutual funds	3,897	172
Loss on sale of Government Securities	(124)	(145)
	127,179	33,054
Net investment income	882,232	763,843
Net investment income - statutory funds	169,246	49,566
Net investment income - other	712,986	714,277
	882,232	763,843

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

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

1 THE GROUP AND ITS OPERATIONS

The consolidated condensed interim financial information comprises the consolidated financial information of Adamjee Insurance Company Limited and its subsidiary company, Adamjee Life Assurance Company Limited, as at 31 March 2014. The condensed interim financial information of the subsidiary company has been consolidated on line by line basis. All inter company balances and transactions have been eliminated.

2 BASIS OF PREPARATION

This consolidated condensed interim financial information of the Company for the quarter ended 31 March 2014 has been prepared in accordance with 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 provision of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

The disclosures made in this consolidated condensed interim financial information have, however, been based on format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard 34 - 'Interim Financial Reporting'. They do not include all the disclosures required for annual financial statements, and this consolidated condensed interim financial statements should be read in conjunction with the consolidated annual financial statements of the Company for the year ended 31 December 2013.

3 BASIS OF MEASUREMENT

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

4 ACCOUNTING POLICIES

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

4.1 Provision for taxation

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

5 ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this consolidated condensed interim financial information are the same as those applied to the preceding consolidated annual published financial statements of the Company for the year ended 31 December 2013.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There has been no significant change in the contingencies since the date of preceding consolidated annual published financial statements.

6.2 Commitments

Holding Company

There were no capital or other commitments as at 31 March 2014 (31 December 2013: Nil).

Subsidiary Company

There were no capital or other commitments as at 31 March 2014 (31 December 2013: Nil).

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Note	31 March 2014	31 December 2013
Rupees in thousand			
7 INVESTMENTS		(Unaudited)	(Audited)
Available-for-sale			
In related parties			
Marketable securities		7,979,195	7,477,264
Others			
Marketable securities		4,136,065	3,920,690
Less: Provision for impairment in value of investments		(220,890)	(220,890)
		3,915,175	3,699,800
At fair value through profit or loss			
In related parties			
Marketable securities		2,981	3,122
Mutual funds		22,110	-
		25,091	3,122
Others			
Marketable securities		12,229	4,481
Mutual funds		381,789	456,762
Government securities		4,390,030	4,029,974
Other fixed income securities		150,545	150,808
		4,934,593	4,642,025
		<u>16,854,054</u>	<u>15,822,211</u>

7.1 On 31 March 2014, the fair value of available-for-sale securities was Rupees 18,986.457 million (31 December 2013: Rupees 22,869.401 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 reduction is other than temporary). However, International Accounting Standard 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 at 31 March 2014 would have been higher by Rupees 7,092.087 million (31 December 2013: higher by Rupees 7,046.810 million).

8 PREMIUMS DUE BUT UNPAID - Unsecured

Considered good		2,894,315	2,673,944
Considered doubtful		360,151	369,231
		<u>3,254,466</u>	<u>3,043,175</u>
Less: Provision for doubtful balances	8.1	<u>(360,151)</u>	<u>(369,231)</u>
		<u>2,894,315</u>	<u>2,673,944</u>

8.1 Reconciliation of provision for doubtful balances

Opening provision		369,231	359,147
Exchange (gain) / loss		(9,080)	10,084
Charge for the period		-	-
Written off during the period		-	-
Closing provision		<u>360,151</u>	<u>369,231</u>

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

	Note	31 March 2014	31 December 2013
		Rupees in thousand	
9 AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - Unsecured		(Unaudited)	(Audited)
Considered good		872,526	1,094,914
Considered doubtful		322,810	322,810
		<u>1,195,336</u>	<u>1,417,724</u>
Less: Provision for doubtful balances	9.1	<u>(322,810)</u>	<u>(322,810)</u>
		872,526	1,094,914
9.1 Reconciliation of provision for doubtful balances			
Opening provision		322,810	326,327
Charge for the period		-	-
Written off during the period		-	(3,517)
Closing provision		<u>322,810</u>	<u>322,810</u>

10 FIXED ASSETS

Additions during the first quarter ended 31 March 2014 (including transfers from capital work in progress) amounted to Rupees 123.951 million (2013: Rupees 61.886 million) while disposals had a cost of Rupees 11.204 million (2013: Rupees 15.189 million) and written down value of Rupees 3.549 million (2013: Rupees 7.514 million).

11 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationships with its associates, subsidiary company, employee benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payment of rentals for the use of premises rented from them. There are no transactions with key management personnel other than their terms of employment.

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

	Quarter ended 31 March 2014	Quarter ended 31 March 2013
Rupees in thousand		
Subsidiary Company		
Premium underwritten	2,516	6,160
Claims expense	17,366	12,138
Commission and other incentives in respect of Bancassurance	112,589	138,755
Profit on bank deposits	4,618	3,682
Investment advisor fee	2,094	1,318
Custodian fee	948	432
Technical support fee	4,284	4,800
Holding Company		
Premium underwritten	264,070	353,002
Premium received	261,560	135,514
Claims paid	56,570	89,889
Rent paid	-	1,130
Rent received	1,248	-
Dividend received	189,166	195,603
Income on deposits	-	7,441
Number of shares		
Bonus shares received	3,004,653	5,626,611

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

12. SEGMENT REPORTING

Each class of business has been identified as reportable segment. Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following is a schedule of class of business wise assets and liabilities:

31 March 2014																					
Fire and Property Damage		Marine Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities		Total		Aggregate General Insurance	Life Insurance			Aggregate Life Insurance	Grand Total		
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		Conventional Business	Accident and Health Business	Non-united investment link Business			Unit Link Business	
Rupees in thousand																					
OTHER INFORMATION																					
Segment assets	4,692,942	149,066	381,352	18,494	576,975	2,974,719	1,952,228	36,938	-	-	-	7,603,497	3,179,217	10,782,714	167,848	138	1,242,917	3,967,053	5,377,956	16,140,670	
Unallocated assets	-	-	-	-	-	-	-	-	-	14,166,507	1,380,032	14,166,507	1,380,032	15,546,539	-	-	-	-	468,187	16,014,726	
Total assets	4,692,942	149,066	381,352	18,494	576,975	2,974,719	1,952,228	36,938	-	-	14,166,507	1,380,032	21,770,004	4,559,249	26,329,253	167,848	138	1,242,917	3,967,053	5,846,143	32,175,396
OTHER INFORMATION																					
Segment liabilities	4,886,571	107,478	257,306	13,830	961,548	3,328,025	1,937,481	26,156	20,332	-	-	8,063,238	3,475,489	11,538,727	67,523	45	65,734	162,025	295,327	11,834,054	
Unallocated liabilities	-	-	-	-	-	-	-	-	-	2,002,885	231,112	2,002,885	231,112	2,233,997	-	-	-	-	42,017	2,276,014	
Total liabilities	4,886,571	107,478	257,306	13,830	961,548	3,328,025	1,937,481	26,156	20,332	-	2,002,885	231,112	10,066,123	3,706,601	13,772,724	67,523	45	65,734	162,025	337,344	14,110,068
OTHER INFORMATION																					
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
												27,910	3,485	31,395					5,722		37,117

31 December 2013																					
Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities		Total		Aggregate (Reinsured) Insurance	Life Insurance				Aggregate Life Insurance	Grand Total	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		Conventional Business	Accident and Health Business	Non-UNITED investment link Business	UNIT Link Business			
Rupees in thousand																					
5,708,248		190,383	386,545	10,849	533,402	3,209,264	1,553,073	26,992	-	-	-	8,181,968	3,437,488	11,619,456	172,686	46	1,153,478	3,843,005	5,169,215	16,788,671	
-		-	-	-	-	-	-	-	-	13,356,322	1,528,911	13,356,322	1,528,911	14,885,233	-	-	-	-	426,611	15,311,644	
5,708,248		190,383	386,545	10,849	533,402	3,209,264	1,553,073	26,992	-	-	13,356,322	1,528,911	4,966,399	26,504,689	172,686	46	1,153,478	3,843,005	5,595,826	32,100,515	
6,089,676		166,486	354,083	16,373	1,064,237	3,649,528	2,007,893	24,905	20,332	-	-	-	9,536,221	3,857,292	13,393,513	64,369	45	38,875	167,331	270,620	13,644,133
-		-	-	-	-	-	-	-	-	681,231	78,292	681,231	78,292	759,523	-	-	-	-	45,840	805,363	
6,089,676		166,486	354,083	16,373	1,064,237	3,649,528	2,007,893	24,905	20,332	-	681,231	78,292	10,217,452	3,935,584	14,153,036	64,369	45	38,875	167,331	316,640	14,469,696
OTHER INFORMATION																					
Segment assets																					
Unallocated assets																					
Total assets																					
Segment liabilities																					
Unallocated liabilities																					
Total liabilities																					
Capital expenditure																					
279,514																					

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2014

13 GENERAL

13.1 No significant reclassification / rearrangement of corresponding figures has been made in this consolidated condensed interim financial information.

13.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.

14 DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on 29 April 2014 by the Board of Directors of the Company.

Umer Mansha
Chairman

Kamran Rasool
Director

Shahid Malik
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer