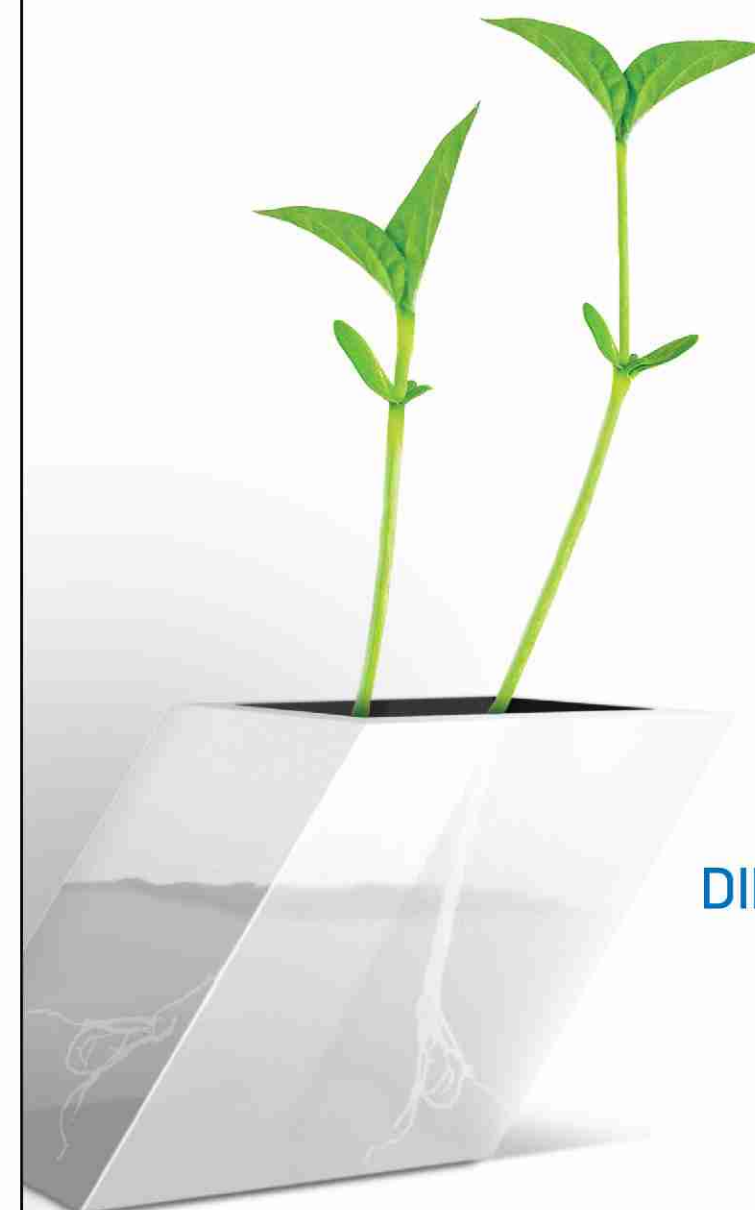


INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED 30 JUNE 2014



GROWING IN
THE RIGHT
DIRECTION



www.admjeeinsurance.com



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VISION

Our will is to explore,
innovate and differentiate.
Our passion is to provide leadership
to the insurance industry.



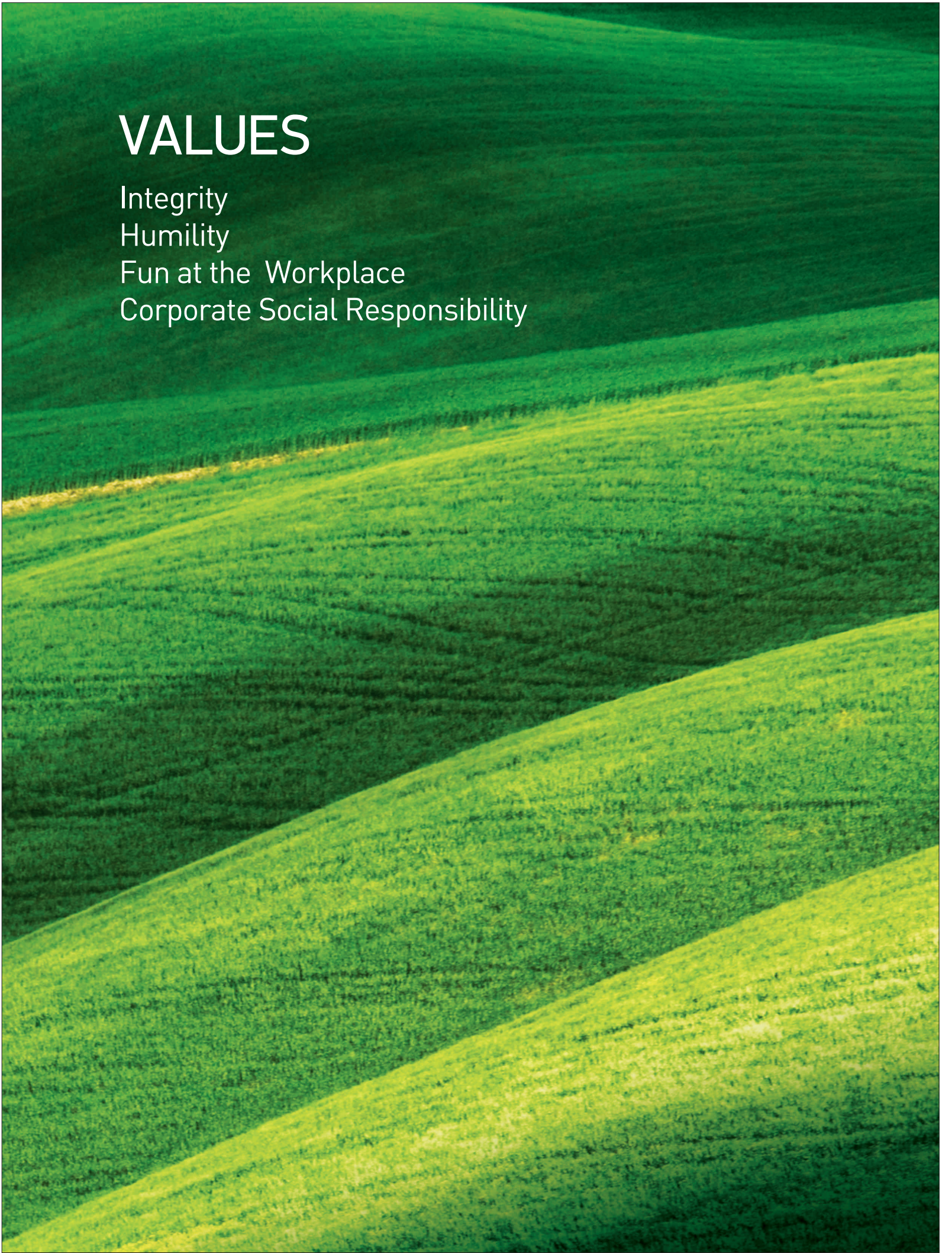
VALUES

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 |
| Muhammd Umar Virk | Member |
| Muhammad Ali Zeb | Member |
| Head of Re-Insurance | Member |

COMPANY SECRETARY

Tameez-ul-Haque
F.C.A

CHIEF FINANCIAL OFFICER

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

EXECUTIVE MANAGEMENT TEAM

Adnan Ahmad Chaudhry
Asif Jabbar
Muhammad Ahsan
Muhammad Ali Zeb
Muhammad Salim Iqbal
Rehan Ahmad Khan

AUDITORS

M/S KPMG Taseer Hadi & Company
Chartered Accountants
2nd Floor, Servis House
2-Main Gulberg, Jail Road,
Lahore-54000

SHARES REGISTRAR

Technology Trade (Pvt.) Limited
Dagia 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 HALF YEAR ENDED 30 JUNE 2014

On behalf of the Board, I am pleased to present the unconsolidated condensed interim financial information of the Company for the half year ended 30 June 2014.

The highlights for the period under review are as follows:

| | 30 June 2014 | 30 June 2013 |
|----------------------|--------------------|--------------|
| | Rupees in thousand | |
| | (Unaudited) | (Unaudited) |
| Gross premium | 5,992,164 | 5,079,337 |
| Net premium | 3,055,023 | 2,710,599 |
| Underwriting results | 30,633 | 126,824 |
| Investment income | 1,017,865 | 1,673,388 |
| Profit before tax | 929,612 | 1,711,053 |
| Profit after tax | 842,923 | 1,510,997 |
| | Rupees | |
| | | (Restated) |
| Earnings per share | 2.41 | 4.32 |

The Gross Premium of the Company has increased by 18% where as the Net Premium has increased by 13%. Net Claims have increased by 21% and Net Commission has increased by 11%, respectively over the corresponding period of last year.

The investment income of the Company has decreased by 39% as compared to last year and the Profit Before and After Tax have decreased by 46% and 44%, respectively from the same period of last year.

I am pleased to inform you that the Board of Directors has declared interim cash dividend of Rupees 1.25 per share.

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

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

Date: 26 August 2014
Lahore

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying:

- i. unconsolidated condensed interim balance sheet;
- ii. unconsolidated condensed interim profit and loss account;
- iii. unconsolidated condensed interim statement of comprehensive income;
- iv. unconsolidated condensed interim statement of changes in equity;
- v. unconsolidated condensed interim statement of cash flows;
- vi. unconsolidated condensed interim statement of premiums;
- vii. unconsolidated condensed interim statement of claims;
- viii. unconsolidated condensed interim statement of expenses;
- ix. unconsolidated condensed interim statement of investment income;

and notes to the unconsolidated condensed interim financial information of **Adamjee Insurance Company Limited** as at and for the half year ended 30 June 2014 (here-in-after referred to as "Unconsolidated Condensed Interim Financial Information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

The figures for the second quarter ended 30 June 2014 and 30 June 2013 in the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of premiums, unconsolidated condensed interim statement of claims, unconsolidated condensed interim statement of expenses and unconsolidated condensed interim statement of investment income have not been reviewed by us and we do not express a conclusion on them.

Other matter

The unconsolidated condensed interim financial information of the Company for the half year ended 30 June 2013 and the financial statements for the year ended 31 December 2013 were reviewed / audited by Riaz Ahmad & Company Chartered Accountants, whose review report dated 27 August 2013 and audit report dated 20 March 2014 expressed an unmodified conclusion and unmodified opinion respectively on the aforementioned financial information and financial statements.

Lahore

Date: 26 August 2014

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
30 JUNE 2014**

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 30 JUNE 2014

| | (Unaudited) | (Audited) |
|--|--------------------|-------------------|
| Note | 30 June 2014 | 31 December 2013 |
| | Rupees in thousand | |
| EQUITY AND LIABILITIES | | |
| Share capital and reserves | | |
| Authorized capital 375,000,000 (2013: 375,000,000) ordinary shares of Rs. 10 each | 3,750,000 | 3,750,000 |
| Issued, subscribed and paid up capital | 3,500,000 | 3,500,000 |
| Reserves | 1,387,310 | 1,440,409 |
| Retained Earnings | 8,599,061 | 8,106,138 |
| TOTAL EQUITY | 13,486,371 | 13,046,547 |
| Underwriting provisions | | |
| Provision for outstanding claims (including IBNR) | 6,314,863 | 7,322,673 |
| Provision for unearned premium | 4,679,661 | 4,044,831 |
| Commission income unearned | 236,070 | 182,184 |
| Total underwriting provisions | 11,230,594 | 11,549,688 |
| Deferred liabilities | | |
| Staff retirement benefits | 43,039 | 40,477 |
| Creditors and accruals | | |
| Premiums received in advance | 90,460 | 153,420 |
| Amounts due to other insurers / reinsurers | 1,354,634 | 641,197 |
| Accrued expenses | 87,389 | 112,572 |
| Other creditors and accruals | 1,881,247 | 1,613,727 |
| | 3,413,730 | 2,520,916 |
| Borrowings | | |
| Liabilities against assets subject to finance lease | 1,072 | 6,683 |
| Other liabilities | | |
| Unclaimed dividends | 44,025 | 37,675 |
| TOTAL LIABILITIES | 14,732,460 | 14,155,439 |
| Contingencies and commitments | 7 | |
| TOTAL EQUITY AND LIABILITIES | 28,218,831 | 27,201,986 |

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

| | (Unaudited) | (Audited) |
|------|--------------------|------------------|
| Note | 30 June 2014 | 31 December 2013 |
| | Rupees in thousand | |

Cash and bank deposits

| | | |
|------------------------------------|------------------|------------------|
| Cash and other equivalents | 1,590 | 4,411 |
| Current and other accounts | 1,031,603 | 1,385,675 |
| Deposits maturing within 12 months | 1,027,477 | 1,156,190 |
| | <u>2,060,670</u> | <u>2,546,276</u> |

Loans - secured, considered good

| | | |
|--------------|--------|--------|
| To employees | 17,168 | 16,151 |
|--------------|--------|--------|

| | | | |
|-------------|---|------------|------------|
| Investments | 8 | 12,737,194 | 11,359,717 |
|-------------|---|------------|------------|

| | | | |
|-------------------|--|--------|---------|
| Deferred taxation | | 94,813 | 105,401 |
|-------------------|--|--------|---------|

Current assets - others

| | | | |
|---|----|-------------------|-------------------|
| Premiums due but unpaid | 9 | 3,820,765 | 2,658,071 |
| Amounts due from other insurers / reinsurers | 10 | 676,056 | 1,093,985 |
| Salvage recoveries accrued | | 178,848 | 179,703 |
| Premium and claim reserves retained by cedants | | 23,252 | 23,252 |
| Accrued investment income | | 21,078 | 15,877 |
| Reinsurance recoveries against outstanding claims | | 4,588,224 | 5,574,428 |
| Taxation - payments less provision | | 55,115 | 78,249 |
| Deferred commission expense | | 446,436 | 390,649 |
| Prepayments | | 2,083,192 | 1,766,507 |
| Sundry receivables | | 244,074 | 197,048 |
| | | <u>12,137,040</u> | <u>11,977,769</u> |

Operating fixed assets - Tangible & intangible

Owned

| | | |
|--------------------------------------|------------------|------------------|
| Land and buildings | 420,321 | 445,207 |
| Furniture and fixtures | 133,635 | 140,695 |
| Motor vehicles | 291,600 | 262,808 |
| Machinery and equipment | 111,779 | 113,428 |
| Computers and related accessories | 126,617 | 42,923 |
| Intangible asset - computer software | 58,957 | 68,674 |
| Capital work in progress - Tangible | 1,721 | 89,310 |
| | <u>1,144,630</u> | <u>1,163,045</u> |

Leased

| | | |
|----------------|--------|--------|
| Motor vehicles | 27,316 | 33,627 |
|----------------|--------|--------|

| | | |
|---------------------|--------------------------|--------------------------|
| TOTAL ASSETS | <u><u>28,218,831</u></u> | <u><u>27,201,986</u></u> |
|---------------------|--------------------------|--------------------------|

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Fire and Property Damage | Marine, Aviation and Transport | Motor | Miscellaneous | Treaty | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 |
|--|--------------------------------|--------------------------------------|--------------|-----------------|----------|----------------------------------|----------------------------------|
| Rupees in thousand | | | | | | | |
| Revenue account | | | | | | | |
| Net premium revenue | 266,283 | 176,818 | 669,552 | 411,224 | - | 1,523,877 | 1,401,498 |
| Net claims | (118,978) | (145,289) | (408,723) | (361,039) | - | (1,034,029) | (817,253) |
| Expenses | (94,385) | (49,449) | (185,694) | (95,062) | - | (424,590) | (413,984) |
| Net commission | 30,523 | (28,899) | (70,317) | (573) | - | (69,266) | (89,695) |
| Underwriting result | <u>83,443</u> | <u>(46,819)</u> | <u>4,818</u> | <u>(45,450)</u> | <u>-</u> | <u>(4,008)</u> | <u>80,566</u> |
| Investment income | | | | | | 316,216 | 964,130 |
| Rental income | | | | | | 1,197 | 1,198 |
| Other income | | | | | | 26,227 | 32,209 |
| | | | | | | 339,632 | 1,078,103 |
| General and administration expenses | | | | | | (97,464) | (104,200) |
| Exchange (loss) / gain | | | | | | (952) | (660) |
| Finance charge on lease rentals | | | | | | (79) | (549) |
| Profit before tax | | | | | | <u>241,137</u> | <u>972,694</u> |
| Provision for taxation | | | | | | | |
| - Current | | | | | | (30,800) | (27,166) |
| - Deferred | | | | | | 4,317 | (135,770) |
| Profit after tax | | | | | | <u>214,654</u> | <u>809,758</u> |
| Rupees in thousand | | | | | | | |
| Earnings per share - basic and diluted | | | | | | <u>0.61</u> | <u>(Restated) 2.31</u> |

| | Fire and Property Damage | Marine, Aviation and Transport | Motor | Miscellaneous | Treaty | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
|--|--------------------------------|--------------------------------------|-----------------|----------------|----------|------------------------------------|------------------------------------|
| Rupees in thousand | | | | | | | |
| Revenue account | | | | | | | |
| Net premium revenue | 500,654 | 337,232 | 1,375,780 | 841,357 | - | 3,055,023 | 2,710,599 |
| Net claims | (222,237) | (181,297) | (931,734) | (645,667) | - | (1,980,935) | (1,642,423) |
| Expenses | (173,405) | (100,785) | (376,245) | (196,688) | - | (847,123) | (764,758) |
| Net commission | 10,375 | (53,725) | (147,694) | (5,288) | - | (196,332) | (176,594) |
| Underwriting result | <u>115,387</u> | <u>1,425</u> | <u>(79,893)</u> | <u>(6,286)</u> | <u>-</u> | <u>30,633</u> | <u>126,824</u> |
| Investment income | | | | | | 1,017,865 | 1,673,388 |
| Rental income | | | | | | 2,445 | 2,389 |
| Other income | | | | | | 50,141 | 66,894 |
| | | | | | | 1,101,084 | 1,869,495 |
| General and administration expenses | | | | | | (168,748) | (157,853) |
| Exchange (loss) / gain | | | | | | (2,472) | 573 |
| Finance charge on lease rentals | | | | | | (252) | (1,162) |
| Profit before tax | | | | | | <u>929,612</u> | <u>1,711,053</u> |
| Provision for taxation | | | | | | | |
| - Current | | | | | | (76,101) | (64,286) |
| - Deferred | | | | | | (10,588) | (135,770) |
| Profit after tax | | | | | | <u>842,923</u> | <u>1,510,997</u> |
| Profit and loss appropriation account | | | | | | | |
| Balance at the commencement of the period | | | | | | 8,106,138 | 8,806,823 |
| Profit after tax for the period | | | | | | 842,923 | 1,510,997 |
| 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>8,599,061</u> | <u>10,194,115</u> |
| Rupees in thousand | | | | | | | |
| Earnings per share - basic and diluted (12) | | | | | | <u>2.41</u> | <u>(Restated) 4.32</u> |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

| | Fire and Property Damage | Marine, Aviation and Transport | Motor | Miscellaneous | Treaty | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 |
|-------------------------------------|--------------------------------|--------------------------------------|---------------|-----------------|----------|----------------------------------|----------------------------------|
| Rupees in thousand | | | | | | | |
| Revenue account | | | | | | | |
| Net premium revenue | 259,840 | 170,172 | 333,733 | 407,062 | - | 1,170,807 | 953,371 |
| Net claims | (94,465) | (146,357) | (159,331) | (360,259) | - | (760,412) | (473,488) |
| Expenses | (85,935) | (46,342) | (128,819) | (89,310) | - | (350,406) | (342,475) |
| Net commission | 31,016 | (27,653) | (25,235) | (299) | - | (22,171) | (49,217) |
| Underwriting result | <u>110,456</u> | <u>(50,180)</u> | <u>20,348</u> | <u>(42,806)</u> | <u>-</u> | <u>37,818</u> | <u>88,191</u> |
| Investment income | | | | | | 316,216 | 964,130 |
| Rental income | | | | | | - | - |
| Other income | | | | | | 19,890 | 19,147 |
| | | | | | | <u>373,924</u> | <u>1,071,468</u> |
| General and administration expenses | | | | | | (90,082) | (86,811) |
| Exchange loss | | | | | | (952) | (660) |
| Finance charge on lease rentals | | | | | | (79) | (549) |
| Profit before tax | | | | | | <u>282,811</u> | <u>983,448</u> |

| | Fire and Property Damage | Marine, Aviation and Transport | Motor | Miscellaneous | Treaty | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
|-------------------------------------|--------------------------------|--------------------------------------|---------------|---------------|----------|------------------------------------|------------------------------------|
| Rupees in thousand | | | | | | | |
| Revenue account | | | | | | | |
| Net premium revenue | 488,156 | 321,140 | 652,951 | 833,336 | - | 2,295,583 | 1,873,992 |
| Net claims | (192,166) | (182,365) | (324,549) | (643,796) | - | (1,342,876) | (1,027,698) |
| Expenses | (160,126) | (93,977) | (251,755) | (183,880) | - | (689,738) | (624,415) |
| Net commission | 10,612 | (51,220) | (52,021) | (4,650) | - | (97,279) | (103,184) |
| Underwriting result | <u>146,476</u> | <u>(6,422)</u> | <u>24,626</u> | <u>1,010</u> | <u>-</u> | <u>165,690</u> | <u>118,695</u> |
| Investment income | | | | | | 1,017,865 | 1,673,388 |
| Rental income | | | | | | - | - |
| Other income | | | | | | 38,685 | 41,155 |
| | | | | | | <u>1,222,240</u> | <u>1,833,238</u> |
| General and administration expenses | | | | | | (145,707) | (122,898) |
| Exchange (loss) / gain | | | | | | (2,472) | 573 |
| Finance charge on lease rentals | | | | | | (252) | (1,162) |
| Profit before tax | | | | | | <u>1,073,809</u> | <u>1,709,751</u> |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2014

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

| | Fire and Property Damage | Marine, Aviation and Transport | Motor | Miscellaneous | Treaty | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 |
|-------------------------------------|--------------------------------|--------------------------------------|-----------------|----------------|----------|----------------------------------|----------------------------------|
| Rupees in thousand | | | | | | | |
| Revenue account | | | | | | | |
| Net premium revenue | 6,443 | 6,646 | 335,819 | 4,162 | - | 353,070 | 448,127 |
| Net claims | (24,513) | 1,068 | (249,392) | (780) | - | (273,617) | (343,765) |
| Expenses | (8,450) | (3,107) | (56,875) | (5,752) | - | (74,184) | (71,509) |
| Net commission | (493) | (1,246) | (45,082) | (274) | - | (47,095) | (40,478) |
| Underwriting result | <u>(27,013)</u> | <u>3,361</u> | <u>(15,530)</u> | <u>(2,644)</u> | <u>-</u> | <u>(41,826)</u> | <u>(7,625)</u> |
| Investment income | | | | | | - | - |
| Rental income | | | | | | 1,197 | 1,198 |
| Other income | | | | | | 6,337 | 13,062 |
| | | | | | | (34,292) | 6,635 |
| General and administration expenses | | | | | | (7,382) | (17,389) |
| Loss before tax | | | | | | <u>(41,674)</u> | <u>(10,754)</u> |

| | Fire and Property Damage | Marine, Aviation and Transport | Motor | Miscellaneous | Treaty | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
|-------------------------------------|--------------------------------|--------------------------------------|------------------|----------------|----------|------------------------------------|------------------------------------|
| Rupees in thousand | | | | | | | |
| Revenue account | | | | | | | |
| Net premium revenue | 12,498 | 16,092 | 722,829 | 8,021 | - | 759,440 | 836,607 |
| Net claims | (30,071) | 1,068 | (607,185) | (1,871) | - | (638,059) | (614,725) |
| Expenses | (13,279) | (6,808) | (124,490) | (12,808) | - | (157,385) | (140,343) |
| Net commission | (237) | (2,505) | (95,673) | (638) | - | (99,053) | (73,410) |
| Underwriting result | <u>(31,089)</u> | <u>7,847</u> | <u>(104,519)</u> | <u>(7,296)</u> | <u>-</u> | <u>(135,057)</u> | <u>8,129</u> |
| Investment income | | | | | | - | - |
| Rental income | | | | | | 2,445 | 2,389 |
| Other income | | | | | | 11,456 | 25,739 |
| | | | | | | (121,156) | 36,257 |
| General and administration expenses | | | | | | (23,041) | (34,955) |
| (Loss) / profit before tax | | | | | | <u>(144,197)</u> | <u>1,302</u> |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Quarter ended | | Half Year ended | |
|--|--------------------|----------------|-----------------|------------------|
| | 30 June 2014 | 30 June 2013 | 30 June 2014 | 30 June 2013 |
| | Rupees in thousand | | | |
| Profit for the period | 214,654 | 809,758 | 842,923 | 1,510,997 |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit and loss | | | | |
| Effect of translation of investment in foreign branch - net | 19,226 | 10,765 | (53,099) | 94,336 |
| Total comprehensive income for the period | 233,880 | 820,523 | 789,824 | 1,605,333 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
|---|---------------------------------|---------------------------------|
| | Rupees in thousand | |
| Cash flows from operating activities | | |
| a) Underwriting activities | | |
| Premiums received | 4,777,561 | 5,202,519 |
| Reinsurance premiums paid | (1,853,439) | (1,803,254) |
| Claims paid | (4,149,258) | (3,157,605) |
| Surrenders paid | (11,051) | (9,063) |
| Reinsurance and other recoveries received | 2,592,450 | 1,197,941 |
| Commissions paid | (395,001) | (572,264) |
| Commissions received | 304,735 | 304,120 |
| Other underwriting payments | (742,506) | (441,391) |
| Net cash flow from underwriting activities | 523,491 | 721,003 |
| b) Other operating activities | | |
| Income tax paid | (52,967) | (56,597) |
| General and management expenses paid | (235,767) | (206,902) |
| Loans disbursed | (27,314) | (25,052) |
| Loans repayments received | 22,334 | 24,325 |
| Other receipts | 882 | 17,444 |
| Net cash used in other operating activities | (292,832) | (246,782) |
| Total cash generated from all operating activities | 230,659 | 474,221 |
| Cash flows from investing activities | | |
| Profit / return received on bank deposits | 50,667 | 47,790 |
| Return on Pakistan investments bonds | 5,366 | 5,953 |
| Income received from TFCs | 3,548 | 6,525 |
| Income from treasury bills | 7,305 | 4,382 |
| Dividends received | 457,009 | 545,312 |
| Rentals received | 2,445 | 1,588 |
| Payments for investments | (3,695,411) | (3,532,572) |
| Proceeds from disposal of investments | 2,854,334 | 2,997,225 |
| Fixed capital expenditure - tangible assets | (77,819) | (117,281) |
| Fixed capital expenditure - intangible assets | (1,070) | (4,078) |
| Proceeds from disposal of operating fixed assets | 6,458 | 12,025 |
| Total cash used in investing activities | (387,168) | (33,131) |
| Cash flows from financing activities | | |
| Finance lease rentals paid | (5,863) | (12,029) |
| Dividends paid | (323,234) | (119,791) |
| Total cash used in financing activities | (329,097) | (131,820) |
| Net cash (used in) / generated from all activities | (485,606) | 309,270 |
| Cash at the beginning of the period | 2,537,200 | 2,498,335 |
| Cash at the end of the period | 2,051,594 | 2,807,605 |

Reconciliation to Profit and Loss account

| |
|---|
| Operating cash flows |
| Depreciation expense |
| Provision for gratuity |
| Other income - bank deposits |
| Loss on disposal of operating fixed assets |
| Finance charge on lease obligations |
| Rental income |
| Increase / (decrease) in assets other than cash |
| Decrease / (increase) in liabilities other than running finance |

| Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
|---------------------------------|---------------------------------|
| Rupees in thousand | |
| 230,659 | 474,221 |
| (73,882) | (61,427) |
| (2,562) | (12,081) |
| 47,370 | 69,920 |
| (585) | (118) |
| (252) | (1,162) |
| 2,445 | 2,389 |
| 177,204 | (259,352) |
| 117,149 | (185,345) |
| 497,546 | 27,045 |

Others

| |
|---|
| Profit on sale of investments |
| Amortization expense |
| Increase in unearned premium |
| Amortization of income on Government securities - net |
| Decrease in loans |
| Income taxes paid |
| Reversal of provision for impairment in value of available-for-sale investments |
| Dividend and other income |
| Income from treasury bills |
| Return on Pakistan investments bonds |
| Income from TFCs |

| | |
|-----------|-----------|
| 532,769 | 1,069,144 |
| (10,060) | (9,824) |
| (634,830) | (37,036) |
| 261 | 273 |
| 4,981 | 610 |
| 52,967 | 56,597 |
| 3,370 | 51,216 |
| 458,836 | 538,490 |
| 14,334 | 1,836 |
| 5,898 | 6,483 |
| 3,540 | 6,219 |
| 432,066 | 1,684,008 |

Profit before taxation

| | |
|---------|-----------|
| 929,612 | 1,711,053 |
|---------|-----------|

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.

Cash for the purposes of the Statement of Cash flows consists of:

| |
|--|
| Cash and other equivalents |
| Current and other accounts |
| Deposits maturing within 12 months |
| Total cash and cash equivalents |

| Half year ended 30 June 2014 | Half year ended 30 June 2013 |
|---------------------------------|---------------------------------|
| Rupees in thousand | |
| 1,590 | 1,772 |
| 1,031,603 | 1,705,824 |
| 1,018,401 | 1,100,009 |
| 2,051,594 | 2,807,605 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

| | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
|---|---------------------------------|---------------------------------|
| | Rupees in thousand | |
| Cash flows from operating activities | | |
| a) Underwriting activities | | |
| Premiums received | 3,766,178 | 4,092,057 |
| Reinsurance premiums paid | (1,529,331) | (1,537,881) |
| Claims paid | (2,843,045) | (2,150,104) |
| Surrenders paid | (11,051) | (9,063) |
| Reinsurance and other recoveries received | 1,724,999 | 837,417 |
| Commissions paid | (292,614) | (454,166) |
| Commissions received | 277,112 | 263,457 |
| Other underwriting payments | (478,563) | (294,476) |
| Net cash generated from underwriting activities | 613,685 | 747,241 |
| b) Other operating activities | | |
| Income taxes paid | (52,967) | (56,597) |
| General and management expenses paid | (208,813) | (187,683) |
| Loans disbursed | (22,660) | (23,818) |
| Loans repayments received | 17,740 | 19,977 |
| Other receipts | 959 | 3,170 |
| Net cash used in other operating activities | (265,741) | (244,951) |
| Total cash generated from all operating activities | 347,944 | 502,290 |
| Cash flows from investing activities | | |
| Profit / return received on bank deposits | 35,021 | 38,620 |
| Return on Pakistan investments bonds | 5,366 | 5,953 |
| Income received from TFCs | 3,548 | 6,525 |
| Income from treasury bills | 7,305 | 4,382 |
| Dividends received | 457,009 | 545,312 |
| Rentals received | - | (801) |
| Payments for investments | (3,695,411) | (3,532,572) |
| Proceeds from disposal of investments | 2,854,334 | 2,997,225 |
| Fixed capital expenditure - tangible assets | (74,423) | (108,741) |
| Fixed capital expenditure - intangible assets | (566) | (4,078) |
| Proceeds from disposal of operating fixed assets | 6,308 | 12,025 |
| Total cash used in investing activities | (401,509) | (36,150) |
| Cash flows from financing activities | | |
| Finance lease rentals paid | (5,863) | (12,029) |
| Dividends paid | (323,234) | (119,791) |
| Total cash used in financing activities | (329,097) | (131,820) |
| Net cash (used in) / generated from all activities | (382,662) | 334,320 |
| Cash at the beginning of the period | 1,274,188 | 1,289,119 |
| Cash at the end of the period | 891,526 | 1,623,439 |

Reconciliation to Profit and Loss account

| |
|---|
| Operating cash flows |
| Depreciation expense |
| Provision for gratuity |
| Other income - bank deposits |
| Loss on disposal of operating fixed assets |
| Finance charge on lease obligations |
| Rental income |
| Increase / (decrease) in assets other than cash |
| (Increase) / decrease in liabilities other than running finance |

Half Year ended
30 June 2014

Half Year ended
30 June 2013

Rupees in thousand

| | |
|-----------|-----------|
| 347,944 | 502,290 |
| (62,181) | (48,612) |
| - | (8,664) |
| 35,901 | 58,456 |
| (647) | (118) |
| (252) | (1,162) |
| - | - |
| 523,669 | (655,531) |
| (130,489) | 18,557 |
| 713,945 | (134,784) |

Others

| |
|---|
| Profit on sale of investments |
| Amortization expense |
| (Increase) / decrease in unearned premium |
| Amortization of income on Government Securities - net |
| Decrease in loans |
| Income taxes paid |
| Reversal of provision for impairment in value of available-for-sale investments |
| Dividend income |
| Income from treasury bills |
| Return on Pakistan investments bonds |
| Income from TFCs |

| | |
|-----------|-----------|
| 532,769 | 1,069,144 |
| (10,060) | (9,824) |
| (706,972) | 120,377 |
| 261 | 273 |
| 4,921 | 3,724 |
| 52,967 | 56,597 |
| 3,370 | 51,216 |
| 458,836 | 538,490 |
| 14,334 | 1,836 |
| 5,898 | 6,483 |
| 3,540 | 6,219 |
| 359,864 | 1,844,535 |

Profit before taxation

1,073,809

1,709,751

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.

Half year ended
30 June 2014

Half year ended
30 June 2013

Rupees in thousand

Cash for the purposes of the Statement of Cash flows consists of:

| |
|--|
| Cash and other equivalents |
| Current and other accounts |
| Deposits maturing within 12 months |
| Total cash and cash equivalents |

| | |
|---------|-----------|
| 1,375 | 1,503 |
| 888,417 | 1,617,201 |
| 1,734 | 4,735 |
| 891,526 | 1,623,439 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

| | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
|---|---------------------------------|---------------------------------|
| | Rupees in thousand | |
| Cash flows from operating activities | | |
| a) Underwriting activities | | |
| Premiums received | 1,011,383 | 1,110,462 |
| Reinsurance premiums paid | (324,108) | (265,373) |
| Claims paid | (1,306,213) | (1,007,501) |
| Surrenders paid | - | - |
| Reinsurance and other recoveries received | 867,451 | 360,524 |
| Commissions paid | (102,387) | (118,098) |
| Commissions received | 27,623 | 40,663 |
| Other underwriting payments | (263,943) | (146,915) |
| Net cash used in underwriting activities | (90,194) | (26,238) |
| b) Other operating activities | | |
| Income taxes paid | - | - |
| General and management expenses paid | (26,954) | (19,219) |
| Loans disbursed | (4,654) | (1,234) |
| Loans repayments received | 4,594 | 4,348 |
| Other (payments) / receipts | (77) | 14,274 |
| Net cash used in other operating activities | (27,091) | (1,831) |
| Total cash used in all operating activities | (117,285) | (28,069) |
| Cash flows from investing activities | | |
| Profit / return received on bank deposits | 15,646 | 9,170 |
| Return on Pakistan investments bonds | - | - |
| Income received from TFCs | - | - |
| Income from treasury bills | - | - |
| Dividends received | - | - |
| Rentals received | 2,445 | 2,389 |
| Payments for investments | - | - |
| Proceeds from disposal of investments | - | - |
| Fixed capital expenditure - tangible assets | (3,396) | (8,540) |
| Fixed capital expenditure - intangible assets | (504) | - |
| Proceeds from disposal of operating fixed assets | 150 | - |
| Total cash generated from investing activities | 14,341 | 3,019 |
| Cash flows from financing activities | | |
| Finance lease rentals paid | - | - |
| Dividends paid | - | - |
| Total cash generated from / (used in) financing activities | - | - |
| Net cash used in all activities | (102,944) | (25,050) |
| Cash at the beginning of the period | 1,263,012 | 1,209,216 |
| Cash at the end of the period | 1,160,068 | 1,184,166 |

Reconciliation to Profit and Loss account

| |
|---|
| Operating cash flows |
| Depreciation expense |
| Provision for gratuity |
| Other income - bank deposits |
| Gain on disposal of operating fixed assets |
| Finance charge on lease obligations |
| Rental income |
| (Decrease) / increase in assets other than cash |
| Decrease / (increase) in liabilities other than running finance |

Half Year ended
30 June 2014

Half Year ended
30 June 2013

Rupees in thousand

| | |
|-----------|-----------|
| (117,285) | (28,069) |
| (11,701) | (12,815) |
| (2,562) | (3,417) |
| 11,469 | 11,464 |
| 62 | - |
| - | - |
| 2,445 | 2,389 |
| (346,465) | 396,179 |
| 247,638 | (203,902) |
| (216,399) | 161,829 |

Others

| |
|---|
| Profit on sale of investments |
| Amortization expense |
| Decrease / (increase) in unearned premium |
| Amortization of income on Government securities - net |
| Decrease / (increase) in loans |
| Income taxes paid |
| Reversal of provision for impairment in value of available-for-sale investments |
| Dividend income |
| Income from treasury bills |
| Return on Pakistan investments bonds |
| Income from TFCs |

| | |
|--------|-----------|
| - | - |
| - | - |
| 72,142 | (157,413) |
| - | - |
| 60 | (3,114) |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| 72,202 | (160,527) |

(Loss) / Profit before taxation

| | |
|-----------|-------|
| (144,197) | 1,302 |
|-----------|-------|

Definition of cash

Cash comprises cash in hand, bank balance and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

Cash for the purposes of the Statement of Cash flows consists of:

| |
|--|
| Cash and other equivalents |
| Current and other accounts |
| Deposits maturing within 12 months |
| Total cash and cash equivalents |

Half Year ended
30 June 2014

Half Year ended
30 June 2013

Rupees in thousand

| | |
|-----------|-----------|
| 215 | 269 |
| 143,186 | 88,623 |
| 1,016,667 | 1,095,274 |
| 1,160,068 | 1,184,166 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Share Capital | Capital Reserves | | | | Revenue Reserves | | Total |
|--|--------------------------------|-----------------------------------|--------------------------------|--------------------------------|------------------------------|------------------|-------------------|------------|
| | Issued, subscribed and paid-up | Reserve for issue of bonus shares | Reserve for exceptional losses | Investment fluctuation reserve | Exchange translation reserve | General reserve | Retained earnings | |
| Rupees in thousand | | | | | | | | |
| Balance as at 31 December 2012 - restated (Audited) | 1,237,045 | - | 22,859 | 3,764 | 478,756 | 936,500 | 8,806,823 | 11,485,747 |
| Profit for the period 01 Jan 2013 to 30 June 2013 | - | - | - | - | - | - | 1,510,997 | 1,510,997 |
| Other comprehensive income for the period 01 Jan 2013 to 30 June 2013 | - | - | - | - | 94,336 | - | - | 94,336 |
| Final dividend for the year ended 31 December 2012 @ 10% (Rupee 1/- per share) | - | - | - | - | - | - | (123,705) | (123,705) |
| Balance as at 30 June 2013 - (Unaudited) | 1,237,045 | - | 22,859 | 3,764 | 573,092 | 936,500 | 10,194,115 | 12,967,375 |
| Profit for the period 01 July 2013 to 31 December 2013 | - | - | - | - | - | - | 455,162 | 455,162 |
| Other comprehensive income for the period 01 July 2013 to 31 December 2013 | - | - | - | - | (95,806) | - | 29,078 | (66,728) |
| Interim dividend for the half year ended 30 June 2013 @ 25% (Rupees 2.5/- per share) | - | - | - | - | - | - | (309,262) | (309,262) |
| Transfer 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 01 Jan 2014 to 30 June 2014 | - | - | - | - | - | - | 842,923 | 842,923 |
| Other comprehensive income for the period 01 Jan 2014 to 30 June 2014 | - | - | - | - | (53,099) | - | - | (53,099) |
| Final dividend for the year ended 31 December 2013 @ 10% (Rupee 1/- per share) | - | - | - | - | - | - | (350,000) | (350,000) |
| Balance as at 30 June 2014 - (Unaudited) | 3,500,000 | - | 22,859 | 3,764 | 424,187 | 936,500 | 8,599,061 | 13,486,371 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 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 30 June 2014 | Quarter ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 1,411,104 | 1,665,107 | 2,055,221 | 578 | 1,021,568 | 1,089,934 | 1,165,708 | 1,500,840 | 483 | 755,285 | 266,283 | 195,247 |
| Marine, aviation and transport | 223,920 | 72,106 | 68,460 | (12) | 227,554 | 46,522 | 18,669 | 14,466 | 11 | 50,736 | 176,818 | 146,065 |
| Motor | 861,720 | 1,445,346 | 1,559,962 | 4,111 | 751,215 | 89,578 | 115,877 | 124,635 | 843 | 81,663 | 669,552 | 744,148 |
| Miscellaneous | 623,042 | 1,009,971 | 996,018 | 64 | 637,059 | 364,704 | 236,201 | 375,150 | 80 | 225,835 | 411,224 | 316,038 |
| Total | 3,119,786 | 4,192,530 | 4,679,661 | 4,741 | 2,637,396 | 1,590,738 | 1,536,455 | 2,015,091 | 1,417 | 1,113,519 | 1,523,877 | 1,401,498 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand total | 3,119,786 | 4,192,530 | 4,679,661 | 4,741 | 2,637,396 | 1,590,738 | 1,536,455 | 2,015,091 | 1,417 | 1,113,519 | 1,523,877 | 1,401,498 |

| 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 | | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 2,286,913 | 1,854,900 | 2,055,221 | (4,054) | 2,082,538 | 1,727,254 | 1,358,743 | 1,500,840 | (3,273) | 1,581,884 | 500,654 | 413,782 |
| Marine, aviation and transport | 439,201 | 55,695 | 68,460 | (252) | 426,184 | 96,072 | 7,378 | 14,466 | (32) | 88,952 | 337,232 | 282,672 |
| Motor | 1,652,105 | 1,504,870 | 1,559,962 | (55,001) | 1,542,012 | 172,837 | 125,874 | 124,635 | (7,844) | 166,232 | 1,375,780 | 1,429,736 |
| Miscellaneous | 1,613,945 | 629,366 | 996,018 | (1,300) | 1,245,993 | 570,713 | 209,775 | 375,150 | (702) | 404,636 | 841,357 | 584,409 |
| Total | 5,992,164 | 4,044,831 | 4,679,661 | (60,607) | 5,296,727 | 2,566,876 | 1,701,770 | 2,015,091 | (11,851) | 2,241,704 | 3,055,023 | 2,710,599 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand total | 5,992,164 | 4,044,831 | 4,679,661 | (60,607) | 5,296,727 | 2,566,876 | 1,701,770 | 2,015,091 | (11,851) | 2,241,704 | 3,055,023 | 2,710,599 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 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 30 June 2014 | Quarter ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 1,381,904 | 1,603,495 | 1,996,461 | - | 988,938 | 1,069,715 | 1,116,354 | 1,456,971 | - | 729,098 | 259,840 | 190,000 |
| Marine, aviation and transport | 216,794 | 69,368 | 65,473 | - | 220,689 | 46,528 | 18,055 | 14,066 | - | 50,517 | 170,172 | 141,924 |
| Motor | 392,807 | 679,579 | 733,765 | - | 338,621 | 5,583 | 172 | 867 | - | 4,888 | 333,733 | 310,231 |
| Miscellaneous | 605,045 | 990,811 | 968,127 | - | 627,729 | 355,501 | 224,813 | 359,647 | - | 220,667 | 407,062 | 311,216 |
| Total | 2,596,550 | 3,343,253 | 3,763,826 | - | 2,175,977 | 1,477,327 | 1,359,394 | 1,831,551 | - | 1,005,170 | 1,170,807 | 953,371 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand total | 2,596,550 | 3,343,253 | 3,763,826 | - | 2,175,977 | 1,477,327 | 1,359,394 | 1,831,551 | - | 1,005,170 | 1,170,807 | 953,371 |

| 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 | | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 2,223,988 | 1,787,707 | 1,996,461 | - | 2,015,234 | 1,681,058 | 1,302,991 | 1,456,971 | - | 1,527,078 | 488,156 | 403,375 |
| Marine, aviation and transport | 423,892 | 51,249 | 65,473 | - | 409,668 | 95,756 | 6,838 | 14,066 | - | 88,528 | 321,140 | 273,348 |
| Motor | 790,109 | 606,262 | 733,765 | - | 662,606 | 10,317 | 205 | 867 | - | 9,655 | 652,951 | 622,875 |
| Miscellaneous | 1,584,807 | 611,637 | 968,127 | - | 1,228,317 | 554,229 | 200,399 | 359,647 | - | 394,981 | 833,336 | 574,394 |
| Total | 5,022,796 | 3,056,855 | 3,763,826 | - | 4,315,825 | 2,341,360 | 1,510,433 | 1,831,551 | - | 2,020,242 | 2,295,583 | 1,873,992 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand total | 5,022,796 | 3,056,855 | 3,763,826 | - | 4,315,825 | 2,341,360 | 1,510,433 | 1,831,551 | - | 2,020,242 | 2,295,583 | 1,873,992 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 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 30 June 2014 | Quarter ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 29,200 | 61,612 | 58,760 | 578 | 32,630 | 20,219 | 49,354 | 43,869 | 483 | 26,187 | 6,443 | 5,247 |
| Marine, aviation and transport | 7,126 | 2,738 | 2,987 | [12] | 6,865 | [6] | 614 | 400 | 11 | 219 | 6,646 | 4,141 |
| Motor | 468,913 | 765,767 | 826,197 | 4,111 | 412,594 | 83,995 | 115,705 | 123,768 | 843 | 76,775 | 335,819 | 433,917 |
| Miscellaneous | 17,997 | 19,160 | 27,891 | 64 | 9,330 | 9,203 | 11,388 | 15,503 | 80 | 5,168 | 4,162 | 4,822 |
| Total | 523,236 | 849,277 | 915,835 | 4,741 | 461,419 | 113,411 | 177,061 | 183,540 | 1,417 | 108,349 | 353,070 | 448,127 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand total | 523,236 | 849,277 | 915,835 | 4,741 | 461,419 | 113,411 | 177,061 | 183,540 | 1,417 | 108,349 | 353,070 | 448,127 |

| 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 | | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 62,925 | 67,193 | 58,760 | (4,054) | 67,304 | 46,196 | 55,752 | 43,869 | (3,273) | 54,806 | 12,498 | 10,407 |
| Marine, aviation and transport | 15,309 | 4,446 | 2,987 | (252) | 16,516 | 316 | 540 | 400 | (32) | 424 | 16,092 | 9,324 |
| Motor | 861,996 | 898,608 | 826,197 | (55,001) | 879,406 | 162,520 | 125,669 | 123,768 | (7,844) | 156,577 | 722,829 | 806,861 |
| Miscellaneous | 29,138 | 17,729 | 27,891 | (1,300) | 17,676 | 16,484 | 9,376 | 15,503 | (702) | 9,655 | 8,021 | 10,015 |
| Total | 969,368 | 987,976 | 915,835 | (60,607) | 980,902 | 225,516 | 191,337 | 183,540 | (11,851) | 221,462 | 759,440 | 836,607 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand total | 969,368 | 987,976 | 915,835 | (60,607) | 980,902 | 225,516 | 191,337 | 183,540 | (11,851) | 221,462 | 759,440 | 836,607 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| Class | Total claims paid | Outstanding claims | | | Claims expenses | Reinsurance and other recoveries received | Reinsurance and other recoveries in respect of outstanding claims | | | Reinsurance and other recoveries received | Net claims expense | |
|--------------------------------|--------------------|--------------------|-----------|-----------------------------|-----------------|---|---|-----------|-----------------------------|---|----------------------------|----------------------------|
| | | Opening | Closing | Currency translation effect | | | Opening | Closing | Currency translation effect | | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 372,870 | 3,050,041 | 2,949,796 | (3,525) | 276,150 | 273,792 | 2,442,075 | 2,322,458 | (2,997) | 157,172 | 118,978 | 90,209 |
| Marine, aviation and transport | 146,614 | 162,088 | 360,122 | 206 | 344,442 | 42,351 | 115,455 | 272,257 | - | 199,153 | 145,289 | 100,450 |
| Motor | 998,932 | 2,601,416 | 2,335,047 | 21,585 | 710,978 | 605,108 | 1,998,004 | 1,718,636 | 23,485 | 302,255 | 408,723 | 483,471 |
| Miscellaneous | 416,267 | 756,297 | 649,566 | (50) | 309,586 | 33,460 | 538,671 | 453,721 | (37) | (51,453) | 361,039 | 143,123 |
| Total | 1,934,683 | 6,569,842 | 6,294,531 | 18,216 | 1,641,156 | 954,711 | 5,094,205 | 4,767,072 | 20,451 | 607,127 | 1,034,029 | 817,253 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Total | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Grand total | 1,934,683 | 6,590,174 | 6,314,863 | 18,216 | 1,641,156 | 954,711 | 5,094,205 | 4,767,072 | 20,451 | 607,127 | 1,034,029 | 817,253 |

| Class | Total claims paid | Outstanding claims | | | Claims expenses | Reinsurance and other recoveries received | Reinsurance and other recoveries in respect of outstanding claims | | | Reinsurance and other recoveries received | Net claims expense | |
|--------------------------------|--------------------|--------------------|-----------|-----------------------------|-----------------|---|---|-----------|-----------------------------|---|------------------------------|------------------------------|
| | | Opening | Closing | Currency translation effect | | | Opening | Closing | Currency translation effect | | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 1,274,305 | 3,516,994 | 2,949,796 | (6,069) | 713,176 | 1,082,564 | 2,919,240 | 2,322,458 | (5,157) | 490,939 | 222,237 | 284,984 |
| Marine, aviation and transport | 186,217 | 176,944 | 360,122 | (358) | 369,753 | 43,158 | 126,959 | 272,257 | - | 188,456 | 181,297 | 188,849 |
| Motor | 1,626,341 | 2,612,650 | 2,335,047 | (145,411) | 1,494,149 | 793,013 | 2,068,984 | 1,718,636 | (119,750) | 562,415 | 931,734 | 899,930 |
| Miscellaneous | 1,062,395 | 995,753 | 649,566 | (74) | 716,282 | 255,786 | 638,948 | 453,721 | (56) | 70,615 | 645,667 | 268,660 |
| Total | 4,149,258 | 7,302,341 | 6,294,531 | (151,912) | 3,293,360 | 2,174,521 | 5,754,131 | 4,767,072 | (124,963) | 1,312,425 | 1,980,935 | 1,642,423 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Total | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Grand total | 4,149,258 | 7,322,673 | 6,314,863 | (151,912) | 3,293,360 | 2,174,521 | 5,754,131 | 4,767,072 | (124,963) | 1,312,425 | 1,980,935 | 1,642,423 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

| Class | Total claims paid | Outstanding claims | | | Claims expenses | Reinsurance and other recoveries received | Reinsurance and other recoveries in respect of outstanding claims | | | Reinsurance and other recoveries received | Net claims expense | |
|--------------------------------|--------------------|--------------------|-----------|-----------------------------|-----------------|---|---|-----------|-----------------------------|---|----------------------------|----------------------------|
| | | Opening | Closing | Currency translation effect | | | Opening | Closing | Currency translation effect | | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 369,298 | 3,029,002 | 2,772,161 | - | 112,457 | 270,715 | 2,424,205 | 2,171,482 | - | 17,992 | 94,465 | 75,390 |
| Marine, aviation and transport | 139,940 | 154,552 | 360,122 | - | 345,510 | 42,351 | 115,455 | 272,257 | - | 199,153 | 146,357 | 100,152 |
| Motor | 213,464 | 219,637 | 173,460 | - | 167,287 | 9,199 | 62,821 | 61,578 | - | 7,956 | 159,331 | 157,220 |
| Miscellaneous | 416,225 | 755,924 | 646,155 | - | 306,456 | 33,428 | 538,391 | 451,160 | - | (53,803) | 360,259 | 140,726 |
| Total | 1,138,927 | 4,159,115 | 3,951,898 | - | 931,710 | 355,693 | 3,140,872 | 2,956,477 | - | 171,298 | 760,412 | 473,488 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Total | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Grand total | 1,138,927 | 4,179,447 | 3,972,230 | - | 931,710 | 355,693 | 3,140,872 | 2,956,477 | - | 171,298 | 760,412 | 473,488 |

| Class | Total claims paid | Outstanding claims | | | Claims expenses | Reinsurance and other recoveries received | Reinsurance and other recoveries in respect of outstanding claims | | | Reinsurance and other recoveries received | Net claims expense | |
|--------------------------------|--------------------|--------------------|-----------|-----------------------------|-----------------|---|---|-----------|-----------------------------|---|------------------------------|------------------------------|
| | | Opening | Closing | Currency translation effect | | | Opening | Closing | Currency translation effect | | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 1,208,046 | 3,454,234 | 2,772,161 | - | 525,973 | 1,028,239 | 2,865,914 | 2,171,482 | - | 333,807 | 192,166 | 261,754 |
| Marine, aviation and transport | 179,543 | 168,844 | 360,122 | - | 370,821 | 43,158 | 126,959 | 272,257 | - | 188,456 | 182,365 | 188,404 |
| Motor | 397,390 | 227,331 | 173,460 | - | 343,519 | 10,246 | 52,854 | 61,578 | - | 18,970 | 324,549 | 312,790 |
| Miscellaneous | 1,058,066 | 995,490 | 646,155 | - | 708,731 | 252,539 | 638,764 | 451,160 | - | 64,935 | 643,796 | 264,750 |
| Total | 2,843,045 | 4,845,899 | 3,951,898 | - | 1,949,044 | 1,334,182 | 3,684,491 | 2,956,477 | - | 606,168 | 1,342,876 | 1,027,698 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Total | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Grand total | 2,843,045 | 4,866,231 | 3,972,230 | - | 1,949,044 | 1,334,182 | 3,684,491 | 2,956,477 | - | 606,168 | 1,342,876 | 1,027,698 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2014

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

| Class | Total claims paid | Outstanding claims | | | Claims expenses | Reinsurance and other recoveries received | Reinsurance and other recoveries in respect of outstanding claims | | | Reinsurance and other recoveries received | Net claims expense | |
|--------------------------------|--------------------|--------------------|-----------|-----------------------------|-----------------|---|---|-----------|-----------------------------|---|----------------------------|----------------------------|
| | | Opening | Closing | Currency translation effect | | | Opening | Closing | Currency translation effect | | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 3,572 | 21,039 | 177,635 | (3,525) | 163,693 | 3,077 | 17,870 | 150,976 | (2,997) | 139,180 | 24,513 | 14,819 |
| Marine, aviation and transport | 6,674 | 7,536 | - | 206 | (1,068) | - | - | - | - | - | (1,068) | 298 |
| Motor | 785,468 | 2,381,779 | 2,161,587 | 21,585 | 543,691 | 595,909 | 1,935,183 | 1,657,058 | 23,485 | 294,299 | 249,392 | 326,251 |
| Miscellaneous | 42 | 373 | 3,411 | (50) | 3,130 | 32 | 280 | 2,561 | (37) | 2,350 | 780 | 2,397 |
| Total | 795,756 | 2,410,727 | 2,342,633 | 18,216 | 709,446 | 599,018 | 1,953,333 | 1,810,595 | 20,451 | 435,829 | 273,617 | 343,765 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand total | 795,756 | 2,410,727 | 2,342,633 | 18,216 | 709,446 | 599,018 | 1,953,333 | 1,810,595 | 20,451 | 435,829 | 273,617 | 343,765 |

| Class | Total claims paid | Outstanding claims | | | Claims expenses | Reinsurance and other recoveries received | Reinsurance and other recoveries in respect of outstanding claims | | | Reinsurance and other recoveries received | Net claims expense | |
|--------------------------------|--------------------|--------------------|-----------|-----------------------------|-----------------|---|---|-----------|-----------------------------|---|------------------------------|------------------------------|
| | | Opening | Closing | Currency translation effect | | | Opening | Closing | Currency translation effect | | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 66,259 | 62,760 | 177,635 | (6,069) | 187,203 | 54,325 | 53,326 | 150,976 | (5,157) | 157,132 | 30,071 | 23,230 |
| Marine, aviation and transport | 6,674 | 8,100 | - | (358) | (1,068) | - | - | - | - | - | (1,068) | 445 |
| Motor | 1,228,951 | 2,385,319 | 2,161,587 | (145,411) | 1,150,630 | 782,767 | 2,016,130 | 1,657,058 | (119,750) | 543,445 | 607,185 | 587,140 |
| Miscellaneous | 4,329 | 263 | 3,411 | (74) | 7,551 | 3,247 | 184 | 2,561 | (56) | 5,680 | 1,871 | 3,910 |
| Total | 1,306,213 | 2,456,442 | 2,342,633 | (151,912) | 1,344,316 | 840,339 | 2,069,640 | 1,810,595 | (124,963) | 706,257 | 638,059 | 614,725 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand total | 1,306,213 | 2,456,442 | 2,342,633 | (151,912) | 1,344,316 | 840,339 | 2,069,640 | 1,810,595 | (124,963) | 706,257 | 638,059 | 614,725 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 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 30 June 2014 | Quarter ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | |
| Direct and facultative | | | | | | | | | | |
| Fire and property damage | 111,467 | 179,041 | 239,625 | 43 | 50,926 | 94,385 | 145,311 | 81,449 | 63,862 | 75,004 |
| Marine, aviation and transport | 31,752 | 6,384 | 8,908 | 19 | 29,247 | 49,449 | 78,696 | 348 | 78,348 | 77,349 |
| Motor | 63,668 | 140,866 | 133,471 | 996 | 72,059 | 185,694 | 257,753 | 1,742 | 256,011 | 260,915 |
| Miscellaneous | 54,932 | 46,582 | 64,432 | - | 37,082 | 95,062 | 132,144 | 36,509 | 95,635 | 90,411 |
| Total | 261,819 | 372,873 | 446,436 | 1,058 | 189,314 | 424,590 | 613,904 | 120,048 | 493,856 | 503,679 |
| Treaty | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - |
| Grand total | 261,819 | 372,873 | 446,436 | 1,058 | 189,314 | 424,590 | 613,904 | 120,048 | 493,856 | 503,679 |

| 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 | | | | | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | |
| Direct and facultative | | | | | | | | | | |
| Fire and property damage | 210,232 | 188,330 | 239,625 | (746) | 158,191 | 173,405 | 331,596 | 168,566 | 163,030 | 161,014 |
| Marine, aviation and transport | 60,488 | 3,163 | 8,908 | (12) | 54,731 | 100,785 | 155,516 | 1,006 | 154,510 | 133,750 |
| Motor | 142,799 | 150,110 | 133,471 | (5,905) | 153,533 | 376,245 | 529,778 | 5,839 | 523,939 | 461,785 |
| Miscellaneous | 94,899 | 49,046 | 64,432 | (109) | 79,404 | 196,688 | 276,092 | 74,116 | 201,976 | 184,803 |
| Total | 508,418 | 390,649 | 446,436 | (6,772) | 445,859 | 847,123 | 1,292,982 | 249,527 | 1,043,455 | 941,352 |
| Treaty | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - |
| Grand total | 508,418 | 390,649 | 446,436 | (6,772) | 445,859 | 847,123 | 1,292,982 | 249,527 | 1,043,455 | 941,352 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 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 30 June 2014 | Quarter ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | |
| Direct and facultative | | | | | | | | | | |
| Fire and property damage | 103,642 | 168,641 | 227,136 | - | 45,147 | 85,935 | 131,082 | 76,163 | 54,919 | 71,880 |
| Marine, aviation and transport | 30,931 | 5,839 | 8,802 | - | 27,968 | 46,342 | 74,310 | 315 | 73,995 | 74,862 |
| Motor | 31,985 | 49,731 | 56,452 | - | 25,264 | 128,819 | 154,083 | 29 | 154,054 | 159,758 |
| Miscellaneous | 52,520 | 44,913 | 61,321 | - | 36,112 | 89,310 | 125,422 | 35,813 | 89,609 | 85,192 |
| Total | 219,078 | 269,124 | 353,711 | - | 134,491 | 350,406 | 484,897 | 112,320 | 372,577 | 391,692 |
| Treaty | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - |
| Grand total | 219,078 | 269,124 | 353,711 | - | 134,491 | 350,406 | 484,897 | 112,320 | 372,577 | 391,692 |

| 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 | | | | | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | |
| Direct and facultative | | | | | | | | | | |
| Fire and property damage | 197,304 | 176,680 | 227,136 | - | 146,848 | 160,126 | 306,974 | 157,460 | 149,514 | 149,959 |
| Marine, aviation and transport | 58,018 | 2,946 | 8,802 | - | 52,162 | 93,977 | 146,139 | 942 | 145,197 | 126,432 |
| Motor | 59,813 | 48,702 | 56,452 | - | 52,063 | 251,755 | 303,818 | 42 | 303,776 | 281,011 |
| Miscellaneous | 90,913 | 47,883 | 61,321 | - | 77,475 | 183,880 | 261,355 | 72,825 | 188,530 | 170,197 |
| Total | 406,048 | 276,211 | 353,711 | - | 328,548 | 689,738 | 1,018,286 | 231,269 | 787,017 | 727,599 |
| Treaty | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - |
| Grand total | 406,048 | 276,211 | 353,711 | - | 328,548 | 689,738 | 1,018,286 | 231,269 | 787,017 | 727,599 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 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 30 June 2014 | Quarter ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | |
| Direct and facultative | | | | | | | | | | |
| Fire and property damage | 7,825 | 10,400 | 12,489 | 43 | 5,779 | 8,450 | 14,229 | 5,286 | 8,943 | 3,124 |
| Marine, aviation and transport | 821 | 545 | 106 | 19 | 1,279 | 3,107 | 4,386 | 33 | 4,353 | 2,487 |
| Motor | 31,683 | 91,135 | 77,019 | 996 | 46,795 | 56,875 | 103,670 | 1,713 | 101,957 | 101,157 |
| Miscellaneous | 2,412 | 1,669 | 3,111 | - | 970 | 5,752 | 6,722 | 696 | 6,026 | 5,219 |
| Total | 42,741 | 103,749 | 92,725 | 1,058 | 54,823 | 74,184 | 129,007 | 7,728 | 121,279 | 111,987 |
| Treaty | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - |
| Grand total | 42,741 | 103,749 | 92,725 | 1,058 | 54,823 | 74,184 | 129,007 | 7,728 | 121,279 | 111,987 |

| 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 | | | | | Half Year ended 30 June 2014 | Half Year ended 30 June 2013 |
| | Rupees in thousand | | | | | | | | | |
| Direct and facultative | | | | | | | | | | |
| Fire and property damage | 12,928 | 11,650 | 12,489 | (746) | 11,343 | 13,279 | 24,622 | 11,106 | 13,516 | 11,055 |
| Marine, aviation and transport | 2,470 | 217 | 106 | (12) | 2,569 | 6,808 | 9,377 | 64 | 9,313 | 7,318 |
| Motor | 82,986 | 101,408 | 77,019 | (5,905) | 101,470 | 124,490 | 225,960 | 5,797 | 220,163 | 180,774 |
| Miscellaneous | 3,986 | 1,163 | 3,111 | (109) | 1,929 | 12,808 | 14,737 | 1,291 | 13,446 | 14,606 |
| Total | 102,370 | 114,438 | 92,725 | (6,772) | 117,311 | 157,385 | 274,696 | 18,258 | 256,438 | 213,753 |
| Treaty | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - |
| Grand total | 102,370 | 114,438 | 92,725 | (6,772) | 117,311 | 157,385 | 274,696 | 18,258 | 256,438 | 213,753 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 | Half year ended 30 June 2014 | Half year ended 30 June 2013 |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Rupees in thousand | | | | |
| Income from non-trading investment | | | | |
| Available-for-sale | | | | |
| Return on term finance certificates | 1,867 | 2,995 | 3,540 | 6,219 |
| Return on Pakistan investments bonds | 3,291 | 3,562 | 5,898 | 6,483 |
| Return on treasury bills | 6,684 | 923 | 14,334 | 1,836 |
| Dividend income: | | | | |
| - associated undertakings | 95,523 | 110,270 | 284,689 | 305,873 |
| - others | 47,269 | 35,235 | 173,265 | 232,617 |
| | 142,792 | 145,505 | 457,954 | 538,490 |
| | 154,634 | 152,985 | 481,726 | 553,028 |
| Gain on sale of 'available-for-sale' investments: | | | | |
| - associated undertakings | - | 182,240 | - | 182,240 |
| - others | 158,212 | 577,689 | 532,769 | 886,904 |
| | 158,212 | 759,929 | 532,769 | 1,069,144 |
| Reversal of provision for impairment in value of 'available-for-sale' investments | 3,370 | 51,216 | 3,370 | 51,216 |
| Net investment income | 316,216 | 964,130 | 1,017,865 | 1,673,388 |

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

1 Status and nature of business

Adamjee Insurance Company Limited ("the Company") is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984). The Company is listed on all stock exchanges in Pakistan and is engaged in the general insurance business comprising fire & property, marine, motor, etc. 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 and statement of compliance

The unconsolidated condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions of and directives issued under the Companies Ordinance, 1984 and 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 Summary of significant 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 unconsolidated financial statements of the Company for the year ended 31 December 2013.

The Company has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 January 2014, as mentioned in the financial statements for the year ended 31 December 2013.

There is no significant impact of such changes on this condensed interim financial information of the Company.

5 Accounting estimates and judgements

The preparation of this unconsolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this unconsolidated condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 31 December 2013.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| | | (Unaudited) | (Audited) |
|--|------|--------------------|------------------|
| | Note | 30 June 2014 | 31 December 2013 |
| | | Rupees in thousand | |
| 9 Premiums due but unpaid - unsecured | | | |
| Considered good | | 3,820,765 | 2,658,071 |
| Considered doubtful | | 361,200 | 369,231 |
| | | 4,181,965 | 3,027,302 |
| Less: Provision for doubtful balances | 9.1 | (361,200) | (369,231) |
| | | 3,820,765 | 2,658,071 |
| 9.1 Reconciliation of provision for doubtful balances | | | |
| Opening provision | | 369,231 | 359,147 |
| Exchange difference | | (8,031) | 10,084 |
| Charge for the period / year | | - | - |
| Closing provision | | 361,200 | 369,231 |
| 10 Amounts due from other insurers / reinsurers - unsecured | | | |
| Considered good | | 676,056 | 1,093,985 |
| Considered doubtful | | 322,810 | 322,810 |
| | | 998,866 | 1,416,795 |
| Less: Provision for doubtful balances | 10.1 | (322,810) | (322,810) |
| | | 676,056 | 1,093,985 |
| 10.1 Reconciliation of provision for doubtful balances | | | |
| Opening provision | | 322,810 | 326,327 |
| Charge for the period / year | | - | - |
| Written off during the period | | - | (3,517) |
| Closing provision | | 322,810 | 322,810 |
| 11 Operating fixed assets - tangible and intangible | | | |
| Opening balance - net book value | | 1,107,362 | 1,025,796 |
| Additions during the period | 11.2 | 166,477 | 231,360 |
| Less: | | | |
| Book value of disposals during the period | 11.3 | (7,043) | (18,864) |
| Depreciation charged during the period | | (83,962) | (148,046) |
| Exchange difference | | (12,609) | 17,116 |
| | | (103,614) | (149,794) |
| | | 1,170,225 | 1,107,362 |
| Capital work in progress | | 1,721 | 89,310 |
| | | 1,171,946 | 1,196,672 |

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2014

| | (Unaudited) | (Audited) |
|---|--------------------|------------------|
| Note | 30 June 2014 | 31 December 2013 |
| | Rupees in thousand | |
| 11.1 Breakup of book values into owned and leased fixed assets: | | |
| Owned assets | 1,142,909 | 1,073,735 |
| Capital work in progress | 1,721 | 89,310 |
| Leased assets | <u>27,316</u> | <u>33,627</u> |
| | <u>1,171,946</u> | <u>1,196,672</u> |
| 11.2 Additions during the period / year: | | |
| Owned | | |
| Land and building | - | 200 |
| Furniture and fixture | 4,569 | 60,591 |
| Motor vehicle | 53,202 | 83,845 |
| Machinery and equipments | 7,690 | 33,267 |
| Computer and related accessories | 100,450 | 13,992 |
| Intangibles | <u>566</u> | <u>39,465</u> |
| | <u>166,477</u> | <u>231,360</u> |
| 11.3 Written down values of operating fixed assets disposed off during the period / year | | |
| Owned | | |
| Land and building | - | - |
| Furniture and fixture | - | 40 |
| Motor vehicle | 2,999 | 5,226 |
| Machinery and equipments | 26 | 1,399 |
| Computer and related accessories | 31 | 86 |
| Intangibles | - | - |
| | <u>3,056</u> | <u>6,751</u> |
| Leased | | |
| Motor vehicle | <u>3,987</u> | <u>12,113</u> |
| | <u>7,043</u> | <u>18,864</u> |
| | (Unaudited) | (Audited) |
| Note | 30 June 2014 | 31 June 2013 |
| | Rupees in thousand | |
| 12 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 | <u>842,923</u> | <u>1,510,997</u> |
| | Number of shares | |
| | | (Restated) |
| Weighted average number of shares | 350,000,000 | 350,000,000 |
| | Rupees | |
| | | (Restated) |
| Basic earnings per share | 2.41 | 4.32 |

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

13 Transactions with related parties

The Company has related party relationships with its associates, subsidiary company, employee retirement 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 those specified in their terms of employment.

Investment in related parties have been disclosed in note 8 to the unconsolidated condensed interim financial information. Other transactions with related parties are summarized as follows:

| | | 30 June 2014 | 31 December 2013 |
|-----|---|--------------------|------------------|
| | | Rupees in thousand | |
| i) | Transactions | | |
| | Subsidiary company | | |
| | Premiums underwritten | 624 | 665 |
| | Premiums received | 1,487 | 718 |
| | Claims paid | 1,114 | 787 |
| | Premium paid | 1,647 | - |
| | Service charges received | 2,160 | - |
| | Investments made | - | 200,322 |
| | Other related parties | | |
| | Premiums underwritten | 635,642 | 375,727 |
| | Premiums received | 448,523 | 809,278 |
| | Claims paid | 190,528 | 112,966 |
| | Rent paid | - | 2,113 |
| | Rent received | 2,445 | 2,389 |
| | Dividends received | 284,441 | 305,874 |
| | Dividends paid | 135,473 | 471,882 |
| | Income on bank deposits | 19,606 | 15,765 |
| | Investments made | 97,815 | 200,322 |
| | Charge in respect of gratuity expense | 13,956 | 12,081 |
| | Contribution to Employees' Provident Fund | 11,986 | 9,555 |
| | | Number of shares | |
| | Bonus shares received | 3,004,653 | 5,626,611 |
| | Key management personnel | | |
| | Compensation paid | 182,113 | 156,856 |
| ii) | Period end balances | | |
| | Subsidiary company | | |
| | Balances receivable | 503 | 1,025 |
| | Balances payable | 1,001 | 176 |
| | Other related parties | | |
| | Balances receivable | 434,334 | 585,802 |
| | Balances payable | 262,210 | 316,535 |
| | Cash and bank balances | 189,753 | 876,596 |
| | Payable to Staff Gratuity Fund | 66,380 | 57,770 |
| | Payable to Employees' Provident Fund | 1,552 | 804 |

FOR THE HALF YEAR ENDED 30 JUNE 2014

14 Operating segments

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:

| 30 June 2014, (unaudited) | | | | | | | | | | | | | | | |
|---------------------------|--------------------------|------------------|--------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|---|------------------|-----------------|------------------|------------|
| | Fire and Property Damage | | Marine, Aviation and Transport | | Motor | | Miscellaneous | | Treaty | | Unallocated Corporate Assets/ Liabilities | | Total | | Aggregate |
| | 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 | |
| Rupees in thousand | | | | | | | | | | | | | | | |
| Other Information | | | | | | | | | | | | | | | |
| Segment assets | 5,411,315 | 263,505 | 591,646 | 14,214 | 671,594 | 2,759,870 | 1,980,733 | 55,795 | - | - | - | - | 8,455,288 | 3,093,384 | 11,748,672 |
| Unallocated assets | - | - | - | - | - | - | - | - | - | - | - | - | 15,058,120 | 1,412,039 | 15,058,120 |
| Total assets | 5,411,315 | 263,505 | 591,646 | 14,214 | 671,594 | 2,759,870 | 1,980,733 | 55,795 | - | - | - | - | 15,058,120 | 1,412,039 | 23,713,408 |
| Segment liabilities | 5,474,070 | 255,951 | 534,121 | 5,324 | 1,108,331 | 3,152,086 | 2,086,375 | 39,098 | 20,332 | - | - | - | 9,223,229 | 3,452,459 | 12,675,688 |
| Unallocated liabilities | - | - | - | - | - | - | - | - | - | - | - | - | 1,836,826 | 219,946 | 1,836,826 |
| Total liabilities | 5,474,070 | 255,951 | 534,121 | 5,324 | 1,108,331 | 3,152,086 | 2,086,375 | 39,098 | 20,332 | - | - | - | 1,836,826 | 219,946 | 11,060,055 |
| Capital expenditure | | | | | | | | | | | | | 74,989 | 3,900 | 78,889 |

| 31 December 2013 (audited) | | | | | | | | | | | | | | | |
|----------------------------|--------------------------|------------------|--------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|---|------------------|-----------------|------------------|------------|
| | Fire and Property Damage | | Marine, Aviation and Transport | | Motor | | Miscellaneous | | Treaty | | Unallocated Corporate Assets/ Liabilities | | Total | | Aggregate |
| | 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 | |
| Rupees in thousand | | | | | | | | | | | | | | | |
| Other Information | | | | | | | | | | | | | | | |
| 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 | 11,621,858 |
| Unallocated assets | - | - | - | - | - | - | - | - | - | - | - | - | 14,051,217 | 1,528,911 | 15,580,128 |
| Total assets | 5,708,947 | 190,382 | 386,545 | 10,849 | 533,403 | 3,209,264 | 1,555,476 | 26,992 | - | - | - | - | 14,051,217 | 2,232,588 | 27,201,986 |
| 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 | 12,344,305 |
| Unallocated liabilities | - | - | - | - | - | - | - | - | - | - | - | - | 1,590,929 | 220,205 | 1,811,134 |
| 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 | 14,155,439 |
| Capital expenditure | | | | | | | | | | | | | 224,520 | 21,411 | 245,931 |

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

15 Date of authorization for issue

This unconsolidated condensed interim financial information was authorized for issue on 26 August 2014 by the Board of Directors of the Company.

16 Non-adjusting events after balance sheet date

The Board of Directors of the Company in their meeting held on 26 August 2014 proposed an interim cash dividend for the half year ended 30 June 2014 @ 12.5 % i.e. Rupees 1.25 /- per share (30 June 2013 @ 25% i.e. Rupees 2.5/- per share). This unconsolidated condensed interim financial information for the half year ended 30 June 2014 does not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending 31 December 2014.

17 General

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

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

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

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

FOR THE HALF YEAR ENDED 30 JUNE 2014

On behalf of the Board, I am pleased to present the consolidated condensed interim financial information of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company Limited for the half year ended 30 June 2014.

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

| | 30 June 2014 | 30 June 2013 |
|--|--------------------|--------------|
| | Rupees in thousand | |
| | (Unaudited) | (Unaudited) |
| Profit before tax | 940,343 | 1,717,120 |
| Taxation | (88,140) | (201,608) |
| Profit after tax | 852,203 | 1,515,512 |
| Profit attributable - controlling interest | (2,387) | (1,396) |
| Profit attributable to ordinary shareholders | 849,816 | 1,514,116 |
| Unappropriated profit brought forward | 8,139,204 | 8,831,228 |
| Profit available for appropriation | 8,989,020 | 10,345,344 |
| 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 | 8,639,020 | 10,221,639 |

Earnings per share

The consolidated condensed interim financial information reflects Rs. 2.43 (30 June 2013: Rs. 4.33) earnings per share for the period under review.

On Behalf of the Board of Directors

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

Date: 26 August 2014
Lahore

**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
30 JUNE 2014**

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 30 JUNE 2014

| Note | 30 June 2014 | 31 December 2013 |
|--|--------------------|------------------|
| | Rupees in thousand | |
| | (Unaudited) | (Audited) |
| EQUITY AND LIABILITIES | | |
| Share capital and reserves | | |
| Authorised share capital | | |
| 375,000,000 (2013: 375,000,000) ordinary shares of Rs. 10 each | 3,750,000 | 3,750,000 |
| Paid-up share capital | 3,500,000 | 3,500,000 |
| Retained earnings | 8,639,020 | 8,139,204 |
| Reserves | 1,050,696 | 1,108,772 |
| | 9,689,716 | 9,247,976 |
| Equity attributable to equity holders of the parent | 13,189,716 | 12,747,976 |
| Non-controlling interest | 23,365 | 22,701 |
| Total equity | 13,213,081 | 12,770,677 |
| Balance of statutory funds | 5,799,447 | 4,860,342 |
| Underwriting provisions | | |
| Provision for outstanding claims (including IBNR) | 6,440,082 | 7,406,692 |
| Provision for unearned premium | 4,679,661 | 4,044,831 |
| Commission income unearned | 236,070 | 182,184 |
| Total underwriting provisions | 11,355,813 | 11,633,707 |
| Deferred liabilities | | |
| Staff retirement benefits | 61,047 | 56,152 |
| Creditors and Accruals | | |
| Premiums received in advance | 188,876 | 228,934 |
| Amounts due to other insurers / reinsurers | 1,367,628 | 662,515 |
| Accrued expenses | 91,414 | 114,855 |
| Other creditors and accruals - restated | 2,312,903 | 1,728,975 |
| | 3,960,821 | 2,735,279 |
| Borrowings | | |
| Liabilities against assets subject to finance lease | 1,072 | 6,683 |
| Other liabilities | | |
| Unclaimed dividends | 44,025 | 37,675 |
| TOTAL LIABILITIES | 15,422,778 | 14,469,496 |
| CONTINGENCIES AND COMMITMENTS | 7 | |
| TOTAL EQUITY AND LIABILITIES | 34,435,306 | 32,100,515 |

The annexed notes 1 to 16 form an integral part of this consolidated condensed interim financial information.

| | Note | 30 June 2014 | 31 December 2013 |
|---|------|--------------------|-------------------|
| | | Rupees in thousand | |
| | | (Unaudited) | (Audited) |
| Cash and bank deposits | | | |
| Cash and other equivalents | | 1,657 | 4,531 |
| Current and other accounts | | 1,771,031 | 1,698,980 |
| Deposits maturing within 12 months | | 1,027,477 | 1,156,190 |
| | | 2,800,165 | 2,859,701 |
| Loans | | | |
| To employees | | 18,804 | 16,151 |
| Investments | 8 | 17,850,654 | 15,822,211 |
| Deferred taxation | | 97,127 | 107,346 |
| Current assets - others | | | |
| Premiums due but unpaid | 9 | 3,842,279 | 2,673,944 |
| Amounts due from other insurers / reinsurers | 10 | 687,464 | 1,094,914 |
| Salvage recoveries accrued | | 178,848 | 179,703 |
| Premium and claim reserves retained by cedants | | 23,252 | 23,252 |
| Accrued investment income | | 261,029 | 30,121 |
| Reinsurance recoveries against outstanding claims | | 4,588,224 | 5,574,428 |
| Taxation - payments less provision | | 62,930 | 87,428 |
| Deferred commission expense | | 446,436 | 390,649 |
| Prepayments | | 2,097,917 | 1,784,281 |
| Sundry receivables | | 253,643 | 205,305 |
| | | 12,442,022 | 12,044,025 |
| Fixed assets - Tangible & Intangible | 11 | | |
| Owned | | | |
| Land and buildings | | 420,321 | 445,207 |
| Furniture and fixtures | | 172,745 | 156,160 |
| Motor vehicles | | 291,600 | 272,065 |
| Machinery and equipment | | 111,779 | 116,425 |
| Computers and related accessories | | 126,617 | 54,507 |
| Intangible asset - computer software | | 70,758 | 83,780 |
| Capital work in progress | | 5,398 | 89,310 |
| | | 1,199,218 | 1,217,454 |
| Leased | | | |
| Motor vehicles | | 27,316 | 33,627 |
| TOTAL ASSETS | | 34,435,306 | 32,100,515 |

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2014

| | General Insurance | | | | | Life Insurance | | | | Total | |
|--|--------------------------|--------------------------------|--------------|-----------------|----------|-----------------------|---------------------------------------|--------------------|------------------------------|----------------------------|----------------------------|
| | Fire and Property Damage | Marine, Aviation and Transport | Motor | Miscellaneous | Treaty | Conventional Business | Non-Unitized Investment Link Business | Unit Link Business | Accident and Health Business | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 |
| Rupees in thousand | | | | | | | | | | | |
| Revenue account | | | | | | | | | | | |
| Net premium revenue | 266,283 | 176,818 | 669,552 | 411,224 | - | 31,000 | 200,094 | 902,435 | - | 2,657,406 | 2,547,205 |
| Net claims | (118,978) | (145,289) | (408,723) | (361,039) | - | (15,295) | (3,588) | (247,848) | - | (1,300,760) | (978,563) |
| Expenses | (94,385) | (49,449) | (185,694) | (95,062) | - | (7,886) | (11,803) | (62,305) | - | (506,584) | (492,312) |
| Net commission | 30,523 | (28,899) | (70,317) | (573) | - | (9,550) | (12,255) | (172,328) | - | (263,399) | (379,827) |
| Net investment income - statutory fund | - | - | - | - | - | 3,906 | 24,565 | 90,972 | 5 | 119,448 | 91,502 |
| Add: Policyholders' liabilities at beginning of the period | - | - | - | - | - | 92,544 | 1,175,207 | 3,800,208 | 10 | 5,067,969 | 2,529,852 |
| Less: Policyholders' liabilities at end of the period | - | - | - | - | - | (97,561) | (1,371,795) | (4,315,655) | - | (5,785,011) | (3,258,312) |
| Capital contribution from shareholders' fund | - | - | - | - | - | 6,700 | - | - | - | 6,700 | - |
| Surplus of policyholders' funds | - | - | - | - | - | (3,858) | (425) | 4,521 | (15) | 223 | 21,021 |
| Underwriting result | 83,443 | (46,819) | 4,818 | (45,450) | - | - | - | - | - | (4,008) | 80,566 |
| Investment income - other | | | | | | | | | | 323,711 | 969,850 |
| Rental income | | | | | | | | | | 1,197 | 1,198 |
| Other income | | | | | | | | | | 24,599 | 32,179 |
| | | | | | | | | | | 345,499 | 1,083,793 |
| General and administration expenses | | | | | | | | | | (99,674) | (106,922) |
| Exchange loss | | | | | | | | | | (952) | (660) |
| Finance charge on lease liabilities | | | | | | | | | | (79) | (549) |
| Profit before tax | | | | | | | | | | 244,794 | 975,662 |
| Provision for taxation | | | | | | | | | | (26,938) | (163,712) |
| Profit after tax | | | | | | | | | | 217,856 | 811,950 |
| Profit attributable to: | | | | | | | | | | | |
| Equity holders of the parent | | | | | | | | | | 217,032 | 811,316 |
| Non-controlling interest | | | | | | | | | | 824 | 634 |
| | | | | | | | | | | Rupees | Rupees |
| | | | | | | | | | | 0.62 | (Restated) 2.32 |

Earnings per share - basic and diluted

| | General Insurance | | | | | Life Insurance | | | | Total | |
|---|--------------------------|--------------------------------|-----------------|----------------|----------|-----------------------|---------------------------------------|--------------------|------------------------------|------------------------------|------------------------------|
| | Fire and Property Damage | Marine, Aviation and Transport | Motor | Miscellaneous | Treaty | Conventional Business | Non-Unitized Investment Link Business | Unit Link Business | Accident and Health Business | Half year ended 30 June 2014 | Half year ended 30 June 2013 |
| Rupees in thousand | | | | | | | | | | | |
| Revenue account | | | | | | | | | | | |
| Net premium revenue | 500,654 | 337,232 | 1,375,780 | 841,357 | - | 43,074 | 283,493 | 1,450,100 | - | 4,831,690 | 4,661,756 |
| Net claims | (222,237) | (181,297) | (931,734) | (645,667) | - | (27,288) | (7,086) | (570,680) | - | (2,585,989) | (1,871,287) |
| Expenses | (173,405) | (100,785) | (376,245) | (196,688) | - | (17,007) | (25,495) | (133,580) | - | (1,023,205) | (907,389) |
| Net commission | 10,375 | (53,725) | (147,694) | (5,288) | - | (10,553) | (25,973) | (315,294) | - | (548,152) | (620,950) |
| Net investment income - statutory fund | - | - | - | - | - | 8,419 | 62,118 | 218,151 | 6 | 288,694 | 141,067 |
| Add: Policyholders' liabilities at beginning of the year | - | - | - | - | - | 96,910 | 1,076,689 | 3,651,062 | 11 | 4,824,672 | 1,954,675 |
| Less: Policyholders' liabilities at end of the period | - | - | - | - | - | (97,561) | (1,371,795) | (4,315,655) | - | (5,785,011) | (3,258,312) |
| Capital contribution from shareholders' fund | - | - | - | - | - | 6,700 | - | - | - | 6,700 | 10,215 |
| Surplus of policyholders' funds | - | - | - | - | - | (2,694) | 8,049 | 15,896 | (17) | 21,234 | 17,049 |
| Underwriting result | 115,387 | 1,425 | (79,893) | (6,286) | - | - | - | - | - | 30,633 | 126,824 |
| Investment income - other | | | | | | | | | | 1,036,697 | 1,684,127 |
| Rental income | | | | | | | | | | 2,445 | 2,389 |
| Other income | | | | | | | | | | 49,549 | 68,484 |
| | | | | | | | | | | 1,119,324 | 1,881,824 |
| General and administration expenses | | | | | | | | | | (176,257) | (164,115) |
| Exchange gain | | | | | | | | | | (2,472) | 573 |
| Finance charge on lease liabilities | | | | | | | | | | (252) | (1,162) |
| Profit before tax | | | | | | | | | | 940,343 | 1,717,120 |
| Provision for taxation | | | | | | | | | | (88,140) | (201,608) |
| Profit after tax | | | | | | | | | | 852,203 | 1,515,512 |
| Profit attributable to: | | | | | | | | | | | |
| Equity holders of the parent | | | | | | | | | | 849,816 | 1,514,116 |
| Non-controlling interest | | | | | | | | | | 2,387 | 1,396 |
| Profit and loss appropriation account | | | | | | | | | | | |
| Balance at the commencement of the year | | | | | | | | | | 8,139,204 | 8,831,228 |
| Profit after tax for the period | | | | | | | | | | 849,816 | 1,514,116 |
| 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 | | | | | | | | | | 8,639,020 | 10,221,639 |
| | | | | | | | | | | Rupees | Rupees |
| | | | | | | | | | | 2.43 | (Restated) 4.33 |

Earnings per share - basic and diluted

The annexed notes 1 to 16 form an integral part of this consolidated condensed interim financial information.

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 | Half year ended 30 June 2014 | Half year ended 30 June 2013 |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Rupees in thousand | | | | |
| Profit after tax for the period | 217,856 | 811,950 | 852,203 | 1,515,512 |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit and loss | | | | |
| Effect of translation of investment in foreign branch - net | 19,226 | 10,765 | (53,099) | 94,336 |
| Items that will not be reclassified to profit and loss | | | | |
| Capital contribution to statutory funds | (6,700) | - | (6,700) | (10,215) |
| | 12,526 | 10,765 | (59,799) | 84,121 |
| Total comprehensive income for the period | 230,382 | 822,715 | 792,404 | 1,599,633 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the parent | 231,281 | 821,889 | 791,740 | 1,601,395 |
| Non-controlling interest | (899) | 826 | 664 | (1,762) |
| | 230,382 | 822,715 | 792,404 | 1,599,633 |

The annexed notes 1 to 16 form an integral part of this consolidated condensed interim financial information.

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 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 | | | | | | | | | | | |
| | 1,237,045 | - | 22,859 | 3,764 | (307,309) | 478,756 | 936,500 | 8,831,228 | 11,202,843 | 28,889 | 11,231,732 |
| | - | - | - | - | - | - | - | 1,514,116 | 1,514,116 | 1,396 | 1,515,512 |
| d | - | - | - | - | (7,056) | 94,336 | - | - | 87,280 | (1,762) | 85,518 |
| | - | - | - | - | - | - | - | (123,705) | (123,705) | - | (123,705) |
| | 1,237,045 | - | 22,859 | 3,764 | (314,365) | 573,092 | 936,500 | 10,221,639 | 12,680,534 | 28,523 | 12,709,057 |
| | - | - | - | - | - | - | - | 460,704 | 460,704 | 2,025 | 462,729 |
| d | - | - | - | - | (17,272) | (95,806) | - | 29,078 | (84,000) | (7,847) | (91,847) |
| | - | - | - | - | - | - | - | (309,262) | (309,262) | - | (309,262) |
| | - | 2,262,955 | - | - | - | - | - | (2,262,955) | - | - | - |
| | 2,262,955 | (2,262,955) | - | - | - | - | - | - | - | - | - |
| | 3,500,000 | - | 22,859 | 3,764 | (331,637) | 477,286 | 936,500 | 8,139,204 | 12,747,976 | 22,701 | 12,770,677 |
| | - | - | - | - | - | - | - | 849,816 | 849,816 | 2,387 | 852,203 |
| d | - | - | - | - | (4,977) | (53,099) | - | - | (58,076) | (1,723) | (59,799) |
| | - | - | - | - | - | - | - | (350,000) | (350,000) | - | (350,000) |
| | 3,500,000 | - | 22,859 | 3,764 | (336,614) | 424,187 | 936,500 | 8,639,020 | 13,189,716 | 23,365 | 13,213,081 |

The annexed notes 1 to 16 form an integral part of this consolidated condensed interim financial information.

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

Operating Cash Flows

a) Underwriting activities

| | |
|---|--|
| Premiums received | |
| Reinsurance premiums paid | |
| Claims paid | |
| Surrenders paid | |
| Reinsurance and other recoveries received | |
| Commissions paid | |
| Commissions received | |
| Other underwriting payments | |
| Net cash flow from underwriting activities | |

b) Other operating activities

| | |
|--|--|
| Income tax paid | |
| General and management expenses paid | |
| Loans disbursed | |
| Loan repayments received | |
| Other receipts | |
| Net cash used in other operating activities | |

Total cash flow from all operating activities

Investment activities

| | |
|--|--|
| Profit / return received on bank deposits | |
| Income received on PIBs | |
| Income received on TFCs | |
| Income on Treasury bills | |
| Dividends received | |
| Rentals received | |
| Payments for investments | |
| Proceeds from disposal of investments | |
| Fixed capital expenditure - Tangible assets | |
| Fixed capital expenditure - Intangible assets | |
| Proceeds from disposal of fixed assets | |
| Total cash used in investing activities | |

Financing activities

| | |
|--|--|
| Lease rentals paid | |
| Dividends paid | |
| Issue of share capital | |
| Total cash (used in) / flow from financing activities | |

Net cash (used in) / flow from all activities

Cash at the beginning of the period

Cash at the end of the period

| Half year ended 30 June 2014 | Half year ended 30 June 2013 |
|---------------------------------|---------------------------------|
| Rupees in thousand | |
| 6,680,678 | 7,247,428 |
| (1,902,954) | (1,822,097) |
| (4,789,661) | (3,447,083) |
| (11,051) | (9,063) |
| 2,592,450 | 1,197,941 |
| (729,968) | (1,001,844) |
| 304,735 | 304,120 |
| (901,219) | (591,119) |
| 1,243,010 | 1,878,283 |
| (53,423) | (57,179) |
| (419,879) | (347,488) |
| (28,119) | (26,124) |
| 22,468 | 24,325 |
| 159,595 | 167,172 |
| (319,358) | (239,294) |
| 923,652 | 1,638,989 |
| 3,338 | 59,568 |
| 5,366 | 5,953 |
| 3,548 | 6,525 |
| 7,305 | 4,382 |
| 458,398 | 546,763 |
| 2,445 | 1,588 |
| (13,629,658) | (11,015,759) |
| 12,576,776 | 9,172,119 |
| (90,220) | (141,773) |
| (1,070) | (4,078) |
| 9,681 | 13,936 |
| (654,091) | (1,350,776) |
| (5,863) | (12,029) |
| (323,234) | (119,791) |
| - | 200,332 |
| (329,097) | 68,512 |
| (59,536) | 356,725 |
| 2,850,625 | 2,723,882 |
| 2,791,089 | 3,080,607 |

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

Reconciliation to Profit and Loss Account

Operating cash flows
Depreciation expense
Provision for gratuity
Other income - bank deposits
Profit on disposal of fixed assets
Provision for impairment
Finance charge on lease obligations
Share of profit of associated companies
Rental income
Increase / (decrease) in assets other than cash
Increase in liabilities other than running finance

Others

Profit on sale of investments
Amortization expense
Capital contribution from shareholders' fund
Increase in unearned premium
Amortization of income on Government Securities - net
Return on Pakistan Investment Bonds
Decrease in loans
Income tax paid
Reversal for diminution in value of investments
Dividend, investment and other income
Income on Treasury Bills
Other income - TFCs

Profit before taxation

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.

Cash for the purposes of the Statement of Cash Flows consists of:

Cash and other equivalents
Current and other accounts
Deposits maturing within 12 months

Total cash and cash equivalents

The annexed notes 1 to 16 form an integral part of this consolidated condensed interim financial information.

| | Half year ended 30 June 2014 | Half year ended 30 June 2013 |
|---|---------------------------------|---------------------------------|
| Rupees in thousand | | |
| Operating cash flows | 923,652 | 1,638,989 |
| Depreciation expense | (80,694) | (66,578) |
| Provision for gratuity | (2,562) | (12,081) |
| Other income - bank deposits | 47,370 | 69,920 |
| Profit on disposal of fixed assets | 858 | 1,428 |
| Provision for impairment | - | - |
| Finance charge on lease obligations | (252) | (1,162) |
| Share of profit of associated companies | - | - |
| Rental income | 2,445 | 2,389 |
| Increase / (decrease) in assets other than cash | 225,756 | (205,610) |
| Increase in liabilities other than running finance | (919,561) | (1,552,834) |
| | 197,012 | (125,539) |
| Others | | |
| Profit on sale of investments | 561,183 | 1,067,913 |
| Amortization expense | (13,690) | (13,192) |
| Capital contribution from shareholders' fund | 6,700 | 10,215 |
| Increase in unearned premium | (634,830) | (37,036) |
| Amortization of income on Government Securities - net | 261 | 273 |
| Return on Pakistan Investment Bonds | 5,898 | 6,483 |
| Decrease in loans | 5,651 | 610 |
| Income tax paid | 52,967 | 56,597 |
| Reversal for diminution in value of investments | 16,532 | 81,847 |
| Dividend, investment and other income | 724,785 | 660,894 |
| Income on Treasury Bills | 14,334 | 1,836 |
| Other income - TFCs | 3,540 | 6,219 |
| | 743,331 | 1,842,659 |
| Profit before taxation | 940,343 | 1,717,120 |

| | Half year ended 30 June 2014 | Half year ended 30 June 2013 |
|------------------------------------|---------------------------------|---------------------------------|
| Cash and other equivalents | 1,657 | 1,877 |
| Current and other accounts | 1,761,955 | 1,969,645 |
| Deposits maturing within 12 months | 1,027,477 | 1,109,085 |
| Total cash and cash equivalents | 2,791,089 | 3,080,607 |

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 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 30 June 2014 | Quarter ended 30 June 2013 |
| General insurance: | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 1,411,104 | 1,665,107 | 2,055,221 | 578 | 1,021,568 | 1,089,934 | 1,165,708 | 1,500,840 | 483 | 755,285 | 266,283 | 195,247 |
| Marine, aviation and transport | 223,920 | 72,106 | 68,460 | (12) | 227,554 | 46,522 | 18,669 | 14,466 | 11 | 50,736 | 176,818 | 146,065 |
| Motor | 861,720 | 1,445,346 | 1,559,962 | 4,111 | 751,215 | 89,578 | 115,877 | 124,635 | 843 | 81,663 | 669,552 | 744,148 |
| Miscellaneous | 623,042 | 1,009,971 | 996,018 | 64 | 637,059 | 364,704 | 236,201 | 375,150 | 80 | 225,835 | 411,224 | 316,038 |
| | 3,119,786 | 4,192,530 | 4,679,661 | 4,741 | 2,637,396 | 1,590,738 | 1,536,455 | 2,015,091 | 1,417 | 1,113,519 | 1,523,877 | 1,401,498 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 3,119,786 | 4,192,530 | 4,679,661 | 4,741 | 2,637,396 | 1,590,738 | 1,536,455 | 2,015,091 | 1,417 | 1,113,519 | 1,523,877 | 1,401,498 |
| Life insurance: | | | | | | | | | | | | |
| Conventional Business | 87,939 | - | - | - | 87,939 | 56,939 | - | - | - | 56,939 | 31,000 | 18,106 |
| Non-unitized Investment Linked Business | 203,527 | - | - | - | 203,527 | 3,433 | - | - | - | 3,433 | 200,094 | 187,455 |
| Unit Linked Business | 919,150 | - | - | - | 919,150 | 16,715 | - | - | - | 16,715 | 902,435 | 940,146 |
| Accident and Health Business | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 1,210,616 | - | - | - | 1,210,616 | 77,087 | - | - | - | 77,087 | 1,133,529 | 1,145,707 |
| Grand Total | 4,330,402 | 4,192,530 | 4,679,661 | 4,741 | 3,848,012 | 1,667,825 | 1,536,455 | 2,015,091 | 1,417 | 1,190,606 | 2,657,406 | 2,547,205 |

| 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 | | Half year ended 30 June 2014 | Half year ended 30 June 2014 |
| General insurance: | Rupees in thousand | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 2,286,913 | 1,854,900 | 2,055,221 | (4,054) | 2,082,538 | 1,727,254 | 1,358,743 | 1,500,840 | (3,273) | 1,581,884 | 500,654 | 413,782 |
| Marine, aviation and transport | 439,201 | 55,695 | 68,460 | (252) | 426,184 | 96,072 | 7,378 | 14,466 | (32) | 88,952 | 337,232 | 282,672 |
| Motor | 1,652,105 | 1,504,870 | 1,559,962 | (55,001) | 1,542,012 | 172,837 | 125,874 | 124,635 | (7,844) | 166,232 | 1,375,780 | 1,429,736 |
| Miscellaneous | 1,613,945 | 629,366 | 996,018 | (1,300) | 1,245,993 | 570,713 | 209,775 | 375,150 | (702) | 404,636 | 841,357 | 584,409 |
| | 5,992,164 | 4,044,831 | 4,679,661 | (60,607) | 5,296,727 | 2,566,876 | 1,701,770 | 2,015,091 | (11,851) | 2,241,704 | 3,055,023 | 2,710,599 |
| Treaty | | | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 5,992,164 | 4,044,831 | 4,679,661 | (60,607) | 5,296,727 | 2,566,876 | 1,701,770 | 2,015,091 | (11,851) | 2,241,704 | 3,055,023 | 2,710,599 |
| Life insurance: | | | | | | | | | | | | |
| Conventional Business | 119,962 | - | - | - | 119,962 | 76,888 | - | - | - | 76,888 | 43,074 | 36,301 |
| Non-unitized Investment Linked Business | 288,555 | - | - | - | 288,555 | 5,062 | - | - | - | 5,062 | 283,493 | 293,355 |
| Unit Linked Business | 1,475,413 | - | - | - | 1,475,413 | 25,313 | - | - | - | 25,313 | 1,450,100 | 1,621,499 |
| Accident and Health Business | - | - | - | - | - | - | - | - | - | - | - | 2 |
| Total | 1,883,930 | - | - | - | 1,883,930 | 107,263 | - | - | - | 107,263 | 1,776,667 | 1,951,157 |
| Grand Total | 7,876,094 | 4,044,831 | 4,679,661 | (60,607) | 7,180,657 | 2,674,139 | 1,701,770 | 2,015,091 | (11,851) | 2,348,967 | 4,831,690 | 4,661,756 |

The annexed notes 1 to 16 form an integral part of this consolidated condensed interim financial information.

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| Class | Total claims paid | Outstanding claims | | | Claims expenses | Reinsurance and other recoveries received | Reinsurance and other recoveries in respect of outstanding claims | | | Reinsurance and other recoveries revenue | Net claims expense | |
|---|--------------------|--------------------|-----------|-----------------------------|-----------------|---|---|-----------|-----------------------------|--|----------------------------|----------------------------|
| | | Opening | Closing | Currency translation effect | | | Opening | Closing | Currency translation effect | | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 |
| General insurance: | Rupees in thousand | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 372,870 | 3,050,041 | 2,949,796 | (3,525) | 276,150 | 273,792 | 2,442,075 | 2,322,458 | (2,997) | 157,172 | 118,978 | 90,209 |
| Marine, aviation and transport | 146,614 | 162,088 | 360,122 | 206 | 344,442 | 42,351 | 115,455 | 272,257 | - | 199,153 | 145,289 | 100,450 |
| Motor | 998,932 | 2,601,416 | 2,335,047 | 21,585 | 710,978 | 605,108 | 1,998,004 | 1,718,636 | 23,485 | 302,255 | 408,723 | 483,471 |
| Miscellaneous | 416,267 | 756,297 | 649,566 | (50) | 309,586 | 33,460 | 538,671 | 453,721 | (37) | (51,453) | 361,039 | 143,123 |
| | 1,934,683 | 6,569,842 | 6,294,531 | 18,216 | 1,641,156 | 954,711 | 5,094,205 | 4,767,072 | 20,451 | 607,127 | 1,034,029 | 817,253 |
| Treaty | | | | | | | | | | | | |
| Proportional | | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Total | 1,934,683 | 6,590,174 | 6,314,863 | 18,216 | 1,641,156 | 954,711 | 5,094,205 | 4,767,072 | 20,451 | 607,127 | 1,034,029 | 817,253 |
| | | | | | | | | | | | | |
| Conventional Business | 48,660 | 36,653 | 37,795 | - | 49,802 | 34,507 | - | - | - | 34,507 | 15,295 | 13,746 |
| Non-unitized Investment Linked Business | 5,459 | 10,787 | 10,137 | - | 4,809 | 1,221 | - | - | - | 1,221 | 3,588 | 2,465 |
| Unit Linked Business | 228,532 | 55,448 | 77,287 | - | 250,371 | 2,523 | - | - | - | 2,523 | 247,848 | 145,099 |
| Accident and Health Business | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 282,651 | 102,888 | 125,219 | - | 304,982 | 38,251 | - | - | - | 38,251 | 266,731 | 161,310 |
| Grand Total | 2,217,334 | 6,693,062 | 6,440,082 | 18,216 | 1,946,138 | 992,962 | 5,094,205 | 4,767,072 | 20,451 | 645,378 | 1,300,760 | 978,563 |

| Class | Total claims paid | Outstanding claims | | | Claims expenses | Reinsurance and other recoveries received | Reinsurance and other recoveries in respect of outstanding claims | | | Reinsurance and other recoveries revenue | Net claims expense | |
|---|--------------------|--------------------|-----------|-----------------------------|-----------------|---|---|-----------|-----------------------------|--|------------------------------|------------------------------|
| | | Opening | Closing | Currency translation effect | | | Opening | Closing | Currency translation effect | | Half year ended 30 June 2014 | Half year ended 30 June 2014 |
| General insurance: | Rupees in thousand | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | | |
| Fire and property damage | 1,274,305 | 3,516,994 | 2,949,796 | (6,069) | 713,176 | 1,082,564 | 2,919,240 | 2,322,458 | (5,157) | 490,939 | 222,237 | 284,984 |
| Marine, aviation and transport | 186,217 | 176,944 | 360,122 | (358) | 369,753 | 43,158 | 126,959 | 272,257 | - | 188,456 | 181,297 | 188,849 |
| Motor | 1,626,341 | 2,612,650 | 2,335,047 | (145,411) | 1,494,149 | 793,013 | 2,068,984 | 1,718,636 | (119,750) | 562,415 | 931,734 | 899,930 |
| Miscellaneous | 1,062,395 | 995,753 | 649,566 | (74) | 716,282 | 255,786 | 638,948 | 453,721 | (56) | 70,615 | 645,667 | 268,660 |
| | 4,149,258 | 7,302,341 | 6,294,531 | (151,912) | 3,293,360 | 2,174,521 | 5,754,131 | 4,767,072 | (124,963) | 1,312,425 | 1,980,935 | 1,642,423 |
| Treaty | | | | | | | | | | | | |
| Proportional | | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| | - | 20,332 | 20,332 | - | - | - | - | - | - | - | - | - |
| Total | 4,149,258 | 7,322,673 | 6,314,863 | (151,912) | 3,293,360 | 2,174,521 | 5,754,131 | 4,767,072 | (124,963) | 1,312,425 | 1,980,935 | 1,642,423 |
| | | | | | | | | | | | | |
| Life insurance: | | | | | | | | | | | | |
| Conventional Business | 93,211 | 38,307 | 37,795 | - | 92,699 | 65,411 | - | - | - | 65,411 | 27,288 | 26,223 |
| Non-unitized Investment Linked Business | 9,138 | 10,280 | 10,137 | - | 8,995 | 1,909 | - | - | - | 1,909 | 7,086 | 3,811 |
| Unit Linked Business | 538,055 | 35,432 | 77,287 | - | 579,910 | 9,230 | - | - | - | 9,230 | 570,680 | 198,830 |
| Accident and Health Business | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 640,404 | 84,019 | 125,219 | - | 681,604 | 76,550 | - | - | - | 76,550 | 605,054 | 228,864 |
| Grand Total | 4,789,662 | 7,406,692 | 6,440,082 | (151,912) | 3,974,964 | 2,251,071 | 5,754,131 | 4,767,072 | (124,963) | 1,388,975 | 2,585,989 | 1,871,287 |

The annexed notes 1 to 16 form an integral part of this consolidated condensed interim financial information.

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 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 30 June 2014 | Quarter ended 30 June 2013 |
| General insurance: | Rupees in thousand | | | | | | | | | |
| General insurance: | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | |
| Fire and property damage | 111,467 | 179,041 | 239,625 | 43 | 50,926 | 94,385 | 145,311 | 81,449 | 63,862 | 75,004 |
| Marine, aviation and transport | 31,752 | 6,384 | 8,908 | 19 | 29,247 | 49,449 | 78,696 | 348 | 78,348 | 77,349 |
| Motor | 63,668 | 140,866 | 133,471 | 996 | 72,059 | 185,694 | 257,753 | 1,742 | 256,011 | 260,915 |
| Miscellaneous | 54,932 | 46,582 | 64,432 | - | 37,082 | 95,062 | 132,144 | 36,509 | 95,635 | 90,411 |
| | 261,819 | 372,873 | 446,436 | 1,058 | 189,314 | 424,590 | 613,904 | 120,048 | 493,856 | 503,679 |
| Treaty | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Total | 261,819 | 372,873 | 446,436 | 1,058 | 189,314 | 424,590 | 613,904 | 120,048 | 493,856 | 503,679 |
| Life insurance: | | | | | | | | | | |
| Conventional Business | 9,550 | - | - | - | 9,550 | 7,886 | 17,436 | - | 17,436 | 12,684 |
| Non- unitized Investment Linked Business | 12,255 | - | - | - | 12,255 | 11,803 | 24,058 | - | 24,058 | 59,207 |
| Unit Linked Business | 172,328 | - | - | - | 172,328 | 62,305 | 234,633 | - | 234,633 | 296,569 |
| Accident and health business | - | - | - | - | - | - | - | - | - | - |
| Total | 194,133 | - | - | - | 194,133 | 81,994 | 276,127 | - | 276,127 | 368,460 |
| Grand Total | 455,952 | 372,873 | 446,436 | 1,058 | 383,447 | 506,584 | 890,031 | 120,048 | 769,983 | 872,139 |

| 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 | | | | | Half year ended 30 June 2014 | Half year ended 30 June 2014 |
| General insurance: | Rupees in thousand | | | | | | | | | |
| Direct and facultative | | | | | | | | | | |
| Fire and property damage | 210,232 | 188,330 | 239,625 | (746) | 158,191 | 173,405 | 331,596 | 168,566 | 163,030 | 161,014 |
| Marine, aviation and transport | 60,488 | 3,163 | 8,908 | (12) | 54,731 | 100,785 | 155,516 | 1,006 | 154,510 | 133,750 |
| Motor | 142,799 | 150,110 | 133,471 | (5,905) | 153,533 | 376,245 | 529,778 | 5,839 | 523,939 | 461,785 |
| Miscellaneous | 94,899 | 49,046 | 64,432 | (109) | 79,404 | 196,688 | 276,092 | 74,116 | 201,976 | 184,803 |
| | 508,418 | 390,649 | 446,436 | (6,772) | 445,859 | 847,123 | 1,292,982 | 249,527 | 1,043,455 | 941,352 |
| Treaty | | | | | | | | | | |
| Proportional | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Total | 508,418 | 390,649 | 446,436 | (6,772) | 445,859 | 847,123 | 1,292,982 | 249,527 | 1,043,455 | 941,352 |
| Life insurance: | | | | | | | | | | |
| Conventional Business | 10,553 | - | - | - | 10,553 | 17,007 | 27,560 | - | 27,560 | 24,647 |
| Non-unitized Investment Linked Business | 25,973 | - | - | - | 25,973 | 25,495 | 51,468 | - | 51,468 | 88,518 |
| Unit Linked Business | 315,294 | - | - | - | 315,294 | 133,580 | 448,874 | - | 448,874 | 473,822 |
| Accident and health business | - | - | - | - | - | - | - | - | - | - |
| Total | 351,820 | - | - | - | 351,820 | 176,082 | 527,902 | - | 527,902 | 586,987 |
| Grand Total | 860,238 | 390,649 | 446,436 | (6,772) | 797,679 | 1,023,205 | 1,820,884 | 249,527 | 1,571,357 | 1,528,339 |

The annexed notes 1 to 16 form an integral part of this consolidated condensed interim financial information.

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 | Half year ended 30 June 2014 | Half year ended 30 June 2013 |
|---|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Rupees in thousand | | | | |
| General insurance: | | | | |
| Income from non-trading investments | | | | |
| Available-for-sale | | | | |
| Return on Term Finance Certificates | 1,867 | 2,995 | 3,540 | 6,219 |
| Return on Pakistan Investment Bonds | 3,291 | 3,562 | 5,898 | 6,483 |
| Profit on Treasury Bills | 6,684 | 923 | 14,334 | 1,836 |
| Dividend income | | | | |
| - associated undertakings | 95,523 | 110,270 | 284,689 | 305,873 |
| - others | 47,269 | 35,235 | 173,265 | 232,617 |
| | 142,792 | 145,505 | 457,954 | 538,490 |
| | 154,634 | 152,985 | 481,726 | 553,028 |
| Gain on sale of 'available-for-sale' investments | - | 182,240 | - | 182,240 |
| - associated undertakings | 158,212 | 577,689 | 532,769 | 886,904 |
| - others | 158,212 | 759,929 | 532,769 | 1,069,144 |
| | 312,846 | 912,914 | 1,014,495 | 1,622,172 |
| Reversal for impairment in value of 'available-for-sale' investments | 3,370 | 51,216 | 3,370 | 51,216 |
| | 316,216 | 964,130 | 1,017,865 | 1,673,388 |
| Life insurance: | | | | |
| Shareholders' fund | | | | |
| Unrealised appreciation /(diminution) in value of quoted equity securities | 19 | (95) | 213 | (75) |
| Return on Government Securities | 6,888 | 4,995 | 13,764 | 8,426 |
| Return on bank deposits | 327 | 360 | 582 | 672 |
| Dividend income | 261 | 190 | 1,145 | 1,446 |
| Gain on sale of non-trading investments | - | 270 | 3,128 | 270 |
| Reversal of impairment in the value of 'available for sale' investments | - | - | - | - |
| | 7,495 | 5,720 | 18,832 | 10,739 |
| Statutory Funds | | | | |
| Conventional Business | | | | |
| Return on bank deposits | 1,633 | 1,254 | 3,145 | 2,434 |
| Return on Government Securities | 2,273 | 905 | 5,274 | 1,981 |
| Gain on sale of Government Securities - non trading investments | - | - | - | 12 |
| Gain on sale of Units of open end mutual funds | - | - | - | - |
| Reversal of impairment in the value of 'available-for-sale' investments | - | - | - | - |
| | 3,906 | 2,159 | 8,419 | 4,427 |
| Accident and Health Business | | | | |
| Return on Government Securities | 2 | - | 2 | - |
| Return on bank deposits | 3 | 6 | 4 | 12 |
| | 5 | 6 | 6 | 12 |
| Non-utilised Investment Link Business | | | | |
| (Diminution) / appreciation in value of quoted securities | (8,064) | 5,021 | (27) | 4,452 |
| Return on bank deposits | 681 | 922 | 1,851 | 922 |
| Return on Government securities | 30,690 | 15,906 | 57,357 | 30,011 |
| Return on fixed income securities | 1,130 | 1,097 | 2,531 | 1,741 |
| Loss on sale of Government Securities | (28) | (1,342) | (116) | (1,306) |
| Loss on sale of fixed income securities | (12) | - | (12) | - |
| Gain on sale of units of open end mutual funds | 168 | 214 | 534 | 235 |
| | 24,565 | 21,818 | 62,118 | 36,055 |

CONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Quarter ended 30 June 2014 | Quarter ended 30 June 2013 | Half year ended 30 June 2014 | Half year ended 30 June 2013 |
|---|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Rupees in thousand | | | | |
| Unit Link Business | | | | |
| (Diminution) / appreciation in value of quoted securities | (24,587) | 22,133 | 12,977 | 26,254 |
| Return on Government Securities | 89,274 | 38,619 | 169,254 | 66,820 |
| Dividend income | 72 | 26 | 194 | 32 |
| Return on bank deposits | 2,659 | 5,318 | 5,728 | 5,318 |
| Return on other fixed income securities | 2,509 | 1,892 | 5,119 | 2,590 |
| Gain on sale of listed equities | 240 | 58 | 301 | 58 |
| Loss on sale of Government Securities | (194) | (1,202) | (318) | (1,346) |
| Loss on sale of fixed income securities | (9) | - | (9) | - |
| Gain on sale of units of open end mutual funds | 21,008 | 675 | 24,905 | 847 |
| | 90,972 | 67,519 | 218,151 | 100,573 |
| Net investment income | 443,159 | 1,061,352 | 1,325,391 | 1,825,194 |
| Net investment income - statutory funds | 119,448 | 91,502 | 288,694 | 141,067 |
| Net investment income - other | 323,711 | 969,850 | 1,036,697 | 1,684,127 |
| | 443,159 | 1,061,352 | 1,325,391 | 1,825,194 |

The annexed notes 1 to 16 form an integral part of this consolidated condensed interim financial information.

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

1 Status and nature of business

The Group consists of:

Holding Company

Adamjee Insurance Company Limited

Subsidiary Company

Adamjee Life Assurance Company Limited [74.28% held by Adamjee Insurance Company Limited (2013: 74.28%)]

Adamjee Insurance Company Limited (Holding Company)

Adamjee Insurance Company Limited is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the Companies Ordinance 1984). The Company is listed on all stock exchanges in Pakistan and is engaged in the general insurance business comprising fire and property, marine, motor and miscellaneous classes. The registered office of the Company is situated at Tanveer Building, 27-C-III, MM Alam Road, Gulberg III, Lahore.

Adamjee Life Assurance Company Limited (Subsidiary Company)

Adamjee Life Assurance Company Limited was incorporated in Pakistan on 4 August 2008 as a public unlisted company under the Companies Ordinance, 1984 and started its operations from 24 April 2009. The registered office of the Company is located at First Floor Islamabad Stock Exchange Tower, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is located at Third Floor, The Forum, Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of Adamjee Insurance Company Limited and an associate of IVM Intersurer B.V. who have a holding of 74.28% (2013: 74.28%) and 25.72% (2013: 25.72%), respectively in the share capital of the Company. IVM Intersurer B.V. has nominated Hollard Life Assurance Company Limited (HLA), a subsidiary of IVM Intersurer B.V., to act on its behalf in respect of matters relating to the Company. HLA is South Africa's largest private sector insurance company.

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

- Conventional Business
- Non-Unitized Investment Link Business
- Unit Linked Business
- Accident and Health Business

2 Basis of preparation and statement of compliance

This consolidated condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions and directives issued under the Companies Ordinance, 1984 and the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, 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 limited based on format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard (IAS) 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.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

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 fair value.

4 Summary of significant accounting policies

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

The Company has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 January 2014, as mentioned in the financial statements for the year ended 31 December 2013.

There is no significant impact of such changes on this consolidated condensed interim financial information of the Company.

5 Accounting estimates and judgements

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the preparation of this consolidated condensed interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the preceding audited financial statements of the Company for the year ended 31 December 2013.

6 Financial risk management

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

7 Contingencies and commitments

7.1 Contingencies

Holding Company

There has been no significant change in the contingencies since the date of preceding financial statements for the year ended 31 December 2013.

Subsidiary Company

There is no contingency as at 30 June 2014 (31 December 2013: Nil)

7.2 Commitments

Holding Company

There is no capital or other commitment as at 30 June 2014 (31 December 2013: Nil)

Subsidiary Company

There is no capital or other commitment as at 30 June 2014 (31 December 2013: Nil)

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Note | 30 June 2014 | 31 December 2013 |
|---|---|--------------------|------------------|
| | | Rupees in thousand | |
| 8 Investments | | | |
| Available-for-sale | | (Unaudited) | (Audited) |
| In related parties | | | |
| Marketable securities - listed | | 5,321,609 | 7,477,264 |
| Less: Provision for impairment in value of investments | | (609) | - |
| | | 5,321,000 | 7,477,264 |
| Others | | | |
| Marketable securities - listed | | 6,553,873 | 3,088,879 |
| Less: Provision for impairment in value of investments | 8.1 | (216,911) | (220,890) |
| | | 6,336,962 | 2,867,989 |
| Fixed income securities | 8.2 | 833,910 | 831,811 |
| | | 7,170,872 | 3,699,800 |
| | | 12,491,872 | 11,177,064 |
| At fair value through profit or loss | | | |
| In related parties | | | |
| Marketable securities - listed | | 2,333 | 3,122 |
| Others | | | |
| Marketable securities - listed | | 832,423 | 461,243 |
| Fixed income securities | 8.4 | 4,524,026 | 4,180,782 |
| | | 5,356,449 | 4,642,025 |
| | | 5,358,782 | 4,645,147 |
| | | 17,850,654 | 15,822,211 |
| 8.1 Reconciliation of provision for impairment in value of investments | | | |
| Opening provision | | 220,890 | 416,284 |
| Reversal for the period / year | | (3,370) | (195,394) |
| Closing provision | | 217,520 | 220,890 |
| 8.2 | The fixed income securities classified as 'available-for-sale' include Pakistan investment bonds and Government treasury bills amounting to Rupees 235.941 million and Rupees 597.969 million, respectively. | | |
| 8.3 | On 30 June 2014, the fair value of 'available-for-sale' securities was Rupees 22,584.329 million [31 December 2013: Rupees 18,224.254 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 (IAS) 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 30 June 2014 would have been higher by Rupees 10,092.457 million [31 December 2013: higher by Rupees 7,047.190 million]. | | |
| 8.4 | The fixed income securities at 'fair value through profit or loss' include Pakistan investment bonds and Ijarah Sukuks amounting to Rupees 4,508.583 million and Rupees 15.443 million, respectively. | | |

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| | Note | 30 June 2014 | 31 December 2013 |
|---|------|--------------------|------------------|
| | | Rupees in thousand | |
| 9 Premiums due but unpaid - Unsecured | | (Unaudited) | (Audited) |
| Considered good | | 3,842,279 | 2,673,944 |
| Considered doubtful | | 361,200 | 369,231 |
| | | <u>4,203,479</u> | <u>3,043,175</u> |
| Less: Provision for doubtful balances | 9.1 | <u>(361,200)</u> | <u>(369,231)</u> |
| | | <u>3,842,279</u> | <u>2,673,944</u> |
| 9.1 Reconciliation of provision for doubtful balances | | | |
| Opening provision | | 369,231 | 359,147 |
| Exchange loss | | (8,031) | 10,084 |
| Charge for the period | | - | - |
| Written off during the period | | - | - |
| Closing provision | | <u>361,200</u> | <u>369,231</u> |
| 10 Amounts due from other insurers/ reinsurers - Unsecured | | | |
| Considered good | | 687,464 | 1,094,914 |
| Considered doubtful | | 322,810 | 322,810 |
| | | <u>1,010,274</u> | <u>1,417,724</u> |
| Less: Provision for doubtful balances | 10.1 | <u>(322,810)</u> | <u>(322,810)</u> |
| | | <u>687,464</u> | <u>1,094,914</u> |
| 10.1 Reconciliation of provision for doubtful balances | | | |
| Opening provision | | 322,810 | 326,327 |
| Written off during the period | | - | (3,517) |
| Closing provision | | <u>322,810</u> | <u>322,810</u> |
| 11 Operating fixed assets - tangible and intangible | | | |
| Opening balance - Net book value | | 1,161,771 | 1,065,917 |
| Additions during the period | 11.2 | 175,202 | 264,943 |
| Less: | | | |
| Book value of disposals during the period | 11.3 | (8,823) | (19,323) |
| Depreciation charged during the period | | (94,404) | (166,882) |
| Exchange difference | | (12,609) | 17,116 |
| | | <u>(115,836)</u> | <u>(169,089)</u> |
| | | 1,221,137 | 1,161,771 |
| Capital work in progress | | 5,398 | 89,310 |
| | | <u>1,226,535</u> | <u>1,251,081</u> |
| 11.1 Breakup of book values into owned and leased fixed assets | | | |
| Owned assets | | 1,193,820 | 1,128,144 |
| Capital work in progress | | 5,398 | 89,310 |
| Leased | | 27,316 | 33,627 |
| | | <u>1,226,534</u> | <u>1,251,081</u> |

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

| Note | 30 June 2014 | 31 December 2013 |
|--|----------------|------------------|
| Rupees in thousand | | |
| 11.2 Additions during the period / year | | |
| Owned | (Unaudited) | (Audited) |
| Land and building | - | 200 |
| Furniture and fixture | 4,691 | 65,322 |
| Motor vehicle | 53,247 | 93,488 |
| Machinery and equipment | 11,161 | 35,425 |
| Computer and related accessories | 105,211 | 24,844 |
| Intangibles | 892 | 45,664 |
| | <u>175,202</u> | <u>264,943</u> |

11.3 Written down values of operating fixed assets disposed off during the period / year

| | | |
|----------------------------------|--------------|---------------|
| Owned | | |
| Land and building | - | - |
| Furniture and fixture | 19 | 40 |
| Motor vehicle | 4,761 | 5,615 |
| Machinery and equipment | 26 | 1,443 |
| Computer and related accessories | 31 | 112 |
| Intangibles | - | - |
| | <u>4,837</u> | <u>7,210</u> |
| Leased | | |
| Motor vehicles | 3,987 | 12,113 |
| | <u>8,824</u> | <u>19,323</u> |

12 Transactions with related parties

The related parties comprise 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 consolidated condensed interim financial information. Other transactions with related parties are summarised as follows:

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

i) Transactions

Other related parties

| | Half year ended 30 June 2014 | Half year ended 30 June 2013 |
|---|---------------------------------|---------------------------------|
| | Rupees in thousand | |
| Premium underwritten | 652,386 | 375,062 |
| Premium received | 448,523 | 808,560 |
| Claims paid | 219,795 | 112,179 |
| Rent paid | - | 2,113 |
| Rent received | 2,445 | 2,389 |
| Dividend received | 284,441 | 305,874 |
| Dividend paid | 135,473 | 471,882 |
| Income on bank deposits | 28,451 | 15,765 |
| Investment made | 1,035,040 | 200,322 |
| Fees paid | 13,460 | 13,765 |
| Remuneration to key management personnel | 182,176 | 208,607 |
| Company's contribution to Employees' Provident Fund | 11,986 | 9,555 |

| | Number of shares | |
|-----------------------|------------------|-----------|
| Bonus shares received | 3,004,653 | 5,626,611 |

ii) Period end balances

Other related parties

| | As at 30 June 2014 | As at 31 December 2013 |
|--------------------------------------|-----------------------|---------------------------|
| | Rupees in thousand | |
| Balances receivable | 444,747 | 590,000 |
| Balances payable | 335,740 | 413,077 |
| Cash and bank balances | 868,971 | 1,150,634 |
| Payable to Staff Gratuity Fund | 66,380 | 57,770 |
| Payable to Employees' Provident Fund | 1,552 | 804 |

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

13 SEGMENT REPORTING
13.1 Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following is a schedule of class of business wise assets and liabilities:

| 30 June 2014 | | | | | | | | | | | | | | | | | | | | |
|--------------------------|------------------|--------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|--|------------------|-----------------|------------------|-----------------------------|--------------------|-----------------------|----------------------------|--------------------|--------------------------|-------------|
| Fire and Property Damage | | Marine, Aviation and Transport | | Motor | | Miscellaneous | | Treaty | | Unallocated Corporate Assets/Liabilities | | Total | | Aggregate General Insurance | Shareholders' Fund | 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 | Non-united investment link | Unit link Business | | |
| Rupees in thousand | | | | | | | | | | | | | | | | | | | | |
| Other information | | | | | | | | | | | | | | | | | | | | |
| Segment assets | | | | | | | | | | | | | | | | | | | | |
| Unallocated assets | | | | | | | | | | | | | | | | | | | | |
| Total assets | | | | | | | | | | | | | | | | | | | | |
| Segment liabilities | | | | | | | | | | | | | | | | | | | | |
| Unallocated liabilities | | | | | | | | | | | | | | | | | | | | |
| Total liabilities | | | | | | | | | | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | | | | | | | | | | |

| 31 December 2013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|------------------|--------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|--|-----------------|------------------|-----------------|-----------------------------|--------------------|------------------|-----------------------|---------------------------------------|--------------------|--------------------------|-------------|------------------------------|------------|--|------------|--|------------|--|------------|--|--------|--|-----------|--|------------|--|------------|--|---------|--|------------|--|
| Fire and Property Damage | | Marine, Aviation and Transport | | Motor | | Miscellaneous | | Treaty | | | Unallocated Corporate Assets/Liabilities | | Total | | Aggregate General Insurance | Shareholders' Fund | 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 | Inside Pakistan | | | Outside Pakistan | Conventional Business | Non-insured independent link Business | Unit link Business | | | Accident and Health Business | | | | | | | | | | | | | | | | | | | | |
| Rupees in thousand | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5,708,948 | | 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 | | - | | 19,204 | | 11,638,660 | | | | | | | | | | | | | |
| - | | - | | - | | - | | - | | - | | - | | - | | - | | - | | 13,356,322 | | 1,528,911 | | 14,885,233 | | 426,611 | | 1,152,850 | | 3,843,005 | | 46 | | 5,576,622 | | 20,461,855 | | | | | | | |
| 5,708,948 | | 190,383 | | 386,545 | | 10,849 | | 533,402 | | 3,209,264 | | 1,553,073 | | 26,992 | | - | | - | | 13,356,322 | | 1,528,911 | | 14,885,233 | | 426,611 | | 1,152,850 | | 3,843,005 | | 46 | | 5,576,622 | | 20,461,855 | | | | | | | |
| 6,089,676 | | 166,486 | | 354,083 | | 16,373 | | 1,044,237 | | 3,649,528 | | 2,007,893 | | 24,905 | | 20,332 | | - | | - | | 9,536,221 | | 3,857,292 | | 13,393,513 | | 61,910 | | 33,793 | | 85,138 | | 10 | | 180,851 | | 13,574,364 | | | | | |
| - | | - | | - | | - | | - | | - | | - | | - | | - | | 681,231 | | 78,292 | | 681,231 | | 78,292 | | 759,523 | | 45,840 | | 5,082 | | 82,193 | | 35 | | 135,609 | | 893,132 | | | | | |
| 6,089,676 | | 166,486 | | 354,083 | | 16,373 | | 1,044,237 | | 3,649,528 | | 2,007,893 | | 24,905 | | 20,332 | | - | | 681,231 | | 78,292 | | 10,217,452 | | 3,955,964 | | 14,153,036 | | 45,840 | | 64,369 | | 38,875 | | 167,331 | | 45 | | 378,440 | | 14,467,496 | |
| Capital expenditure | | | | | | | | | | | | 224,520 | | 21,411 | | 245,931 | | | | | | | | | | | | | | | | | | | | | | 33,983 | | 279,514 | | | |

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2014

14 Date of authorisation for issue

This consolidated condensed interim financial information was approved and authorised for issue on 26 August 2014 by the Board of Directors of the Company.

15 Non-adjusting events after the balance sheet date

The Board of Directors of the holding company in their meeting held on 26 August 2014 proposed an interim cash dividend for the half year ended 30 June 2014 @ 12.5% Rupees 1.25/- per share (30 June 2013: @ 25% i.e. Rupees 2.5/- per share). This consolidated condensed interim financial information for the half year ended 30 June 2014 does not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending 31 December 2014.

16 General

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

16.2 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

Umer Mansha
Chairman

Kamran Rasool
Director

Muhammad Umar Virk
Director

Muhammad Ali Zeb
Managing Director & Chief Executive Officer