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# VISION

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





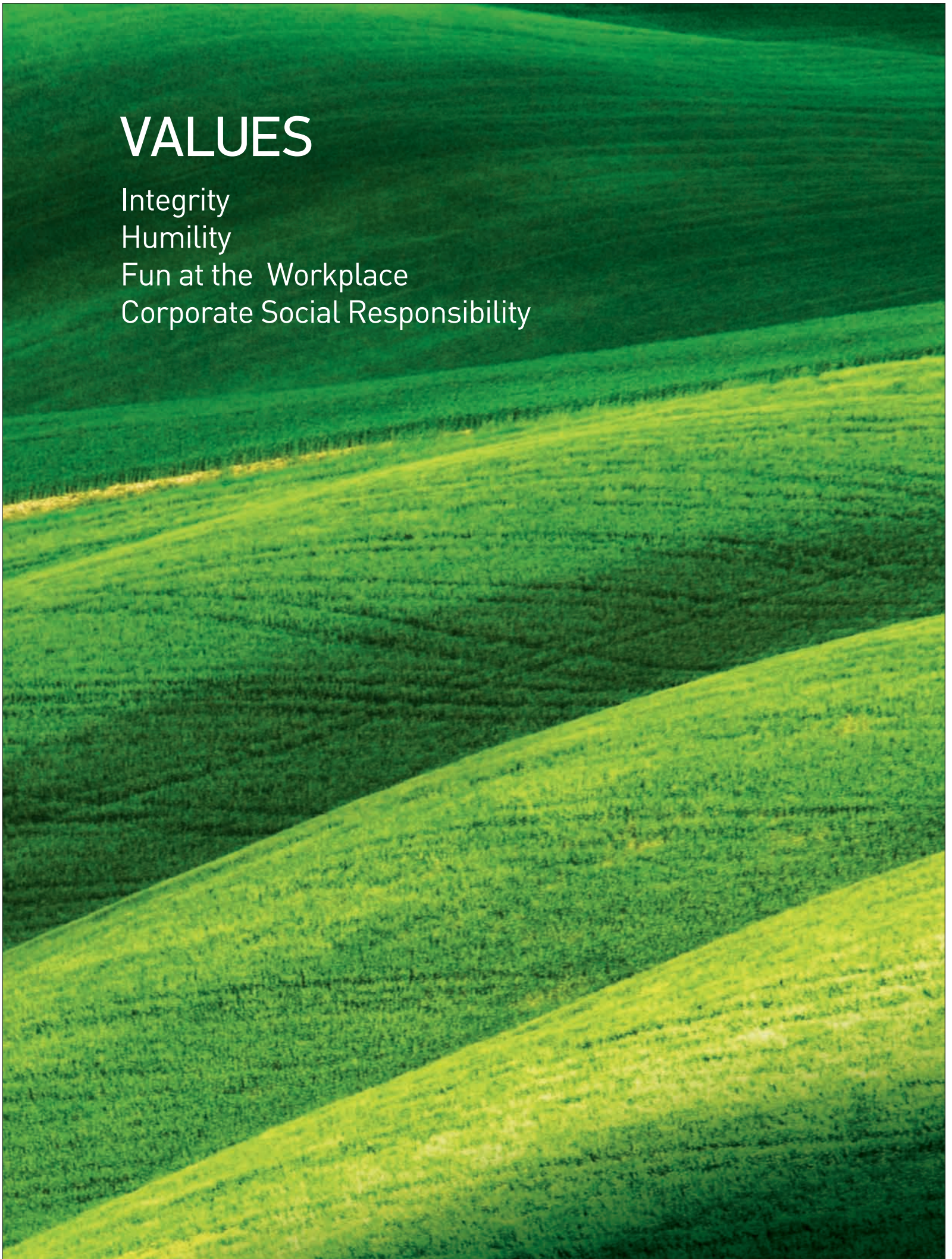
# VALUES

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**

Muhammad Asim Nagi  
A.C.A

**EXECUTIVE MANAGEMENT TEAM**

Adnan Ahmad Chaudhry  
Asif Jabbar  
Muhammad Ahsan  
Muhammad Ali Zeb  
Muhammad Asim Nagi  
Muhammad Salim Iqbal

**AUDITORS**

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

**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  
Meezan Bank Limited (*formerly 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  
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 NINE MONTHS ENDED 30 SEPTEMBER 2014

On behalf of the Board, I am pleased to present the unconsolidated condensed interim financial information of the Company for the nine months ended 30 September 2014.

The highlights for the period under review are as follows:

	30 September 2014	30 September 2013
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Gross premium	9,253,879	8,044,396
Net premium	4,613,013	4,099,609
Underwriting results	64,061	79,156
Investment income	1,686,638	2,016,199
Profit before tax	1,513,475	2,175,000
Profit after tax	1,388,740	1,735,188
	Rupees	
		(Restated)
Earnings per share	3.97	4.96

The Gross Premium of the Company has increased by 15% where as the Net Premium has increased by 13%. Net Claims and Net Commission have increased by 18% and 7%, respectively over the corresponding period of last year.

The investment income of the Company has decreased by 16% as compared to last year and the Profit Before and After Tax have decreased by 30% and 20%, respectively from the same period of last year.

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

On Behalf of the Board of Directors

Date: 28 October 2014  
Lahore

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**UNCONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2014**

# UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2014

Note	30 September 2014	31 December 2013
	Rupees in thousand	
	(Un-audited)	(Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
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	1,421,231	1,440,409
Retained earnings	8,707,378	8,106,138
	13,628,609	13,046,547
<b>Underwriting provisions</b>		
Provision for outstanding claims (including IBNR)	6,551,259	7,322,673
Provision for unearned premium	5,259,308	4,044,831
Commission income unearned	256,793	182,184
<b>Total underwriting provisions</b>	12,067,360	11,549,688
<b>Deferred liabilities</b>		
Staff retirement benefits	40,959	40,477
<b>Creditors and accruals</b>		
Premiums received in advance	232,011	153,420
Amounts due to other insurers / reinsurers	1,167,595	641,197
Accrued expenses	60,694	112,572
Other creditors and accruals	2,590,290	1,613,727
	4,050,590	2,520,916
<b>Borrowings</b>		
Liabilities against assets subject to finance lease	43	6,683
<b>Other liabilities</b>		
Unclaimed dividends	43,667	37,675
<b>TOTAL LIABILITIES</b>	16,202,619	14,155,439
<b>CONTINGENCIES AND COMMITMENTS</b>	7	
<b>TOTAL EQUITY AND LIABILITIES</b>	29,831,228	27,201,986

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



	Note	30 September 2014	31 December 2013
		Rupees in thousand	
		(Un-audited)	(Audited)
<b>ASSETS</b>			
<b>Cash and bank deposits</b>			
Cash and other equivalents		5,509	4,411
Current and other accounts		1,382,957	1,385,675
Deposits maturing within 12 months		1,068,464	1,156,190
		<u>2,456,930</u>	<u>2,546,276</u>
<b>Loans - secured, considered good</b>			
To employees		15,498	16,151
<b>Investments</b>	8	13,192,862	11,359,717
<b>Deferred taxation</b>		94,813	105,401
<b>Current assets - others</b>			
Premiums due but unpaid	9	4,184,361	2,658,071
Amounts due from other insurers / reinsurers	10	800,362	1,093,985
Salvage recoveries accrued		177,381	179,703
Premium and claim reserves retained by cedants		23,252	23,252
Accrued investment income		89,001	15,877
Reinsurance recoveries against outstanding claims		4,655,858	5,574,428
Taxation - payments less provision		38,582	78,249
Deferred commission expense		504,716	390,649
Prepayments		2,206,387	1,766,507
Sundry receivables		237,058	197,048
		<u>12,916,958</u>	<u>11,977,769</u>
<b>Fixed assets - Tangible &amp; intangible</b>	11		
<b>Owned</b>			
Land and buildings		419,630	445,207
Furniture and fixtures		128,944	140,695
Motor vehicles		298,372	262,808
Machinery and equipment		107,506	113,428
Computers and related accessories		119,278	42,923
Intangible asset - computer software		53,715	68,674
Capital work in progress - Tangible		1,721	89,310
		<u>1,129,166</u>	<u>1,163,045</u>
<b>Leased</b>			
Motor vehicles		25,001	33,627
<b>TOTAL ASSETS</b>		<u>29,831,228</u>	<u>27,201,986</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 NINE MONTHS ENDED 30 SEPTEMBER 2014

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 September 2014	Quarter ended 30 September 2013
Rupees in thousand							
<b>Revenue account</b>							
Net premium revenue	239,759	191,003	672,035	455,193	-	1,557,990	1,389,010
Net claims	(271,461)	(76,546)	(353,889)	(340,883)	-	(1,042,779)	(909,541)
Expenses	(60,710)	(40,849)	(166,563)	(83,258)	-	(351,380)	(397,641)
Net commission	(46,310)	(25,244)	(60,496)	1,647	-	(130,403)	(129,496)
<b>Underwriting result</b>	<u>(138,722)</u>	<u>48,364</u>	<u>91,087</u>	<u>32,699</u>	<u>-</u>	<u>33,428</u>	<u>(47,668)</u>
Investment income						668,773	342,811
Rental income						1,664	1,262
Other income						34,762	9,100
						<u>738,627</u>	<u>305,505</u>
General and administration expenses						(144,620)	(95,519)
Exchange gain						1,788	40,616
Finance charge on lease rentals						(17)	(358)
Workers' welfare fund						(11,915)	(4,331)
<b>Profit before tax</b>						<u>583,863</u>	<u>245,913</u>
Provision for taxation							
- Current						(38,046)	(21,722)
- Deferred						-	-
<b>Profit after tax</b>						<u>545,817</u>	<u>224,191</u>
Rupees							
(Restated)							
Earnings per share - basic and diluted						1.56	0.64

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
Rupees in thousand							
<b>Revenue account</b>							
Net premium revenue	740,413	528,235	2,047,815	1,296,550	-	4,613,013	4,099,609
Net claims	(493,698)	(257,843)	(1,285,623)	(986,550)	-	(3,023,714)	(2,551,964)
Expenses	(234,115)	(141,634)	(542,808)	(279,946)	-	(1,198,503)	(1,162,399)
Net commission	(35,935)	(78,969)	(208,190)	(3,641)	-	(326,735)	(306,090)
<b>Underwriting result</b>	<u>(23,335)</u>	<u>49,789</u>	<u>11,194</u>	<u>26,413</u>	<u>-</u>	<u>64,061</u>	<u>79,156</u>
Investment income						1,686,638	2,016,199
Rental income						4,109	3,651
Other income						84,903	75,994
						<u>1,839,711</u>	<u>2,175,000</u>
General and administration expenses						(294,396)	(218,453)
Exchange (loss) / gain						(684)	41,189
Finance charge on lease rentals						(269)	(1,520)
Workers' welfare fund						(30,887)	(39,250)
<b>Profit before tax</b>						<u>1,513,475</u>	<u>1,956,966</u>
Provision for taxation							
- Current						(114,147)	(86,008)
- Deferred						(10,588)	(135,770)
<b>Profit after tax</b>						<u>1,388,740</u>	<u>1,735,188</u>
<b>Profit and loss appropriation account</b>							
Balance at the commencement of the period:						8,106,138	8,806,823
Profit after tax for the period						1,388,740	1,735,188
Final dividend for the year ended 31 December 2013 @ 10% (Rupee 1/- per share) [2012 : @ 10% (Rupee 1/- per share)]						(350,000)	(123,705)
Interim dividend for the period ended 30 June 2014 @ 12.5% (Rupees 1.25/- per share) [2013 : @ 25% (Rupees 2.5/- per share)]						(437,500)	(309,262)
<b>Balance unappropriated profit at the end of the period</b>						<u>8,707,378</u>	<u>10,109,044</u>
Rupees							
(Restated)							
Earnings per share - basic and diluted					12	3.97	4.96

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 2014

## BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 September 2014	Quarter ended 30 September 2013
Rupees in thousand							
<b>Revenue account</b>							
Net premium revenue	233,119	183,430	342,697	449,848	-	1,209,094	897,645
Net claims	(270,515)	(76,498)	(188,564)	(340,199)	-	(875,776)	(548,194)
Expenses	(58,293)	(38,363)	(102,592)	(77,952)	-	(277,200)	(343,674)
Net commission	(45,213)	(23,916)	(25,947)	2,043	-	(93,033)	(82,543)
<b>Underwriting result</b>	<u>(140,902)</u>	<u>44,653</u>	<u>25,594</u>	<u>33,740</u>	<u>-</u>	<u>(36,915)</u>	<u>(76,766)</u>
Investment income						668,773	342,811
Rental income						-	-
Other income						28,902	17,947
						660,760	283,992
General and administration expenses						(136,803)	(79,579)
Exchange gain						1,788	337
Finance charge on lease rentals						(17)	(358)
Workers' welfare fund						(11,915)	(4,331)
<b>Profit before tax</b>						<u>513,813</u>	<u>200,061</u>

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
Rupees in thousand							
<b>Revenue account</b>							
Net premium revenue	721,275	504,570	995,648	1,283,184	-	3,504,677	2,771,637
Net claims	(462,681)	(258,863)	(513,113)	(983,995)	-	(2,218,652)	(1,575,892)
Expenses	(218,419)	(132,340)	(354,347)	(261,832)	-	(966,938)	(968,089)
Net commission	(34,601)	(75,136)	(77,968)	(2,607)	-	(190,312)	(185,727)
<b>Underwriting result</b>	<u>5,574</u>	<u>38,231</u>	<u>50,220</u>	<u>34,750</u>	<u>-</u>	<u>128,775</u>	<u>41,929</u>
Investment income						1,686,638	2,016,199
Rental income						-	-
Other income						67,587	59,102
						1,883,000	2,117,230
General and administration expenses						(263,538)	(167,558)
Exchange (loss) / gain						(684)	910
Finance charge on lease rentals						(269)	(1,520)
Workers' welfare fund						(30,887)	(39,250)
<b>Profit before tax</b>						<u>1,587,622</u>	<u>1,909,812</u>

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 2014

## BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 September 2014	Quarter ended 30 September 2013
Rupees in thousand							
<b>Revenue account</b>							
Net premium revenue	6,640	7,573	329,338	5,345	-	348,896	491,365
Net claims	(946)	(48)	(165,325)	(684)	-	(167,003)	(361,347)
Expenses	(2,417)	(2,486)	(63,971)	(5,306)	-	(74,180)	(53,967)
Net commission	(1,097)	(1,328)	(34,549)	(396)	-	(37,370)	(46,953)
<b>Underwriting result</b>	<u>2,180</u>	<u>3,711</u>	<u>65,493</u>	<u>(1,041)</u>	<u>-</u>	<u>70,343</u>	<u>29,098</u>
Investment income						-	-
Rental income						1,664	1,262
Other income / (charges)						5,860	(8,847)
						<u>77,867</u>	<u>21,513</u>
General and administration expenses						(7,817)	(15,940)
Exchange gain						-	40,279
<b>Profit before tax</b>						<u>70,050</u>	<u>45,852</u>

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
Rupees in thousand							
<b>Revenue account</b>							
Net premium revenue	19,138	23,665	1,052,167	13,366	-	1,108,336	1,327,972
Net claims	(31,017)	1,020	(772,510)	(2,555)	-	(805,062)	(976,072)
Expenses	(15,696)	(9,294)	(188,461)	(18,114)	-	(231,565)	(194,310)
Net commission	(1,334)	(3,833)	(130,222)	(1,034)	-	(136,423)	(120,363)
<b>Underwriting result</b>	<u>(28,909)</u>	<u>11,558</u>	<u>(39,026)</u>	<u>(8,337)</u>	<u>-</u>	<u>(64,714)</u>	<u>37,227</u>
Investment income						-	-
Rental income						4,109	3,651
Other income						17,316	16,892
						<u>(43,289)</u>	<u>57,770</u>
General and administration expenses						(30,858)	(50,895)
Exchange gain						-	40,279
<b>(Loss) / profit before tax</b>						<u>(74,147)</u>	<u>47,154</u>

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 2014

	Quarter ended 30 September 2014	Quarter ended 30 September 2013	Nine months ended 30 September 2014	Nine months ended 30 September 2013
	Rupees in thousand			
Profit for the period	545,817	224,191	1,388,740	1,735,188
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Effect of translation of investment in foreign branches - net	33,921	(18,330)	(19,178)	76,006
<b>Total comprehensive income for the period</b>	<b>579,738</b>	<b>205,861</b>	<b>1,369,562</b>	<b>1,811,194</b>

The annexed notes 1 to 16 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 CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

## Cash flows from operating activities

### a) Underwriting activities

Premiums received	
Reinsurance premiums paid	
Claims paid	
Surrenders paid	
Reinsurance and other recoveries received	
Commissions paid	
Commissions received	
Other underwriting payments	
<b>Net cash generated from underwriting activities</b>	

Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
Rupees in thousand	

7,821,774	8,044,836
(3,294,348)	(3,653,124)
(5,711,120)	(4,764,335)
(15,594)	(13,362)
3,138,943	1,670,597
(568,268)	(802,710)
447,343	433,206
(818,148)	(632,236)
<b>1,000,582</b>	<b>282,872</b>

### b) Other operating activities

Income tax paid	
General and management expenses paid	
Loans disbursed	
Loan repayments received	
Other receipts	
<b>Net cash used in other operating activities</b>	

(74,480)	(76,826)
(409,128)	(570,632)
(22,126)	(32,395)
15,364	28,895
11,958	3,548
<b>(478,412)</b>	<b>(647,410)</b>

## Total cash generated from / (used in) all operating activities

<b>522,170</b>	<b>(364,538)</b>
----------------	------------------

## Cash flows from investing activities

Profit / return received on bank deposits	
Return on Pakistan investments bonds	
Income received from TFCs	
Income from 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 operating fixed assets	
<b>Total cash (used in) / generated from investing activities</b>	

74,417	69,591
10,963	11,678
4,360	7,764
19,164	3,694
618,119	717,899
3,582	3,189
(5,467,220)	(5,050,934)
4,592,651	4,460,953
(101,994)	(168,699)
(567)	(12,977)
10,651	19,219
<b>(235,874)</b>	<b>61,377</b>

## Cash flows from financing activities

Finance lease rentals paid	
Dividends paid	
<b>Net cash used in financing activities</b>	

(6,909)	(16,543)
(368,733)	(120,389)
<b>(375,642)</b>	<b>(136,932)</b>

<b>Net cash used in all activities</b>	
Cash at the beginning of the period	
<b>Cash at the end of the period</b>	

<b>(89,346)</b>	<b>(440,093)</b>
<b>2,537,200</b>	<b>2,498,335</b>
<b>2,447,854</b>	<b>2,058,242</b>



**Reconciliation to profit and loss account**

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

Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
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Rupees in thousand

522,170	(364,538)
(115,212)	(94,275)
(482)	(4,507)
71,212	76,404
1,049	(410)
(269)	(1,520)
4,109	-
880,798	1,018,096
(401,183)	(426,286)
962,192	202,964

**Others**

Profit on sale of investments
Amortization expense
Increase in unearned premium
Amortization of income on Government securities - net
Increase 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 investment bonds
Income from TFCs

954,333	1,155,011
(14,951)	(13,235)
(1,214,477)	(329,288)
873	403
6,762	3,500
74,480	76,826
3,370	51,114
703,865	789,317
16,207	3,154
15,762	8,740
5,059	8,460
551,283	1,754,002
1,513,475	1,956,966

**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.

Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
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Rupees in thousand

**Cash for the purposes of the statement of cash flows consists of:**

Cash and other equivalents	5,509	2,624
Current and other accounts	1,382,957	880,591
Deposits maturing within 12 months	1,059,388	1,175,027
<b>Total cash and cash equivalents</b>	<b>2,447,854</b>	<b>2,058,242</b>

The annexed notes 1 to 16 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 CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand	
<b>Cash flows from operating activities</b>		
<b>a) Underwriting activities</b>		
Premiums received	6,298,196	6,401,010
Reinsurance premiums paid	(2,823,552)	(3,291,108)
Claims paid	(3,739,866)	(3,275,214)
Surrenders paid	(15,594)	(13,172)
Reinsurance and other recoveries received	1,919,997	1,172,188
Commissions paid	(412,178)	(640,923)
Commissions received	403,151	364,996
Other underwriting payments	(552,318)	(569,398)
<b>Net cash generated from underwriting activities</b>	<b>1,077,836</b>	<b>148,379</b>
<b>b) Other operating activities</b>		
Income taxes paid	(74,480)	(76,826)
General and management expenses paid	(376,170)	(501,703)
Loans disbursed	(16,607)	(26,544)
Loan repayments received	8,517	22,801
Other receipts	11,262	198
<b>Net cash used in other operating activities</b>	<b>(447,478)</b>	<b>(582,074)</b>
<b>Total cash generated from / (used in) all operating activities</b>	<b>630,358</b>	<b>(433,695)</b>
<b>Cash flows from investing activities</b>		
Profit / return received on bank deposits	53,416	55,317
Return on Pakistan investments bonds	10,963	11,678
Income received from TFCs	4,360	7,764
Income from treasury bills	19,164	3,694
Dividends received	618,119	717,899
Rentals received	-	3,189
Payments for investments	(5,467,220)	(5,050,934)
Proceeds from disposal of investments	4,592,651	4,460,953
Fixed capital expenditure - tangible assets	(96,828)	(145,823)
Fixed capital expenditure - intangible assets	(62)	(12,977)
Proceeds from disposal of operating fixed assets	10,380	20,518
<b>Total cash (used in) / flow from investing activities</b>	<b>(255,057)</b>	<b>71,278</b>
<b>Cash flows from financing activities</b>		
Finance lease rentals paid	(6,909)	(16,543)
Dividends paid	(368,733)	(120,389)
<b>Net cash used in financing activities</b>	<b>(375,642)</b>	<b>(136,932)</b>
<b>Net cash used in all activities</b>	<b>(341)</b>	<b>(499,349)</b>
Cash at the beginning of the period	1,274,188	1,289,119
<b>Cash at the end of the period</b>	<b>1,273,847</b>	<b>789,770</b>

## 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
Increase in assets other than cash
Increase in liabilities other than running finance

Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
--	--

Rupees in thousand

630,358	(433,695)
(97,575)	(74,840)
1,339	2,085
54,695	58,944
946	8
(269)	(1,520)
-	-
1,046,116	455,772
(711,909)	(65,214)
923,701	(58,460)

## Others

Profit on sale of investments
Amortization expense
Increase in unearned premium
Amortization of income on Government Securities - net
Increase 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 investment bonds
Income from TFCs

954,333	1,155,011
(14,951)	(13,235)
(1,103,167)	(115,261)
873	403
8,090	3,743
74,480	76,826
3,370	51,114
703,865	789,317
16,207	3,154
15,762	8,740
5,059	8,460
663,921	1,968,272

## Profit before taxation

1,587,622	1,909,812
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## 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

Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
--	--

Rupees in thousand

5,286	2,337
1,267,827	782,698
734	4,735
1,273,847	789,770

The annexed notes 1 to 16 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 CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand	
<b>Cash flows from operating activities</b>		
<b>a) Underwriting activities</b>		
Premiums received	1,523,578	1,643,826
Reinsurance premiums paid	(470,796)	(362,016)
Claims paid	(1,971,254)	(1,489,121)
Surrenders paid	-	(190)
Reinsurance and other recoveries received	1,218,946	498,409
Commissions paid	(156,090)	(161,787)
Commissions received	44,192	68,210
Other underwriting payments	(265,830)	(62,838)
<b>Net cash (used in) / flow from underwriting activities</b>	<b>(77,254)</b>	<b>134,493</b>
<b>b) Other operating activities</b>		
Income taxes paid	-	-
General and management expenses paid	(32,958)	(68,929)
Loans disbursed	(5,519)	(5,851)
Loan repayments received	6,847	6,094
Other receipts	696	3,350
<b>Net cash used in other operating activities</b>	<b>(30,934)</b>	<b>(65,336)</b>
<b>Total cash (used in) / generated from all operating activities</b>	<b>(108,188)</b>	<b>69,157</b>
<b>Cash flows from investing activities</b>		
Profit / return received on bank deposits	21,001	14,274
Return on Pakistan investments bonds	-	-
Income received from TFCs	-	-
Income from treasury bills	-	-
Dividends received	-	-
Rentals received	3,582	-
Payments for investments	-	-
Proceeds from disposal of investments	-	-
Fixed capital expenditure - tangible assets	(5,166)	(22,876)
Fixed capital expenditure - intangible assets	(505)	-
Proceeds from disposal of operating fixed assets	271	(1,299)
<b>Total cash generated from / (used in) investing activities</b>	<b>19,183</b>	<b>(9,901)</b>
<b>Cash flows from financing activities</b>		
Finance lease rentals paid	-	-
Dividends paid	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash (used in) / flow from all activities</b>	<b>(89,005)</b>	<b>59,256</b>
Cash at the beginning of the period	1,263,012	1,209,216
<b>Cash at the end of the period</b>	<b>1,174,007</b>	<b>1,268,472</b>

## Reconciliation to profit and loss account

Operating cash flows
Depreciation expense
Provision for gratuity
Other income - bank deposits
Gain / (loss) 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

Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
--	--

Rupees in thousand

(108,188)	69,157
(17,637)	(19,435)
(1,821)	(6,592)
16,517	17,460
103	(418)
-	-
4,109	-
(165,318)	562,324
310,726	(361,072)
38,491	261,424

## 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 income
Income from treasury bills
Return on Pakistan investment bonds
Income from TFCs

-	-
-	-
(111,310)	(214,027)
-	-
(1,328)	(243)
-	-
-	-
-	-
-	-
-	-
-	-
(112,638)	(214,270)

## (Loss) / profit before taxation

(74,147)	47,154
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## 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.

Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
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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
<b>Total cash and cash equivalents</b>

223	287
115,130	97,893
1,058,654	1,170,292
1,174,007	1,268,472

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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								
<b>Balance as at 31 December 2012 - restated (Audited)</b>	1,237,045	-	22,859	3,764	478,756	936,500	8,806,823	<b>11,485,747</b>
Profit for the period 01 January 2013 to 30 September 2013	-	-	-	-	-	-	1,735,188	<b>1,735,188</b>
Other comprehensive income for the period 01 January 2013 to 30 September 2013	-	-	-	-	76,006	-	-	<b>76,006</b>
Final dividend for the year ended 31 December 2012 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	(123,705)	<b>(123,705)</b>
Interim dividend for the half year ended 30 June 2013 @ 25% (Rupees 2.5/- per share)	-	-	-	-	-	-	(309,262)	<b>(309,262)</b>
<b>Balance as at 30 September 2013 - (Unaudited)</b>	1,237,045	-	22,859	3,764	554,762	936,500	10,109,044	<b>12,863,974</b>
Profit for the period 01 October 2013 to 31 December 2013	-	-	-	-	-	-	230,971	<b>230,971</b>
Other comprehensive income for the period 01 October 2013 to 31 December 2013	-	-	-	-	(77,476)	-	29,078	<b>(48,398)</b>
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)	-	-	-	-	-	-
<b>Balance as at 31 December 2013 - (Audited)</b>	3,500,000	-	22,859	3,764	477,286	936,500	8,106,138	<b>13,046,547</b>
Profit for the period 01 January 2014 to 30 September 2014	-	-	-	-	-	-	1,388,740	<b>1,388,740</b>
Other comprehensive income for the period 01 January 2014 to 30 September 2014	-	-	-	-	(19,178)	-	-	<b>(19,178)</b>
Final dividend for the year ended 31 December 2013 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	(350,000)	<b>(350,000)</b>
Interim dividend for the half year ended 30 June 2014 @ 12.5% (Rupees 12.5/- per share)	-	-	-	-	-	-	(437,500)	<b>(437,500)</b>
<b>Balance as at 30 September 2014 - (Unaudited)</b>	3,500,000	-	22,859	3,764	458,108	936,500	8,707,378	<b>13,628,609</b>

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	1,312,818	2,055,221	2,328,103	2,266	1,042,202	972,180	1,500,840	1,672,272	1,695	802,443	239,759	187,493
Marine, aviation and transport	203,794	68,460	48,853	94	223,495	25,946	14,466	7,933	13	32,492	191,003	156,946
Motor	923,291	1,559,962	1,753,871	36,210	765,592	101,335	124,635	137,533	5,120	93,557	672,035	776,806
Miscellaneous	821,812	996,018	1,128,481	1,115	690,464	154,409	375,150	294,896	608	235,271	455,193	267,765
Total	3,261,715	4,679,661	5,259,308	39,685	2,721,753	1,253,870	2,015,091	2,112,634	7,436	1,163,763	1,557,990	1,389,010
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	3,261,715	4,679,661	5,259,308	39,685	2,721,753	1,253,870	2,015,091	2,112,634	7,436	1,163,763	1,557,990	1,389,010

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		Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	3,599,731	1,854,900	2,328,103	(1,788)	3,124,740	2,699,434	1,358,743	1,672,272	(1,578)	2,384,327	740,413	601,275
Marine, aviation and transport	642,995	55,695	48,853	(158)	649,679	122,018	7,378	7,933	(19)	121,444	528,235	439,618
Motor	2,575,396	1,504,870	1,753,871	(18,791)	2,307,604	274,172	125,874	137,533	(2,724)	259,789	2,047,815	2,206,542
Miscellaneous	2,435,757	629,366	1,128,481	(185)	1,936,457	725,122	209,775	294,896	(94)	639,907	1,296,550	852,174
Total	9,253,879	4,044,831	5,259,308	(20,922)	8,018,480	3,820,746	1,701,770	2,112,634	(4,415)	3,405,467	4,613,013	4,099,609
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	9,253,879	4,044,831	5,259,308	(20,922)	8,018,480	3,820,746	1,701,770	2,112,634	(4,415)	3,405,467	4,613,013	4,099,609

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	1,288,617	1,996,461	2,272,514	-	1,012,564	953,483	1,456,971	1,631,009	-	779,445	233,119	181,225
Marine, aviation and transport	197,455	65,473	47,186	-	215,742	25,946	14,066	7,700	-	32,312	183,430	151,309
Motor	355,411	733,765	741,499	-	347,677	5,088	867	975	-	4,980	342,697	302,518
Miscellaneous	809,126	968,127	1,098,822	-	678,431	147,944	359,647	279,008	-	228,583	449,848	262,593
Total	2,650,609	3,763,826	4,160,021	-	2,254,414	1,132,461	1,831,551	1,918,692	-	1,045,320	1,209,094	897,645
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	2,650,609	3,763,826	4,160,021	-	2,254,414	1,132,461	1,831,551	1,918,692	-	1,045,320	1,209,094	897,645

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		Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	3,512,605	1,787,707	2,272,514	-	3,027,798	2,634,541	1,302,991	1,631,009	-	2,306,523	721,275	584,600
Marine, aviation and transport	621,347	51,249	47,186	-	625,410	121,702	6,838	7,700	-	120,840	504,570	424,657
Motor	1,145,520	606,262	741,499	-	1,010,283	15,405	205	975	-	14,635	995,648	925,393
Miscellaneous	2,393,933	611,637	1,098,822	-	1,906,748	702,173	200,399	279,008	-	623,564	1,283,184	836,987
Total	7,673,405	3,056,855	4,160,021	-	6,570,239	3,473,821	1,510,433	1,918,692	-	3,065,562	3,504,677	2,771,637
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	7,673,405	3,056,855	4,160,021	-	6,570,239	3,473,821	1,510,433	1,918,692	-	3,065,562	3,504,677	2,771,637

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	24,201	58,760	55,589	2,266	29,638	18,697	43,869	41,263	1,695	22,998	6,640	6,268
Marine, aviation and transport	6,339	2,987	1,667	94	7,753	-	400	233	13	180	7,573	5,637
Motor	567,880	826,197	1,012,372	36,210	417,915	96,247	123,768	136,558	5,120	88,577	329,338	474,288
Miscellaneous	12,686	27,891	29,659	1,115	12,033	6,465	15,503	15,888	608	6,688	5,345	5,172
Total	611,106	915,835	1,099,287	39,685	467,339	121,409	183,540	193,942	7,436	118,443	348,896	491,365
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	611,106	915,835	1,099,287	39,685	467,339	121,409	183,540	193,942	7,436	118,443	348,896	491,365

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		Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	87,126	67,193	55,589	(1,788)	96,942	64,893	55,752	41,263	(1,578)	77,804	19,138	16,675
Marine, aviation and transport	21,648	4,446	1,667	(158)	24,269	316	540	233	(19)	604	23,665	14,961
Motor	1,429,876	898,608	1,012,372	(18,791)	1,297,321	258,767	125,669	136,558	(2,724)	245,154	1,052,167	1,281,149
Miscellaneous	41,824	17,729	29,659	(185)	29,709	22,949	9,376	15,888	(94)	16,343	13,366	15,187
Total	1,580,474	987,976	1,099,287	(20,922)	1,448,241	346,925	191,337	193,942	(4,415)	339,905	1,108,336	1,327,972
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	1,580,474	987,976	1,099,287	(20,922)	1,448,241	346,925	191,337	193,942	(4,415)	339,905	1,108,336	1,327,972

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	171,645	2,949,796	3,289,865	6,753	504,961	111,853	2,322,458	2,449,844	5,739	233,500	271,461	157,776
Marine, aviation and transport	131,434	360,122	263,210	14	34,508	79,980	272,257	150,239	-	(42,038)	76,546	72,287
Motor	801,040	2,335,047	2,313,975	84,155	695,813	354,540	1,718,636	1,772,728	66,708	341,924	353,889	474,718
Miscellaneous	457,743	649,566	663,877	162	471,892	124,426	453,721	460,428	124	131,009	340,883	204,760
Total	1,561,862	6,294,531	6,530,927	91,084	1,707,174	670,799	4,767,072	4,833,239	72,571	664,395	1,042,779	909,541
Treaty												
Proportional	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Total	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Grand total	1,561,862	6,314,863	6,551,259	91,084	1,707,174	670,799	4,767,072	4,833,239	72,571	664,395	1,042,779	909,541

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		Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	1,445,950	3,516,994	3,289,865	684	1,218,137	1,194,417	2,919,240	2,449,844	582	724,439	493,698	442,760
Marine, aviation and transport	317,651	176,944	263,210	(344)	404,261	123,138	126,959	150,239	-	146,418	257,843	261,136
Motor	2,427,381	2,612,650	2,313,975	(61,256)	2,189,962	1,147,553	2,068,984	1,772,728	(53,042)	904,339	1,285,623	1,374,648
Miscellaneous	1,520,138	995,753	663,877	88	1,188,174	380,212	638,948	460,428	68	201,624	986,550	473,420
Total	5,711,120	7,302,341	6,530,927	(60,828)	5,000,534	2,845,320	5,754,131	4,833,239	(52,392)	1,976,820	3,023,714	2,551,964
Treaty												
Proportional	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Total	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Grand total	5,711,120	7,322,673	6,551,259	(60,828)	5,000,534	2,845,320	5,754,131	4,833,239	(52,392)	1,976,820	3,023,714	2,551,964

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	159,547	2,772,161	3,114,673	-	502,059	102,081	2,171,482	2,300,945	-	231,544	270,515	156,995
Marine, aviation and transport	131,372	360,122	263,210	-	34,460	79,980	272,257	150,239	-	(42,038)	76,498	72,074
Motor	149,247	173,460	222,143	-	197,930	-	61,578	70,944	-	9,366	188,564	115,145
Miscellaneous	456,655	646,155	658,649	-	469,149	123,664	451,160	456,446	-	128,950	340,199	203,980
Total	896,821	3,951,898	4,258,675	-	1,203,598	305,725	2,956,477	2,978,574	-	327,822	875,776	548,194
Treaty												
Proportional	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Total	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Grand total	896,821	3,972,230	4,279,007	-	1,203,598	305,725	2,956,477	2,978,574	-	327,822	875,776	548,194

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		Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	1,367,593	3,454,234	3,114,673	-	1,028,032	1,130,320	2,865,914	2,300,945	-	565,351	462,681	418,749
Marine, aviation and transport	310,915	168,844	263,210	-	405,281	123,138	126,959	150,239	-	146,418	258,863	260,478
Motor	546,637	227,331	222,143	-	541,449	10,246	52,854	70,944	-	28,336	513,113	427,935
Miscellaneous	1,514,721	995,490	658,649	-	1,177,880	376,203	638,764	456,446	-	193,885	983,995	468,730
Total	3,739,866	4,845,899	4,258,675	-	3,152,642	1,639,907	3,684,491	2,978,574	-	933,990	2,218,652	1,575,892
Treaty												
Proportional	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Total	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Grand total	3,739,866	4,866,231	4,279,007	-	3,152,642	1,639,907	3,684,491	2,978,574	-	933,990	2,218,652	1,575,892

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	12,098	177,635	175,192	6,753	2,902	9,772	150,976	148,899	5,739	1,956	946	781
Marine, aviation and transport	62	-	-	14	48	-	-	-	-	-	48	213
Motor	651,793	2,161,587	2,091,832	84,155	497,883	354,540	1,657,058	1,701,784	66,708	332,558	165,325	359,573
Miscellaneous	1,088	3,411	5,228	162	2,743	762	2,561	3,982	124	2,059	684	780
Total	665,041	2,342,633	2,272,252	91,084	503,576	365,074	1,810,595	1,854,665	72,571	336,573	167,003	361,347
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	665,041	2,342,633	2,272,252	91,084	503,576	365,074	1,810,595	1,854,665	72,571	336,573	167,003	361,347

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		Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand											
Direct and facultative												
Fire and property damage	78,357	62,760	175,192	684	190,105	64,097	53,326	148,899	582	159,088	31,017	24,011
Marine, aviation and transport	6,736	8,100	-	(344)	(1,020)	-	-	-	-	-	(1,020)	658
Motor	1,880,744	2,385,319	2,091,832	(61,256)	1,648,513	1,137,307	2,016,130	1,701,784	(53,042)	876,003	772,510	946,713
Miscellaneous	5,417	263	5,228	88	10,294	4,009	184	3,982	68	7,739	2,555	4,690
Total	1,971,254	2,456,442	2,272,252	(60,828)	1,847,892	1,205,413	2,069,640	1,854,665	(52,392)	1,042,830	805,062	976,072
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	1,971,254	2,456,442	2,272,252	(60,828)	1,847,892	1,205,413	2,069,640	1,854,665	(52,392)	1,042,830	805,062	976,072

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
	Rupees in thousand									
Direct and facultative										
Fire and property damage	164,210	239,625	281,522	463	122,776	60,710	183,486	76,466	107,020	103,512
Marine, aviation and transport	16,565	8,908	(153)	6	25,632	40,849	66,481	388	66,093	80,927
Motor	88,833	133,471	157,008	3,543	68,839	166,563	235,402	8,343	227,059	251,326
Miscellaneous	38,144	64,432	66,339	126	36,363	83,258	119,621	38,010	81,611	91,372
Total	307,752	446,436	504,716	4,138	253,610	351,380	604,990	123,207	481,783	527,137
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand total	307,752	446,436	504,716	4,138	253,610	351,380	604,990	123,207	481,783	527,137

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					Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand									
Direct and facultative										
Fire and property damage	374,442	188,330	281,522	(283)	280,967	234,115	515,082	245,032	270,050	264,526
Marine, aviation and transport	77,053	3,163	(153)	(6)	80,363	141,634	221,997	1,394	220,603	214,677
Motor	231,632	150,110	157,008	(2,362)	222,372	542,808	765,180	14,182	750,998	713,111
Miscellaneous	133,043	49,046	66,339	17	115,767	279,946	395,713	112,126	283,587	276,175
Total	816,170	390,649	504,716	(2,634)	699,469	1,198,503	1,897,972	372,734	1,525,238	1,468,489
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand total	816,170	390,649	504,716	(2,634)	699,469	1,198,503	1,897,972	372,734	1,525,238	1,468,489

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
	Rupees in thousand									
Direct and facultative										
Fire and property damage	160,288	227,136	270,439	-	116,985	58,293	175,278	71,772	103,506	103,471
Marine, aviation and transport	15,174	8,802	(301)	-	24,277	38,363	62,640	361	62,279	78,842
Motor	24,950	56,452	55,417	-	25,985	102,592	128,577	38	128,539	153,935
Miscellaneous	36,727	61,321	62,920	-	35,128	77,952	113,080	37,171	75,909	89,969
Total	237,139	353,711	388,475	-	202,375	277,200	479,575	109,342	370,233	426,217
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand total	237,139	353,711	388,475	-	202,375	277,200	479,575	109,342	370,233	426,217

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					Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand									
Direct and facultative										
Fire and property damage	357,592	176,680	270,439	-	263,833	218,419	482,252	229,232	253,020	253,430
Marine, aviation and transport	73,192	2,946	(301)	-	76,439	132,340	208,779	1,303	207,476	205,274
Motor	84,763	48,702	55,417	-	78,048	354,347	432,395	80	432,315	434,946
Miscellaneous	127,640	47,883	62,920	-	112,603	261,832	374,435	109,996	264,439	260,166
Total	643,187	276,211	388,475	-	530,923	966,938	1,497,861	340,611	1,157,250	1,153,816
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand total	643,187	276,211	388,475	-	530,923	966,938	1,497,861	340,611	1,157,250	1,153,816

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
	Rupees in thousand									
Direct and facultative										
Fire and property damage	3,922	12,489	11,083	463	5,791	2,417	8,208	4,694	3,514	41
Marine, aviation and transport	1,391	106	148	6	1,355	2,486	3,841	27	3,814	2,085
Motor	63,883	77,019	101,591	3,543	42,854	63,971	106,825	8,305	98,520	97,391
Miscellaneous	1,417	3,111	3,419	126	1,235	5,306	6,541	839	5,702	1,403
Total	70,613	92,725	116,241	4,138	51,235	74,180	125,415	13,865	111,550	100,920
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand total	70,613	92,725	116,241	4,138	51,235	74,180	125,415	13,865	111,550	100,920

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					Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
	Rupees in thousand									
Direct and facultative										
Fire and property damage	16,850	11,650	11,083	(283)	17,134	15,696	32,830	15,800	17,030	11,096
Marine, aviation and transport	3,861	217	148	(6)	3,924	9,294	13,218	91	13,127	9,403
Motor	146,869	101,408	101,591	(2,362)	144,324	188,461	332,785	14,102	318,683	278,165
Miscellaneous	5,403	1,163	3,419	17	3,164	18,114	21,278	2,130	19,148	16,009
Total	172,983	114,438	116,241	(2,634)	168,546	231,565	400,111	32,123	367,988	314,673
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand total	172,983	114,438	116,241	(2,634)	168,546	231,565	400,111	32,123	367,988	314,673

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 2014

Quarter ended 30 September 2014	Quarter ended 30 September 2013	Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
Rupees in thousand			

## Income from non-trading investment

### Available-for-sale

Return on term finance certificates  
Return on Pakistan investments bonds  
Return on treasury bills

### Dividend income:

- associated undertakings
- others

### Gain on sale of 'available-for-sale' investments:

- associated undertakings
- others

Reversal of provision for impairment in value of  
'available-for-sale' investments

### Net investment income

1,519	2,241	5,059	8,460
9,864	2,257	15,762	8,740
1,873	1,318	16,207	3,154
122,609	163,233	407,298	469,106
111,344	87,997	284,609	320,614
233,953	251,230	691,907	789,720
247,209	257,046	728,935	810,074
-	39,699	-	221,939
421,564	46,168	954,333	933,072
421,564	85,867	954,333	1,155,011
-	(102)	3,370	51,114
668,773	342,811	1,686,638	2,016,199

The annexed notes 1 to 16 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 NINE MONTHS ENDED 30 SEPTEMBER 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 and miscellaneous. 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 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 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 JUDGMENTS

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 judgment in the process of applying the Company's accounting policies. Estimates and judgments 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 judgments 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 NINE MONTHS ENDED 30 SEPTEMBER 2014

## 6 FINANCIAL RISK MANAGEMENT

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

## 7 CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

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

### 7.2 Commitments

There were no capital or other commitments as at 30 September 2014 (31 December 2013: Nil).

	Note	30 September 2014	31 December 2013
		Rupees in thousand	
<b>8 INVESTMENTS</b>		(Unaudited)	(Audited)
<b>Available-for-sale</b>			
<b>In related parties:</b>			
Marketable securities - Listed		5,384,046	7,477,264
Less: Provision for impairment in value of investments	8.1	(609)	-
		<u>5,383,437</u>	<u>7,477,264</u>
<b>Others:</b>			
Marketable securities - Listed		6,614,430	3,044,444
Marketable securities - Unlisted		351,471	-
Less: Provision for impairment in value of investments	8.1	(216,911)	(220,890)
		<u>6,748,990</u>	<u>2,823,554</u>
Fixed income securities	8.2	365,540	364,004
		<u>7,114,530</u>	<u>3,187,558</u>
<b>Investment in subsidiary</b>			
Adamjee Life Assurance Company Limited		694,895	694,895
		<u>13,192,862</u>	<u>11,359,717</u>
<b>8.1 Reconciliation of provision for impairment in value of investments</b>			
Opening provision		220,890	416,284
Reversal for the period / year		(3,370)	(195,394)
Closing provision		<u>217,520</u>	<u>220,890</u>
<b>8.2</b>			
The fixed income securities include Pakistan investment bonds and Government treasury bills amounting to Rs. 365.54 million (2013: Rs. 89.31 million) and Rs. Nil (2013: Rs. 274.70 million), respectively deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.			

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

- 8.3 On 30 September 2014, the market value of 'available-for-sale' investments was Rs. 21,618.45 million (31 December 2013: Rs. 18,391.03 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 'available-for-sale' investments shall be measured at fair value. Accordingly, had these investments been measured at fair value, their carrying values as at 30 September 2014 would have been higher by Rs. 8,425.59 million (31 December 2013: higher by Rs. 7,031.32 million).

	Note	30 September 2014	31 December 2013
		Rupees in thousand	
<b>9 PREMIUMS DUE BUT UNPAID - UNSECURED</b>		(Unaudited)	(Audited)
Considered good		4,184,361	2,658,071
Considered doubtful		366,128	369,231
		4,550,489	3,027,302
Less: Provision for doubtful balances	9.1	(366,128)	(369,231)
		4,184,361	2,658,071
<b>9.1 Reconciliation of provision for doubtful balances</b>			
Opening provision		369,231	359,147
Exchange difference		(3,103)	10,084
Charge for the period / year		-	-
Closing provision		366,128	369,231
<b>10 AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - UNSECURED</b>			
Considered good		800,362	1,093,985
Considered doubtful		322,810	322,810
		1,123,172	1,416,795
Less: Provision for doubtful balances	10.1	(322,810)	(322,810)
		800,362	1,093,985
<b>10.1 Reconciliation of provision for doubtful balances</b>			
Opening provision		322,810	326,327
Charge for the period / year		-	-
Written off during the period		-	(3,517)
Closing provision		322,810	322,810
<b>11 FIXED ASSETS - TANGIBLE AND INTANGIBLE</b>			
Opening balance - net book value		1,107,362	1,025,796
Additions during the period	11.2	190,150	231,360
Less:			
Book value of disposals during the period	11.3	(9,603)	(18,864)
Depreciation / amortisation charged during the period		(130,163)	(148,046)
Exchange difference		(5,300)	17,116
		(145,066)	(149,794)
		1,152,446	1,107,362
Capital work in progress		1,721	89,310
		1,154,167	1,196,672

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

Note	30 September 2014	31 December 2013
	Rupees in thousand	
11.1 Breakup of book values into owned and leased fixed assets:	(Unaudited)	(Audited)
Owned assets	1,127,445	1,073,735
Capital work in progress	1,721	89,310
Leased assets	25,001	33,627
	<u>1,154,167</u>	<u>1,196,672</u>
11.2 Additions during the period / year:		
Owned		
Land and building	356	200
Furniture and fixture	5,154	60,591
Motor vehicle	72,374	83,845
Machinery and equipments	8,273	33,267
Computer and related accessories	103,426	13,992
Intangibles	567	39,465
	<u>190,150</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	5	40
Motor vehicle	4,253	5,226
Machinery and equipments	105	1,399
Computer and related accessories	31	86
Intangibles	-	-
	<u>4,394</u>	<u>6,751</u>
Leased		
Motor vehicle	5,209	12,113
	<u>9,603</u>	<u>18,864</u>

	30 September 2014	30 September 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>1,388,740</u>	<u>1,735,188</u>
	Number of shares	
		(Restated)
Weighted average number of shares	<u>350,000,000</u>	<u>350,000,000</u>
	Rupees	
		(Restated)
Basic earnings per share	<u>3.97</u>	<u>4.96</u>

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

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.

i) Transactions

ii) Period end balances

<b>Subsidiary company</b>	Balances receivable	<b>401</b>	<b>1,025</b>
	Balances payable	<b>257</b>	<b>176</b>
<b>Other related parties</b>	Balances receivable	<b>511,366</b>	<b>585,802</b>
	Balances payable	<b>277,819</b>	<b>316,535</b>
	Cash and bank balances	<b>694,645</b>	<b>876,596</b>
	Payable to Staff Gratuity Fund	<b>70,685</b>	<b>57,770</b>
	Payable to Employees' Provident Fund	<b>4,425</b>	<b>804</b>



# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014 (unaudited)													
	Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/Liabilities		Total	
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan
Rupees in thousand														
Other Information														
Segment assets	5,988,833	262,184	473,643	15,522	709,925	2,940,035	2,015,880	52,542	-	-	-	-	9,188,281	3,270,283
Unallocated assets	-	-	-	-	-	-	-	-	-	-	15,938,794	1,433,870	15,938,794	1,433,870
<b>Total assets</b>	<b>5,988,833</b>	<b>262,184</b>	<b>473,643</b>	<b>15,522</b>	<b>709,925</b>	<b>2,940,035</b>	<b>2,015,880</b>	<b>52,542</b>	<b>-</b>	<b>-</b>	<b>15,938,794</b>	<b>1,433,870</b>	<b>25,127,075</b>	<b>4,704,153</b>
Segment liabilities	6,139,217	245,952	413,677	3,460	1,153,517	3,241,190	2,209,734	39,886	20,332	-	-	-	9,936,477	3,530,488
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	2,497,122	238,532	2,497,122	238,532
<b>Total liabilities</b>	<b>6,139,217</b>	<b>245,952</b>	<b>413,677</b>	<b>3,460</b>	<b>1,153,517</b>	<b>3,241,190</b>	<b>2,209,734</b>	<b>39,886</b>	<b>20,332</b>	<b>-</b>	<b>2,497,122</b>	<b>238,532</b>	<b>12,433,599</b>	<b>3,769,020</b>
Capital expenditure													96,890	5,671
														102,561

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

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

**15 Date of authorization for issue**

This unconsolidated condensed interim financial information was authorized for issue on 28 October 2014 by the Board of Directors of the Company.

**16 General**

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

**16.2** 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 NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 2014.

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

	30 September 2014	30 September 2013
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Profit before tax	1,527,508	1,967,593
Taxation	(127,145)	(224,636)
Profit after tax	1,400,363	1,742,957
Profit attributable to non-controlling interest	(2,989)	(2,424)
Profit attributable to ordinary shareholders	1,397,374	1,740,533
Unappropriated profit brought forward	8,139,204	8,831,228
Profit available for appropriation	9,536,578	10,571,761

## 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)
Interim dividend for the period ended 30 June 2014 @ 12.5% (Rupees 1.25/- per share) [2013: @ 25% (Rupees 2.5/- per share)]	(437,500)	(309,262)
Interim Dividend	-	-
Profit after appropriation	8,749,078	10,138,794

## Earnings per share

The consolidated condensed interim financial information reflects Rs. 4.00 (30 September 2013: Rs. 4.98) earnings per share for the period under review.

On Behalf of the Board of Directors

Date: 28 October 2014  
Lahore

**Muhammad Ali Zeb**  
Managing Director & Chief Executive Officer

**CONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2014**

# CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2014

Note	30 September 2014	31 December 2013
	Rupees in thousand	
<b>EQUITY AND LIABILITIES</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Share capital and reserves</b>		
Authorized 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
Reserves	1,049,903	1,108,772
Retained earnings	8,749,078	8,139,204
	9,798,981	9,247,976
Equity attributable to equity holders of the parent	13,298,981	12,747,976
Non-controlling interest	11,947	22,701
<b>Total equity</b>	<b>13,310,928</b>	<b>12,770,677</b>
<b>Balance of statutory funds</b>	<b>6,708,756</b>	<b>4,860,342</b>
<b>Underwriting provisions</b>		
Provision for outstanding claims (including IBNR)	6,671,843	7,406,692
Provision for unearned premium	5,259,308	4,044,831
Commission income unearned	256,793	182,184
<b>Total underwriting provisions</b>	<b>12,187,944</b>	<b>11,633,707</b>
<b>Deferred liabilities</b>		
Staff retirement benefits	41,590	56,152
<b>Creditors and Accruals</b>		
Premiums received in advance	340,186	228,934
Amounts due to other insurers / reinsurers	1,206,385	662,515
Accrued expenses	64,932	114,855
Other creditors and accruals	2,792,001	1,728,975
	4,403,504	2,735,279
<b>Borrowings</b>		
Liabilities against assets subject to finance lease	43	6,683
<b>Other liabilities</b>		
Unclaimed dividends	43,667	37,675
<b>TOTAL LIABILITIES</b>	<b>16,676,748</b>	<b>14,469,496</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>36,696,432</b>	<b>32,100,515</b>

The annexed notes 1 to 15 form an integral part of this consolidated condensed interim financial information.



	Note	30 September 2014	31 December 2013
		Rupees in thousand	
		(Unaudited)	(Audited)
<b>Cash and bank deposits</b>			
Cash and other equivalents		5,606	4,531
Current and other accounts		1,863,759	1,698,980
Deposits maturing within 12 months		1,068,464	1,156,190
		2,937,829	2,859,701
<b>Loans</b>			
To employees		17,700	16,151
<b>Investments</b>	8	19,274,989	15,822,211
<b>Deferred taxation</b>		96,748	107,346
<b>Current assets - others</b>			
Premiums due but unpaid	9	4,216,052	2,673,944
Amounts due from other insurers / reinsurers	10	800,362	1,094,914
Salvage recoveries accrued		177,381	179,703
Premium and claim reserves retained by cedants		23,252	23,252
Accrued investment income		225,258	30,121
Reinsurance recoveries against outstanding claims		4,655,858	5,574,428
Taxation - payments less provision		46,462	87,428
Deferred commission expense		504,716	390,649
Prepayments		2,225,598	1,784,281
Sundry receivables		286,212	205,305
		13,161,151	12,044,025
<b>Fixed assets - Tangible &amp; Intangible</b>	11		
<b>Owned</b>			
Land and buildings		419,630	445,207
Furniture and fixtures		172,462	156,160
Motor vehicles		298,372	272,065
Machinery and equipment		107,506	116,425
Computers and related accessories		119,278	54,507
Intangible asset - computer software		64,045	83,780
Capital work in progress		1,721	89,310
		1,183,014	1,217,454
<b>Leased</b>			
Motor vehicles		25,001	33,627
<b>TOTAL ASSETS</b>		<b>36,696,432</b>	<b>32,100,515</b>

**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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
Rupees in thousand											
Revenue account											
Net premium revenue	239,759	191,003	672,035	455,193	-	51,852	109,500	1,065,969	-	2,785,311	2,220,661
Net claims	(271,461)	(76,546)	(353,889)	(340,883)	-	(16,686)	(7,679)	(176,639)	-	(1,243,783)	(1,092,803)
Expenses	(60,710)	(40,849)	(166,563)	(83,258)	-	(8,746)	(7,650)	(54,737)	-	(422,513)	(478,582)
Net commission	(46,310)	(25,244)	(60,496)	1,647	-	(8,778)	(10,850)	(273,172)	-	(423,203)	(296,426)
Net investment income - statutory fund	-	-	-	-	-	5,434	46,516	148,237	3	200,190	64,851
Add: Policyholders' liabilities at beginning of the period	-	-	-	-	-	97,561	1,371,795	4,315,655	-	5,785,011	3,258,312
Less: Policyholders' liabilities at end of the period	-	-	-	-	-	(132,186)	(1,521,275)	(5,048,518)	-	(6,701,979)	(3,743,785)
Capital contribution from shareholders' fund	-	-	-	-	-	6,584	17,240	22,910	-	46,734	23,721
Surplus of policyholders' funds	-	-	-	-	-	4,965	2,403	295	(3)	7,660	(3,617)
<b>Underwriting result</b>	<b>(138,722)</b>	<b>48,364</b>	<b>91,087</b>	<b>32,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,428</b>	<b>(47,668)</b>
Investment income - other										676,434	350,803
Rental income										1,664	1,262
Other income										32,742	9,120
										744,268	313,517
General and administration expenses										(146,959)	(103,302)
Exchange loss										1,788	40,616
Finance charge on lease liabilities										(17)	(358)
Workers' welfare fund										(11,915)	(4,331)
<b>Profit before tax</b>										<b>587,165</b>	<b>246,142</b>
Provision for taxation										(39,005)	(23,028)
<b>Profit after tax</b>										<b>548,160</b>	<b>223,114</b>
<b>Profit attributable to:</b>											
Equity holders of the parent										547,558	226,417
Non-controlling interest										602	1,028

Rupees  
(Restated)  
1.56 0.65

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	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Rupees in thousand											
Revenue account											
Net premium revenue	740,413	528,235	2,047,815	1,296,550	-	94,926	392,993	2,516,069	-	7,617,001	6,882,417
Net claims	(493,698)	(257,843)	(1,285,623)	(986,550)	-	(43,974)	(14,765)	(747,319)	-	(3,829,772)	(2,964,090)
Expenses	(234,115)	(141,634)	(542,808)	(279,946)	-	(25,753)	(33,145)	(188,317)	-	(1,445,718)	(1,385,971)
Net commission	(35,935)	(78,969)	(208,190)	(3,641)	-	(19,331)	(36,823)	(588,466)	-	(971,355)	(917,376)
Net investment income - statutory fund	-	-	-	-	-	13,853	108,634	366,388	9	488,884	205,918
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	-	-	-	-	-	(132,186)	(1,521,275)	(5,048,518)	-	(6,701,979)	(3,743,785)
Capital contribution from shareholders' fund	-	-	-	-	-	13,284	17,240	22,910	-	53,434	33,936
Surplus of policyholders' funds	-	-	-	-	-	2,271	10,452	16,191	(20)	28,894	13,432
<b>Underwriting result</b>	<b>(23,335)</b>	<b>49,789</b>	<b>11,194</b>	<b>26,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,061</b>	<b>79,156</b>
Investment income - other										1,713,131	2,034,930
Rental income										4,109	3,651
Other income										82,291	77,604
										1,863,592	2,195,341
General and administration expenses										(304,244)	(228,167)
Exchange gain										(684)	41,189
Finance charge on lease liabilities										(269)	(1,520)
Workers' welfare fund										(30,887)	(39,250)
<b>Profit before tax</b>										<b>1,527,508</b>	<b>1,967,593</b>
Provision for taxation										(127,145)	(224,636)
<b>Profit after tax</b>										<b>1,400,363</b>	<b>1,742,957</b>
<b>Profit attributable to:</b>											
Equity holders of the parent										1,397,374	1,740,533
Non-controlling interest										2,989	2,424
<b>Profit and loss appropriation account</b>											
Balance at the commencement of the year										8,139,204	8,831,228
Profit after tax for the period										1,397,374	1,740,533
Final dividend for the year ended 31 December 2013 @10% (Rupee 1/- per share) [2012: @ 10% (Rupee 1/- per share)]										(350,000)	(123,705)
Interim dividend for the period ended 30 June 2014 @12.5% (Rupees 1.25/- per share) [2013: @ 25% (Rupees 2.5/- per share)]										(437,500)	(309,262)
<b>Balance unappropriated profit at the end of the period</b>										<b>8,749,078</b>	<b>10,138,794</b>
Rupees (Restated)											
<b>Earnings per share - basic and diluted</b>										<b>4.00</b>	<b>4.98</b>

The annexed notes 1 to 15 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

QUARTERLY REPORT SEPTEMBER 2014

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	Quarter ended 30 September 2014	Quarter ended 30 September 2013	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Rupees in thousand				
Profit after tax for the period	548,160	223,114	1,400,363	1,742,957
Other comprehensive income:				
Items that may be reclassified subsequently to profit and loss:				
Effect of translation of net investment in foreign branches	33,921	(18,330)	(19,178)	76,006
Items that will not be reclassified to profit and loss:				
Capital contribution to statutory funds	(60,134) (26,213)	(23,721) (42,051)	(53,434) (72,612)	(33,936) 42,070
<b>Total comprehensive income for the period</b>	<b>521,947</b>	<b>181,063</b>	<b>1,327,751</b>	<b>1,785,027</b>
Total comprehensive income attributable to:				
Equity holders of the parent	533,364 (11,417)	190,283 (4,889)	1,338,504 (10,753)	1,792,504 (7,477)
Non-controlling interest	<b>521,947</b>	<b>185,394</b>	<b>1,327,751</b>	<b>1,785,027</b>

The annexed notes 1 to 15 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 NINE MONTHS ENDED 30 SEPTEMBER 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	
<b>Net cash flow from underwriting activities</b>	

### b) Other operating activities

Income tax paid	
General and management expenses paid	
Loans disbursed	
Loan repayments received	
Other receipts	
<b>Net cash used in other operating activities</b>	

### 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	
<b>Total cash used in investing activities</b>	

### Financing activities

Lease rentals paid	
Dividends paid	
Issue of share capital	
<b>Total cash (used in) / flow from financing activities</b>	

### Net cash (used in) / flow from all activities

Cash at the beginning of the period

Cash at the end of the period

Nine months ended 30 September 2014	Nine months ended 30 September 2013
--	--

Rupees in thousand

11,031,429	10,982,542
(3,343,863)	(3,664,595)
(6,599,518)	(5,253,213)
(15,594)	(13,362)
3,138,943	1,670,597
(1,130,542)	(1,436,539)
447,343	433,206
(818,150)	(886,710)
<b>2,710,048</b>	<b>1,831,926</b>

(75,581)	(78,399)
(703,872)	(793,116)
(23,528)	(33,717)
15,529	29,134
7,748	258,022
<b>(779,704)</b>	<b>(618,076)</b>

<b>1,930,344</b>	<b>1,213,850</b>
------------------	------------------

278,677	116,916
10,963	11,678
4,360	7,764
19,164	3,694
619,713	719,661
3,582	3,189
(18,639,340)	(17,071,541)
16,332,396	14,750,341
(119,494)	(200,027)
(567)	(12,977)
13,972	21,220
<b>(1,476,574)</b>	<b>(1,650,082)</b>

(6,909)	(16,543)
(368,733)	(120,389)
-	200,332
<b>(375,642)</b>	<b>63,400</b>

<b>78,128</b>	<b>(372,832)</b>
<b>2,850,625</b>	<b>2,723,882</b>

<b>2,928,753</b>	<b>2,351,050</b>
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# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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  
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  
Exchange gain  
Reversal for diminution in value of investments  
Dividend 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 15 form an integral part of this consolidated condensed interim financial information.

Nine months ended 30 September 2014	Nine months ended 30 September 2013
Rupees in thousand	

1,930,344	1,213,850
(125,984)	(102,771)
(482)	(4,507)
71,212	76,404
2,538	1,133
-	-
(269)	(1,520)
4,109	3,651
880,235	1,025,937
(2,351,170)	(2,292,451)
410,533	(80,274)

979,718	1,155,011
(20,408)	(18,385)
53,434	33,937
(1,214,477)	(329,288)
873	403
15,762	8,740
7,999	3,500
75,581	76,826
-	40,430
55,671	73,560
1,141,556	991,519
16,207	3,154
5,059	8,460
1,116,975	2,047,867
1,527,508	1,967,593

Nine months ended 30 September 2014	Nine months ended 30 September 2013
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5,606	2,689
1,863,759	1,164,258
1,059,388	1,184,103
2,928,753	2,351,050

**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 NINE MONTHS ENDED 30 SEPTEMBER 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

<b>Balance as at 31 December 2012 - restated (Audited)</b>	1,237,045	-	22,859	3,764	(307,309)	478,756	936,500	8,831,228	11,202,843	28,889	11,231,732
Profit for the period 01 January 2013 to 30 September 2013	-	-	-	-	-	-	-	1,740,533	1,740,533	2,424	1,742,957
Other comprehensive income for the period 01 January 2013 to 30 September 2013	-	-	-	-	(24,036)	76,006	-	-	51,970	(7,477)	44,493
Final dividend for the year ended 31 December 2012 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	-	(123,705)	(123,705)	-	(123,705)
Interim dividend for the half year ended 30 June 2013 @ 25% (Rupees 2.5/- per share)	-	-	-	-	-	-	-	(309,262)	(309,262)	-	(309,262)
<b>Balance as at 30 September 2013 (Unaudited)</b>	<b>1,237,045</b>	<b>-</b>	<b>22,859</b>	<b>3,764</b>	<b>(331,345)</b>	<b>554,762</b>	<b>936,500</b>	<b>10,138,794</b>	<b>12,562,379</b>	<b>23,836</b>	<b>12,586,215</b>
Profit for the period from 01 October 2013 to 31 December 2013	-	-	-	-	-	-	-	234,287	234,287	997	235,284
Other comprehensive income for the period 01 October 2013 to 31 December 2013	-	-	-	-	(292)	(77,476)	-	29,078	(48,690)	(2,132)	(50,822)
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)	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2013 (Audited)</b>	<b>3,500,000</b>	<b>-</b>	<b>22,859</b>	<b>3,764</b>	<b>(331,637)</b>	<b>477,286</b>	<b>936,500</b>	<b>8,139,204</b>	<b>12,747,976</b>	<b>22,701</b>	<b>12,770,677</b>
Profit for the period 01 January 2014 to 30 September 2014	-	-	-	-	-	-	-	1,397,374	1,397,374	2,989	1,400,363
Other comprehensive income for the period 01 January 2014 to 30 September 2014	-	-	-	-	(39,691)	(19,178)	-	-	(58,869)	(13,743)	(72,612)
Final dividend for the year ended 31 December 2013 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	-	(350,000)	(350,000)	-	(350,000)
Interim dividend for the half year ended 30 June 2014 @ 12.5% (Rupees 1.25/- per share)	-	-	-	-	-	-	-	(437,500)	(437,500)	-	(437,500)
<b>Balance as at 30 September 2014 (Unaudited)</b>	<b>3,500,000</b>	<b>-</b>	<b>22,859</b>	<b>3,764</b>	<b>(371,328)</b>	<b>458,108</b>	<b>936,500</b>	<b>8,749,078</b>	<b>13,298,981</b>	<b>11,947</b>	<b>13,310,928</b>

The annexed notes 1 to 15 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 PREMIUMS (UNAUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
Rupees in thousand												
General insurance:												
Direct and facultative												
Fire and property damage	1,312,818	2,055,221	2,328,103	2,266	1,042,202	972,180	1,500,840	1,672,272	1,695	802,443	239,759	187,493
Marine, aviation and transport	203,794	68,460	48,853	94	223,495	25,946	14,466	7,933	13	32,492	191,003	156,946
Motor	923,291	1,559,962	1,753,871	36,210	765,592	101,335	124,635	137,533	5,120	93,557	672,035	776,806
Miscellaneous	821,812	996,018	1,128,481	1,115	690,464	154,409	375,150	294,896	608	235,271	455,193	267,765
	3,261,715	4,679,661	5,259,308	39,685	2,721,753	1,253,870	2,015,091	2,112,634	7,436	1,163,763	1,557,990	1,389,010
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,261,715	4,679,661	5,259,308	39,685	2,721,753	1,253,870	2,015,091	2,112,634	7,436	1,163,763	1,557,990	1,389,010
Life insurance:												
Conventional Business	112,860	-	-	-	112,860	61,008	-	-	-	61,008	51,852	16,815
Non-unitized Investment Linked Business	111,133	-	-	-	111,133	1,633	-	-	-	1,633	109,500	113,978
Unit Linked Business	1,082,888	-	-	-	1,082,888	16,919	-	-	-	16,919	1,065,969	700,858
Accident and Health Business	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,306,881	-	-	-	1,306,881	79,560	-	-	-	79,560	1,227,321	831,651
Grand Total	4,568,596	4,679,661	5,259,308	39,685	4,028,634	1,333,430	2,015,091	2,112,634	7,436	1,243,323	2,785,311	2,220,661

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		Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
Rupees in thousand												
General insurance:												
Direct and facultative												
Fire and property damage	3,599,731	1,854,900	2,328,103	(1,788)	3,124,740	2,699,434	1,358,743	1,672,272	(1,578)	2,384,327	740,413	601,275
Marine, aviation and transport	642,995	55,695	48,853	(158)	649,679	122,018	7,378	7,933	(19)	121,444	528,235	439,618
Motor	2,575,396	1,504,870	1,753,871	(18,791)	2,307,604	274,172	125,874	137,533	(2,724)	259,789	2,047,815	2,206,542
Miscellaneous	2,435,757	629,366	1,128,481	(185)	1,936,457	725,122	209,775	294,896	(94)	639,907	1,296,550	852,174
	9,253,879	4,044,831	5,259,308	(20,922)	8,018,480	3,820,746	1,701,770	2,112,634	(4,415)	3,405,467	4,613,013	4,099,609
Treaty												
Proportional	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total	9,253,879	4,044,831	5,259,308	(20,922)	8,018,480	3,820,746	1,701,770	2,112,634	(4,415)	3,405,467	4,613,013	4,099,609
Life insurance:												
Conventional Business	232,822	-	-	-	232,822	137,896	-	-	-	137,896	94,926	53,116
Non-unitized Investment Linked Business	399,688	-	-	-	399,688	6,695	-	-	-	6,695	392,993	407,333
Unit Linked Business	2,558,301	-	-	-	2,558,301	42,232	-	-	-	42,232	2,516,069	2,322,357
Accident and Health Business	-	-	-	-	-	-	-	-	-	-	-	2
Total	3,190,811	-	-	-	3,190,811	186,823	-	-	-	186,823	3,003,988	2,782,808
Grand Total	12,444,690	4,044,831	5,259,308	(20,922)	11,209,291	4,007,569	1,701,770	2,112,634	(4,415)	3,592,290	7,617,001	6,882,417

The annexed notes 1 to 15 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
Rupees in thousand												
General insurance:												
Direct and facultative												
Fire and property damage	171,645	2,949,796	3,289,865	6,753	504,961	111,853	2,322,458	2,449,844	5,739	233,500	271,461	157,776
Marine, aviation and transport	131,434	360,122	263,210	14	34,508	79,980	272,257	150,239	-	(42,038)	76,546	72,287
Motor	801,040	2,335,047	2,313,975	84,155	695,813	354,540	1,718,636	1,772,728	66,708	341,924	353,889	474,718
Miscellaneous	457,743	649,566	663,877	162	471,892	124,426	453,721	460,428	124	131,009	340,883	204,760
	1,561,862	6,294,531	6,530,927	91,084	1,707,174	670,799	4,767,072	4,833,239	72,571	664,395	1,042,779	909,541
Treaty												
Proportional	-	20,332	20,332	-	-	-	-	-	-	-	-	-
	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Total	1,561,862	6,314,863	6,551,259	91,084	1,707,174	670,799	4,767,072	4,833,239	72,571	664,395	1,042,779	909,541
Conventional Business	34,035	37,795	53,940	-	50,180	33,494	-	-	-	33,494	16,686	5,926
Non-unitized Investment Linked Business	6,575	10,137	12,159	-	8,597	918	-	-	-	918	7,679	1,296
Unit Linked Business	207,384	77,287	54,485	-	184,582	7,943	-	-	-	7,943	176,639	176,040
Accident and Health Business	-	-	-	-	-	-	-	-	-	-	-	-
Total	247,994	125,219	120,584	-	243,359	42,355	-	-	-	42,355	201,004	183,262
Grand Total	1,809,856	6,440,082	6,671,843	91,084	1,950,533	713,154	4,767,072	4,833,239	72,571	706,750	1,243,783	1,092,803

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		Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
Rupees in thousand												
General insurance:												
Direct and facultative												
Fire and property damage	1,445,950	3,516,994	3,289,865	684	1,218,137	1,194,417	2,919,240	2,449,844	582	724,439	493,698	442,760
Marine, aviation and transport	317,651	176,944	263,210	(344)	404,261	123,138	126,959	150,239	-	146,418	257,843	261,136
Motor	2,427,381	2,612,650	2,313,975	(61,256)	2,189,962	1,147,553	2,068,984	1,772,728	(53,042)	904,339	1,285,623	1,374,648
Miscellaneous	1,520,138	995,753	663,877	88	1,188,174	380,212	638,948	460,428	68	201,624	986,550	473,420
	5,711,120	7,302,341	6,530,927	(60,828)	5,000,534	2,845,320	5,754,131	4,833,239	(52,392)	1,976,820	3,023,714	2,551,964
Treaty												
Proportional	-	20,332	20,332	-	-	-	-	-	-	-	-	-
	-	20,332	20,332	-	-	-	-	-	-	-	-	-
Total	5,711,120	7,322,673	6,551,259	(60,828)	5,000,534	2,845,320	5,754,131	4,833,239	(52,392)	1,976,820	3,023,714	2,551,964
Life insurance:												
Conventional Business	127,246	38,307	53,940	-	142,879	98,905	-	-	-	98,905	43,974	32,149
Non-unitized Investment Linked Business	15,713	10,280	12,159	-	17,592	2,827	-	-	-	2,827	14,765	5,107
Unit Linked Business	745,439	35,432	54,485	-	764,492	17,173	-	-	-	17,173	747,319	374,870
Accident and Health Business	-	-	-	-	-	-	-	-	-	-	-	-
Total	888,398	84,019	120,584	-	924,963	118,905	-	-	-	118,905	806,058	412,126
Grand Total	6,599,518	7,406,692	6,671,843	(60,828)	5,925,497	2,964,225	5,754,131	4,833,239	(52,392)	2,095,725	3,829,772	2,964,090

The annexed notes 1 to 15 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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014	Quarter ended 30 September 2013
Rupees in thousand										
General insurance:										
Direct and facultative										
Fire and property damage	164,210	239,625	281,522	463	122,776	60,710	183,486	76,466	107,020	103,512
Marine, aviation and transport	16,565	8,908	(153)	6	25,632	40,849	66,481	388	66,093	80,927
Motor	88,833	133,471	157,008	3,543	68,839	166,563	235,402	8,343	227,059	251,326
Miscellaneous	38,144	64,432	66,339	126	36,363	83,258	119,621	38,010	81,611	91,372
	307,752	446,436	504,716	4,138	253,610	351,380	604,990	123,207	481,783	527,137
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total	307,752	446,436	504,716	4,138	253,610	351,380	604,990	123,207	481,783	527,137
Life insurance:										
Conventional Business	8,778	-	-	-	8,778	8,746	17,524	-	17,524	10,991
Non-unitized Investment Linked Business	10,850	-	-	-	10,850	7,650	18,500	-	18,500	55,019
Unit Linked Business	273,172	-	-	-	273,172	54,737	327,909	-	327,909	181,861
Accident and health business	-	-	-	-	-	-	-	-	-	-
Total	292,800	-	-	-	292,800	71,133	363,933	-	363,933	247,871
Grand Total	600,552	446,436	504,716	4,138	546,410	422,513	968,923	123,207	845,716	775,008

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					Nine Months ended 30 September 2014	Nine Months ended 30 September 2013
Rupees in thousand										
General insurance:										
Direct and facultative										
Fire and property damage	374,442	188,330	281,522	(283)	280,967	234,115	515,082	245,032	270,050	264,526
Marine, aviation and transport	77,053	3,163	(153)	(6)	80,363	141,634	221,997	1,394	220,603	214,677
Motor	231,632	150,110	157,008	(2,362)	222,372	542,808	765,180	14,182	750,998	713,111
Miscellaneous	133,043	49,046	66,339	17	115,767	279,946	395,713	112,126	283,587	276,175
	816,170	390,649	504,716	(2,634)	699,469	1,198,503	1,897,972	372,734	1,525,238	1,468,489
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total	816,170	390,649	504,716	(2,634)	699,469	1,198,503	1,897,972	372,734	1,525,238	1,468,489
Life insurance:										
Conventional Business	19,331	-	-	-	19,331	25,753	45,084	-	45,084	35,638
Non-unitized Investment Linked Business	36,823	-	-	-	36,823	33,145	69,968	-	69,968	143,537
Unit Linked Business	588,466	-	-	-	588,466	188,317	776,783	-	776,783	655,683
Accident and health business	-	-	-	-	-	-	-	-	-	-
Total	644,620	-	-	-	644,620	247,215	891,835	-	891,835	834,858
Grand Total	1,460,790	390,649	504,716	(2,634)	1,344,089	1,445,718	2,789,807	372,734	2,417,073	2,303,347

The annexed notes 1 to 15 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 NINE MONTHS ENDED 30 SEPTEMBER 2014

	Quarter ended 30 September 2014	Quarter ended 30 September 2013	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Rupees in thousand				
<b>General insurance:</b>				
<b>Income from non-trading investments</b>				
<b>Available-for-sale</b>				
Return on Term Finance Certificates	1,519	2,241	5,059	8,460
Return on Pakistan Investment Bonds	9,864	2,257	15,762	8,740
Profit on Treasury Bills	1,873	1,318	16,207	3,154
Dividend income				
- associated undertakings	122,609	163,233	407,298	469,106
- others	111,344	87,997	284,609	320,614
	233,953	251,230	691,907	789,720
	247,209	257,046	728,935	810,074
Gain on sale of 'available-for-sale' investments				
- associated undertakings	-	39,699	-	221,939
- others	421,564	46,168	954,333	933,072
	421,564	85,867	954,333	1,155,011
	668,773	342,913	1,683,268	1,965,085
Reversal for impairment in value of 'available-for-sale' investments	-	(102)	3,370	51,114
	668,773	342,811	1,686,638	2,016,199
<b>Life insurance:</b>				
<b>Shareholders' fund</b>				
Unrealised appreciation/(diminution) in value of quoted equity securities	(86)	(69)	127	(144)
Return on Government Securities	6,628	7,250	20,392	15,676
Return on bank deposits	492	351	1,074	1,023
Dividend income	636	460	1,781	1,906
Gain on sale of non-trading investments	(9)	-	3,119	270
Reversal of impairment in the value of 'available-for-sale' investments	-	-	-	-
	7,661	7,992	26,493	18,731
<b>Statutory Funds</b>				
<b>Conventional Business</b>				
Return on bank deposits	3,001	1,416	6,146	3,850
Return on Government Securities	2,433	759	7,707	2,740
Gain on sale of Government Securities - non trading investments	-	(1)	-	11
Gain on sale of units of open end mutual funds	-	-	-	-
Reversal of impairment in the value of 'available-for-sale' investments	-	-	-	-
	5,434	2,174	13,853	6,601
<b>Accident and Health Business</b>				
Return on Government Securities	2	-	4	-
Return on bank deposits	1	-	5	12
	3	-	9	12
<b>Non-utilised Investment Link Business</b>				
(Diminution) / appreciation in value of quoted securities	6,606	(723)	6,579	3,729
Return on bank deposits	1,817	946	3,668	1,868
Return on Government securities	37,430	15,956	94,787	45,967
Return on fixed income securities	1,063	(1,927)	3,594	(186)
Gain on sale of Government Securities	(400)	2,093	(516)	787
Loss on sale of fixed income securities	-	-	(12)	-
Gain on sale of units of open end mutual funds	-	1,085	534	1,320
	46,516	17,430	108,634	53,485

	Quarter ended 30 September 2014	Quarter ended 30 September 2013	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Rupees in thousand				
<b>Unit Link Business</b>				
Appreciation / (diminution) in value of quoted securities	32,618	(7,951)	45,595	18,303
Return on Government Securities	108,313	41,357	277,567	108,177
Dividend income	745	170	939	202
Return on bank deposits	6,719	2,555	12,447	7,873
Return on other fixed income securities	2,459	2,563	7,578	5,153
Gain on sale of listed equities	219	2,185	520	2,243
(Loss) / gain on sale of Government Securities	(2,930)	5,215	(3,248)	3,869
Loss on sale of fixed income securities	-	-	(9)	-
Gain / (loss) on sale of units of open end mutual funds	94	(847)	24,999	-
	<u>148,237</u>	<u>45,247</u>	<u>366,388</u>	<u>145,820</u>
<b>Net investment income</b>	<u>876,624</u>	<u>415,654</u>	<u>2,202,015</u>	<u>2,240,848</u>
Net investment income - statutory funds	200,190	64,851	488,884	205,918
Net investment income - other	<u>676,434</u>	<u>350,803</u>	<u>1,713,131</u>	<u>2,034,930</u>
	<u>876,624</u>	<u>415,654</u>	<u>2,202,015</u>	<u>2,240,848</u>

The annexed notes 1 to 15 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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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. which has 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 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 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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 September 2014 (31 December 2013: Nil)

### 7.2 Commitments

#### Holding Company

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

#### Subsidiary Company

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

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	Note	30 September 2014	31 December 2013
		Rupees in thousand	
<b>8 INVESTMENTS</b>			
<b>Available-for-sale</b>			
<b>In related parties</b>		(Unaudited)	(Audited)
Marketable securities - listed		5,384,046	7,477,264
Less: Provision for impairment in value of investments		(609)	-
		5,383,437	7,477,264
<b>Others</b>			
Marketable securities - listed		6,637,512	3,088,879
Marketable securities - unlisted		351,471	-
Less: Provision for impairment in value of investments	8.1	(216,911)	(220,890)
		6,772,072	2,867,989
Fixed income securities	8.2	834,646	831,811
		7,606,718	3,699,800
		12,990,155	11,177,064
<b>At fair value through profit or loss</b>			
<b>In related parties</b>			
Marketable securities - listed		1,503	3,122
<b>Others</b>			
Marketable securities - listed		850,882	461,243
Fixed income securities	8.4	5,432,449	4,180,782
		6,283,331	4,642,025
		6,284,834	4,645,147
		19,274,989	15,822,211
<b>8.1 Reconciliation of provision for impairment in value of investments</b>			
Opening provision		220,890	416,284
Reversal for the period / year		(3,370)	(195,394)
Closing provision		217,520	220,890
<b>8.2</b>	The fixed income securities classified as 'available-for-sale' include Pakistan investment bonds and Government treasury bills amounting to Rupees 587.49 million (2013: Rupees 645.06 million) and Rupees 247.16 million, respectively (2013: Rupees 186.75 million)		
<b>8.3</b>	On 30 September 2014, the fair value of 'available-for-sale' securities was Rupees 22,128.49 million (31 December 2013: Rupees 22,869.40 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 31 March 2014 would have been higher by Rupees 8,443.44 million (31 December 2013: higher by Rupees 7,047.19 million).		
<b>8.4</b>	The fixed income securities at 'fair value through profit or loss' include Pakistan investment bonds, Government treasury bills and Ijarah Sukuks amounting to Rupees 5,417.25 million (2013: 251.43 million), Rupees Nil (2013: 3,889.03) and Rupees 15.20 million (2013: 40.32 million), respectively.		



# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	Note	30 September 2014	31 December 2013
		Rupees in thousand	
<b>9 PREMIUMS DUE BUT UNPAID - Unsecured</b>		(Unaudited)	(Audited)
Considered good		4,216,052	2,673,944
Considered doubtful		366,128	369,231
		<u>4,582,180</u>	<u>3,043,175</u>
Less: Provision for doubtful balances	9.1	<u>(366,128)</u>	<u>(369,231)</u>
		<u>4,216,052</u>	<u>2,673,944</u>
<b>9.1 Reconciliation of provision for doubtful balances</b>			
Opening provision		369,231	359,147
Exchange loss		(3,103)	10,084
Closing provision		<u>366,128</u>	<u>369,231</u>
<b>10 AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - Unsecured</b>			
Considered good		800,362	1,094,914
Considered doubtful		322,810	322,810
		<u>1,123,172</u>	<u>1,417,724</u>
Less: Provision for doubtful balances	10.1	<u>(322,810)</u>	<u>(322,810)</u>
		<u>800,362</u>	<u>1,094,914</u>
<b>10.1 Reconciliation of provision for doubtful balances</b>			
Opening provision		322,810	326,327
Written off during the period		-	(3,517)
Closing provision		<u>322,810</u>	<u>322,810</u>
<b>11 FIXED ASSETS - TANGIBLE AND INTANGIBLE</b>			
Opening balance - Net book value		1,161,771	1,065,917
Additions during the period	11.2	207,650	264,943
Less:			
Book value of disposals during the period	11.3	(11,435)	(19,323)
Depreciation / amortisation charged during the period		(146,392)	(166,882)
Exchange difference		(5,300)	17,116
		<u>(163,127)</u>	<u>(169,089)</u>
		<u>1,206,294</u>	<u>1,161,771</u>
Capital work in progress		1,721	89,310
		<u>1,208,015</u>	<u>1,251,081</u>
<b>11.1 Breakup of book values into owned and leased fixed assets</b>			
Owned assets		1,181,293	1,128,144
Capital work in progress		1,721	89,310
Leased assets		25,001	33,627
		<u>1,208,015</u>	<u>1,251,081</u>

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

Note	30 June 2014	31 December 2013
Rupees in thousand		
<b>11.2 Additions during the period / year</b>		
<b>Owned</b>	(Unaudited)	(Audited)
Land and building	356	200
Furniture and fixture	10,170	65,322
Motor vehicles	72,419	93,488
Machinery and equipment	12,410	35,425
Computer and related accessories	111,047	24,844
Intangibles	1,248	45,664
	<u>207,650</u>	<u>264,943</u>
<b>11.3 Written down values of operating fixed assets disposed off during the period / year</b>		
<b>Owned</b>		
Land and building	-	-
Furniture and fixture	59	40
Motor vehicle	6,015	5,615
Machinery and equipment	121	1,443
Computer and related accessories	31	112
Intangibles	-	-
	<u>6,226</u>	<u>7,210</u>
<b>Leased</b>		
Motor vehicles	5,209	12,113
	<u>11,435</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 8 to the consolidated condensed interim financial information. Other transactions with related parties are summarised as follows:

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

## i) Transactions

### Other related parties

	Nine months ended 30 September 2014	Nine months ended 30 September 2013
	Rupees in thousand	
Premium underwritten	1,009,615	806,783
Premium received	760,907	970,488
Claims paid	239,801	311,611
Rent paid	790	2,510
Rent received	3,674	3,651
Dividend received	401,801	469,106
Dividend paid	135,473	471,882
Income on bank deposits	47,376	24,690
Commission paid	439,814	84,871
Fees paid	17,053	23,874
Investments made	160,883	346,797
Investments sold	979	101,847
Charge in respect of gratuity expense	22,368	12,081
Company's contribution to Employees' Provident Fund	16,371	13,050

### Bouns shares received

	Number of shares
	3,004,653
	5,626,611

### Key management personnel

	Rupees in thousand	
Compensation paid	359,099	304,362

## ii) Period end balances

### Other related parties

	Nine months ended 30 September 2014	As at As at 31 December 2013
	Rupees in thousand	
Balances receivable	521,095	590,000
Balances payable	455,070	413,077
Cash and bank balances	1,049,238	1,150,634
Payable to Staff Gratuity Fund	70,685	57,770
Payable to Employees' Provident Fund	4,425	804

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

## 13 SEGMENT REPORTING

13.1 In addition to note 13.2, 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 September 2014																					
Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/Liabilities		Total		Aggregate General Insurance		Life Insurance				Aggregate Life Insurance	Grand Total
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Shareholders' Fund	Conventional Business	Non-united Investment Link Business	Unit Link Business	Accident and Health Business			
Rupees in thousand																					
5,988,833	262,184	473,643	15,522	709,925	2,940,035	2,015,880	52,542	-	-	-	15,243,499	1,433,870	1,433,870	16,677,369	405,795	-	-	-	-	7,154,704	19,613,268
5,988,833	262,184	473,643	15,522	709,925	2,940,035	2,015,880	52,542	-	-	-	15,243,499	1,433,870	1,433,870	16,677,369	405,795	226,042	1,587,515	5,341,001	146	405,795	17,083,164
6,139,217	245,952	413,677	3,460	1,153,517	3,241,190	2,209,734	39,886	20,332	-	-	9,934,777	3,330,488	13,466,965	-	87,182	66,239	292,483	45	445,949	13,912,914	
6,139,217	245,952	413,677	3,460	1,153,517	3,241,190	2,209,734	39,886	20,332	-	2,497,119	238,532	2,497,119	238,532	2,735,651	28,183	-	-	-	28,183	2,763,834	
6,139,217	245,952	413,677	3,460	1,153,517	3,241,190	2,209,734	39,886	20,332	-	2,497,119	238,532	2,497,119	238,532	2,735,651	28,183	87,182	66,239	292,483	45	474,132	16,676,746
											96,890	5,671	102,561					17,500	120,061		

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		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	Shareholders' Fund	Conventional Business	Non-united Investment Link Business	Unit Link Business	Accident and Health Business			
Rupees in thousand																					
5,708,948	190,383	386,545	10,849	533,402	3,209,244	1,553,073	26,992	-	-	-	-	8,181,948	3,437,488	11,619,436	-	18,276	928	-	19,204	11,638,640	
-	-	-	-	-	-	-	-	-	13,356,322	1,528,911	14,885,233	428,611	154,410	1,152,550	3,843,005	46	5,576,422	20,441,855			
5,708,948	190,383	386,545	10,849	533,402	3,209,244	1,553,073	26,992	-	-	13,356,322	1,528,911	14,885,233	428,611	154,410	1,152,550	3,843,005	46	5,576,422	20,441,855		
6,089,676	166,486	354,083	16,373	1,064,237	3,449,528	2,007,893	24,905	20,332	-	681,231	759,523	45,840	2,459	5,082	92,193	35	135,609	895,132			
6,089,676	166,486	354,083	16,373	1,064,237	3,449,528	2,007,893	24,905	20,332	-	681,231	759,523	45,840	2,459	5,082	92,193	35	135,609	895,132			
													224,520	21,411	245,931					33,583	279,514
OTHER INFORMATION																					
Segment assets																					
Unallocated assets																					
Total assets																					
Segment liabilities																					
Unallocated liabilities																					
Total liabilities																					
Capital expenditure																					

Rupees in thousand

### OTHER INFORMATION

Segment assets  
Unallocated assets  
Total assets  
Segment liabilities  
Unallocated liabilities  
Total liabilities  
Capital expenditure

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

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13.2 For general insurance, each class of business has been identified as reportable segment whereas, for life insurance the statutory funds are treated as reportable segments. Following is a schedule of segment wise revenue and results:

	BUSINESS UNDERWRITTEN INSIDE PAKISTAN										BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN				
	General Insurance					Life Insurance					General Insurance				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Conventional Business	Non-United Investment Link Business	Unit Link Business	Accident Health Business	Total	30 September 2014	30 September 2013	Total	30 September 2014	30 September 2013
Rupees in thousand															
<b>Revenue account</b>															
Net premium revenue	721,275	504,570	995,448	1,280,184	-	94,926	392,993	2,514,069	-	4,508,445	5,554,443	19,138	23,645	1,052,167	13,366
Net claims	(462,661)	(258,863)	(513,113)	(983,995)	-	(42,974)	(147,661)	(747,319)	-	(3,024,710)	(1,980,018)	(31,071)	1,020	(772,510)	(2,355)
Expenses	(218,419)	(132,340)	(354,347)	(261,832)	-	(25,753)	(33,145)	(188,317)	-	(1,214,153)	(1,191,661)	(15,696)	(9,294)	(188,461)	(18,114)
Net commission	(34,601)	(75,134)	(77,948)	(2,607)	-	(19,331)	(34,823)	(588,466)	-	(834,932)	(797,013)	(1,334)	(3,833)	(130,222)	(1,034)
Net investment income - statutory fund	-	-	-	-	-	13,853	108,634	346,388	9	488,875	205,906	-	-	-	-
Add: Policyholder's liabilities at beginning of the year	-	-	-	-	-	94,910	1,076,689	3,651,042	11	4,824,461	1,954,670	-	-	-	-
Less: Policyholder's liabilities at end of the period	-	-	-	-	-	(132,184)	(1,521,275)	(5,048,518)	-	(6,701,979)	(3,743,780)	-	-	-	-
Capital contribution from shareholder's fund	-	-	-	-	-	13,284	17,240	22,910	-	53,434	33,934	-	-	-	-
Surplus of policyholder funds	-	-	-	-	-	2,271	10,452	16,191	(20)	28,914	13,446	-	-	-	-
<b>Underwriting result</b>	<b>5,574</b>	<b>38,231</b>	<b>50,220</b>	<b>34,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,775</b>	<b>41,929</b>	<b>(28,909)</b>	<b>11,558</b>	<b>(39,024)</b>	<b>(8,337)</b>
Investment income - other	-	-	-	-	-	-	-	-	-	1,713,131	2,034,930	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	64,975	86,451	4,109	3,651	4,109	3,651
										<b>17,316</b>	<b>(8,847)</b>	<b>17,316</b>	<b>(8,847)</b>	<b>82,291</b>	<b>77,604</b>
General and administration expenses										(43,289)	32,031	1,863,592	2,195,341	(30,858)	(15,940)
Exchange gain										(30,858)	(15,940)	(304,244)	(228,167)	-	(684)
Finance charge on lease liabilities										-	-	40,279	(684)	-	41,189
Workers' welfare fund										-	-	-	(269)	-	(1,520)
<b>Profit before tax</b>										<b>(74,147)</b>	<b>56,370</b>	<b>1,527,508</b>	<b>1,967,593</b>	<b>(74,147)</b>	<b>(39,250)</b>
Provision for taxation										-	-	-	(127,145)	-	(224,636)
<b>Profit after tax</b>										<b>(74,147)</b>	<b>56,370</b>	<b>1,400,363</b>	<b>1,742,957</b>	<b>(74,147)</b>	<b>1,742,957</b>

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

## 14 DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was approved and authorised for issue on 28 October 2014 by the Board of Directors of the Company.

## 15 GENERAL

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

15.2 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