



**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2013**

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

Introduction

We have reviewed the accompanying:

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

and notes to the financial statements of Alfalah Insurance Company Limited (the Company) as at 30 June 2013 and for the six month period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants


Engagement Partner: Farooq Hameed

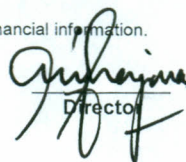
Lahore: 14 August 2013

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2013

	Note	Unaudited	Audited	Note	Unaudited	Audited	
		30 June 2013	31 December 2012		30 June 2013	31 December 2012	
		(Rupees in thousand)				(Rupees in thousand)	
Share capital and reserves							
Authorized capital							
50,000,000 (31 December 2012: 50,000,000) ordinary shares of Rs. 10 each		500,000	500,000				
Issued, subscribed and paid up capital							
30,000,000 (31 December 2012: 30,000,000) ordinary shares of Rs. 10 each		300,000	300,000				
Share deposit money		1,381	1,381				
General Reserve		150,000	15,000				
Unappropriated profit		91,112	170,309				
		542,493	486,690				
Underwriting provisions							
Provision for outstanding claims [including IBNR]		644,724	650,048				
Provision for unearned premium		524,487	460,620				
Commission income unearned		45,720	50,434				
Total underwriting provisions		1,214,931	1,161,102				
Deferred Liabilities							
Deferred taxation		2,956	7,362				
Creditors and accruals							
Premium received in advance		4,514	5,650				
Amounts due to other insurers/reinsurers		147,280	241,593				
Taxation - provision less payments		2,864	-				
Accrued expenses		46,780	50,492				
Other creditors and accruals		36,174	40,079				
		237,612	337,814				
Other Liabilities							
Deposits and other payables		4,062	3,390				
		1,459,561	1,509,668				
TOTAL LIABILITIES							
CONTINGENCIES AND COMMITMENTS	7						
TOTAL EQUITY AND LIABILITIES		2,002,054	1,996,358				
Cash and bank deposits							
Cash and other equivalents					856	1,328	
Current and other accounts					85,355	158,928	
Deposits maturing within 12 months					1,500	2,000	
					87,711	162,256	
Loan - secured considered good							
To employees					1,847	2,127	
Investments	8				893,698	701,627	
Other assets							
Premiums due but unpaid					153,757	171,398	
Amounts due from other insurers/reinsurers					26,281	68,289	
Salvage recoveries accrued					9,167	7,545	
Accrued investment income					2,718	1,621	
Reinsurance recoveries against outstanding claims					501,775	502,884	
Deferred commission expense					16,469	22,302	
Prepayments - prepaid reinsurance premium ceded					194,493	251,639	
- others					12,401	5,729	
Taxation - payments less provision					-	3,985	
Sundry receivables					15,147	7,452	
					932,208	1,042,844	
Fixed assets							
Tangible							
Building on leasehold land	9				29,193	31,706	
Furniture, fixtures and office equipment	10				27,187	24,709	
Motor vehicles	11				25,170	26,210	
					81,550	82,625	
Intangible							
Computer software					5,040	4,879	
TOTAL ASSETS		2,002,054	1,996,358		2,002,054	1,996,358	

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


 Director


 Chairman

Chairman


 Principal Officer
 and
 Chief Executive

ALFALAH INSURANCE COMPANY LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013**

(Rupees in thousand)

	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Six month period ended 30 June	
						2013 Total	2012 Total
Revenue account							
Net premium revenue	16,778	6,047	120,958	88,432	23,011	255,226	228,690
Net claims	(9,925)	(2,269)	(46,016)	(64,903)	(6,724)	(129,837)	(137,251)
Management expenses	(8,842)	(6,010)	(26,305)	(34,955)	(27,753)	(103,865)	(90,932)
Net commission	17,708	3,220	(5,893)	2,349	27,819	45,203	45,704
Underwriting result	15,719	988	42,744	(9,077)	16,353	66,727	46,211
Investment income						38,149	52,725
Other Income						2,331	498
General and administration expenses						(44,669)	(43,132)
Profit before taxation						(4,189)	10,091
Taxation						(6,735)	(4,962)
Profit after taxation						55,803	51,340
Other comprehensive income						-	-
Total Comprehensive Income for the period						55,803	51,340
Earnings per share - basic and diluted - Rupees						1.86	1.71
Balance at the commencement of the period						170,309	72,218
Transfer to general reserve						(135,000)	-
Total comprehensive income for the period						55,803	51,340
Balance of unappropriated profits at the end of the period						91,112	123,558

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


Director


Director


Chairman


Principal Officer
and
Chief Executive



ALFALAH INSURANCE COMPANY LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2013**

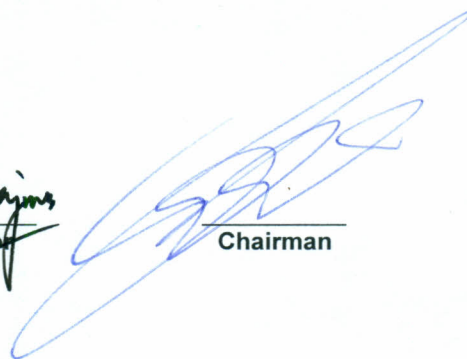
(Rupees in thousand)


	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Three month ended June 30	
						2013 Total	2012 Total
Revenue account							
Net premium revenue	8,403	3,076	62,871	51,918	11,199	137,467	117,013
Net claims	(3,399)	(1,443)	(29,266)	(33,677)	(5,439)	(73,224)	(66,748)
Management expenses	(4,645)	(4,209)	(19,038)	(17,472)	(11,052)	(56,416)	(50,317)
Net commission	8,907	1,787	(3,052)	1,213	14,012	22,867	22,825
Underwriting result	9,266	(789)	11,515	1,982	8,720	30,694	22,773
Investment income						21,537	33,587
Other Income						1,216	455
General and administration expenses						(23,264)	(22,841)
						(511)	11,201
Profit before taxation						30,183	33,974
Taxation						(3,250)	(2,994)
Profit after taxation						26,933	30,980
Other comprehensive income						-	-
Total Comprehensive Income for the period						26,933	30,980
Earnings per share - basic and diluted - Rupees						0.90	1.03
Balance at the commencement of the period						64,179	92,578
Transfer to general reserve						-	-
Total comprehensive income for the period						26,933	30,980
Balance of unappropriated profits at the end of the period						91,112	123,558

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


Director


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and
Chief Executive



ALFALAH INSURANCE COMPANY LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013**

(Rupees in thousand)

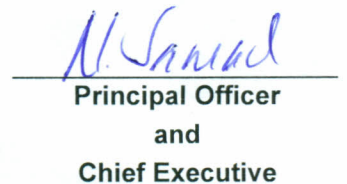
	Share capital	Share deposit money	General reserve	Unappropriated profit	Total
Balance as at 01 January 2012 (Audited)	300,000	1,381	15,000	72,218	388,599
Profit for the period	-	-	-	51,340	51,340
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	51,340	51,340
Balance as at 30 June 2012 (Un-audited)	<u>300,000</u>	<u>1,381</u>	<u>15,000</u>	<u>123,558</u>	<u>439,939</u>
Balance as at 01 January 2013 (Audited)	300,000	1,381	15,000	170,309	486,690
Profit for the period	-	-	-	55,803	55,803
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	55,803	55,803
Transferred to general reserve	-	-	135,000	(135,000)	-
Balance as at 30 June 2013 (Un-audited)	<u>300,000</u>	<u>1,381</u>	<u>150,000</u>	<u>91,112</u>	<u>542,493</u>

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


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ALFALAH INSURANCE COMPANY LIMITED

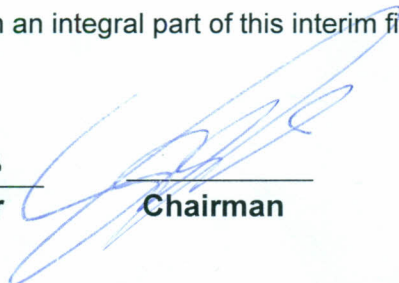
CONDENSED CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013


	For six month period ended	
	June 30	
	2013	2012
	(Rupees in thousand)	
Operating cash flows		
Underwriting activities		
Premiums received	625,712	488,103
Reinsurance premiums paid	(278,977)	(208,753)
Commissions received	55,952	76,576
Commissions paid	(18,295)	(17,273)
Claims paid	(227,395)	(383,699)
Reinsurance recoveries received	93,343	248,953
Management expense paid	(117,235)	(92,248)
Net cash inflow from underwriting activities	133,105	111,659
Other operating activities		
Income tax paid	(4,292)	(1,112)
Other operating payments	(42,146)	(39,937)
Other operating receipts	360	6,578
Loan advanced	(1,713)	(1,471)
Loan repayment received	1,993	1,631
Net cash outflow from other operating activities	(45,798)	(34,311)
Total cash inflow from all operating activities	87,307	77,348
Investment activities		
Profit/return received	5,516	6,277
Dividend received	733	3,243
Sale of investments	302,462	246,794
Purchase of investments	(463,726)	(308,455)
Proceeds from disposal of fixed assets	3,226	624
Fixed capital expenditure	(10,063)	(16,266)
Total cash outflow from investing activities	(161,852)	(67,783)
Net cash (outflow) / inflow from all activities	(74,545)	9,565
Cash at the beginning of the period	162,256	79,410
Cash at the end of the period	87,711	88,975

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


Director


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Principal Officer
and
Chief Executive



ALFALAH INSURANCE COMPANY LIMITED

CONDENSED CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

For Six month period ended
June 30

2013 2012
(Rupees in thousand)

Reconciliation to profit and loss account

Operating cash flows	87,307	77,346
Depreciation of tangibles	(8,746)	(8,709)
Amortization of intangibles	(976)	(1,096)
Increase in assets other than cash	(112,013)	338,113
Increase in liabilities	50,107	(407,494)
Gain in value of held for trading investments	23,320	24,610

Others

Gain on disposal of investments	7,987	18,720
Impairment in value of Term Deposits	(500)	-
Gain on disposal of fixed assets	1,971	455
Dividend and other investment income	7,346	9,395

Profit after taxation

55,803	51,340
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Definition of cash

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

Cash and other equivalents

Cash in hand

Stamps in hand

661	628
195	170
856	798

Current and other accounts

Current accounts

Saving accounts

62,339	3,476
23,016	82,701
85,355	86,177

Deposits maturing within 12 months


1,500	2,000
87,711	88,975

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


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ALFALAH INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF PREMIUM (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

Business underwritten inside Pakistan

(Rupees in thousand)

Net premium revenue
Six month period ended
30 June

Direct and facultative Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue Six month period ended 30 June	
		Opening	Closing			Opening	Closing		2013	2012
Fire and property damage	51,949	186,138	81,982	156,105	54,607	160,099	75,379	139,327	16,778	24,323
Marine, aviation and transport	35,310	5,715	8,870	32,155	26,108	-	-	26,108	6,047	5,023
Motor	154,540	123,063	151,226	126,377	8,363	2,376	5,320	5,419	120,958	97,662
Health	205,363	76,319	167,078	114,604	3,824	41,632	19,284	26,172	88,432	82,970
Miscellaneous	163,045	69,385	115,331	117,099	141,066	47,532	94,510	94,088	23,011	18,712
Total	610,207	460,620	524,487	546,340	233,968	251,639	194,493	291,114	255,226	228,690

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


Director


Director


Chairman


Principal Officer
and
Chief Executive

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ALFALAH INSURANCE COMPANY LIMITED

**CONDENSED INTERIM STATEMENT OF PREMIUM (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2013**

Business underwritten inside Pakistan

(Rupees in thousand)

Direct and facultative	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue Three month period ended 30 June	
		Opening	Closing			Opening	Closing		2013	2012
Class										
Fire and property damage	14,319	146,409	81,982	78,746	11,760	133,962	75,379	70,343	8,403	11,830
Marine, aviation and transport	19,160	6,159	8,870	16,449	13,373	-	-	13,373	3,076	2,623
Motor	89,375	127,386	151,226	65,535	971	7,013	5,320	2,664	62,871	50,755
Health	48,601	183,558	167,078	65,081	1,229	31,218	19,284	13,163	51,918	42,488
Miscellaneous	13,291	160,128	115,331	58,088	6,227	135,172	94,510	46,889	11,199	9,317
Total	184,746	623,640	524,487	283,899	33,560	307,365	194,493	146,432	137,467	117,013

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


Director


Director


Chairman


Principal Officer
and
Chief Executive

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ALFALAH INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

Business underwritten inside Pakistan

(Rupees in thousand)

Direct and facultative	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net Claim Expense Six month period ended 30 June	
		Opening	Closing			Opening	Closing		2013	2012
Class										
Fire and property damage	55,931	329,176	333,933	60,688	48,399	310,981	313,345	50,763	9,925	16,162
Marine, aviation and transport	20,873	10,367	13,558	24,064	18,928	8,603	11,470	21,795	2,269	1,194
Motor	46,318	62,624	64,012	47,706	105	120	1,705	1,690	46,016	52,941
Health	75,116	31,469	22,935	66,582	1,679	-	-	1,679	64,903	57,706
Miscellaneous	29,157	216,412	210,286	23,031	24,232	183,180	175,255	16,307	6,724	9,248
Total	227,395	650,048	644,724	222,071	93,343	502,884	501,775	92,234	129,837	137,251

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


Director


Director


Chairman


Principal Officer
and
Chief Executive



ALFALAH INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED) FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2013

Business underwritten inside Pakistan

(Rupees in thousand)

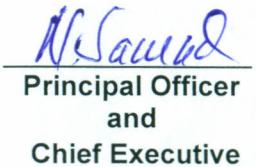
Direct and facultative	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net Claim Expense Three month period ended 30 June	
		Opening	Closing			Opening	Closing		2013	2012
Class										
Fire and property damage	25,225	329,822	333,933	29,336	21,477	308,885	313,345	25,937	3,399	4,823
Marine, aviation and transport	18,058	18,724	13,558	12,892	16,478	16,499	11,470	11,449	1,443	499
Motor	20,350	53,419	64,012	30,943	47	75	1,705	1,677	29,266	28,132
Health	41,564	30,272	22,935	34,227	550	-	-	550	33,677	27,213
Miscellaneous	12,632	207,112	210,286	15,806	9,796	174,684	175,255	10,367	5,439	6,081
Total	<u>117,829</u>	<u>639,349</u>	<u>644,724</u>	<u>123,204</u>	<u>48,348</u>	<u>500,143</u>	<u>501,775</u>	<u>49,980</u>	<u>73,224</u>	<u>66,748</u>

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


Director


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Principal Officer
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Chief Executive

Eglish

ALFALAH INSURANCE COMPANY LIMITED


CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

Business underwritten inside Pakistan

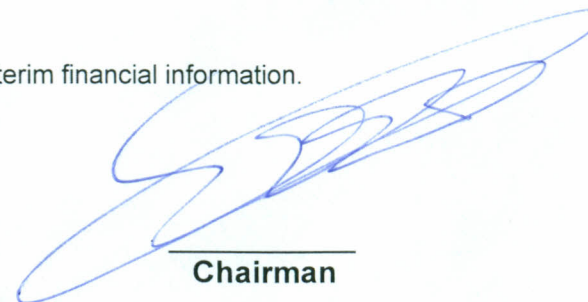
(Rupees in thousand)


Direct and facultative Class	Commissions		Net commission expenses	Other management expenses	Underwriting expense	Commissions from reinsurers	Net underwriting expense Six month period ended 30 June	
	paid or payable	Deferred commission Opening Closing					2013	2012
Fire and property damage	5,583	9,227 5,983	8,827	8,842	17,669	26,535	(8,866)	(8,867)
Marine, aviation and transport	5,153	931 1,363	4,721	6,010	10,731	7,941	2,790	2,122
Motor	7,117	5,981 6,970	6,128	26,305	32,433	235	32,198	23,664
Health	51	4,629 1,917	2,763	34,955	37,718	5,112	32,606	25,356
Miscellaneous	(978)	1,534 236	320	27,753	28,073	28,139	(66)	2,953
Total	16,926	22,302 16,469	22,759	103,865	126,624	67,962	58,662	45,228

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


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ALFALAH INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2013

Business underwritten inside Pakistan

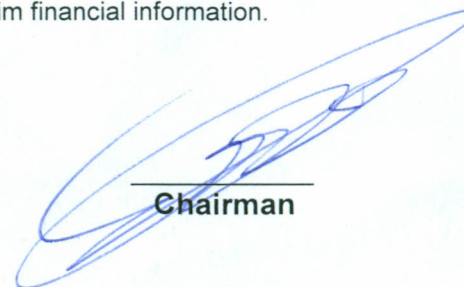
(Rupees in thousand)


Direct and facultative Class	Commissions paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expense	Commissions from reinsurers	Net underwriting expense Three month period ended 30 June	
		Opening	Closing					2013	2012
Fire and property damage	1,136	9,242	5,983	4,395	4,645	9,040	13,302	(4,262)	(1,298)
Marine, aviation and transport	2,648	985	1,363	2,270	4,209	6,479	4,057	2,422	1,891
Motor	3,813	6,322	6,970	3,165	19,038	22,203	113	22,090	16,074
Health	5	3,276	1,917	1,364	17,472	18,836	2,577	16,259	11,493
Miscellaneous	367	34	236	165	11,052	11,217	14,177	(2,960)	(668)
Total	7,969	19,859	16,469	11,359	56,416	67,775	34,226	33,549	27,492

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


Director


Director


Chairman


Principal Officer
and
Chief Executive

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ALFALAH INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

(Rupees in thousand)

	Three month period ended 30 June		Six month period ended 30 June	
	2013	2012	2013	2012
Income from trading investments				
Gain on sale of held for trading investments	5,328	5,934	5,893	7,436
Income from non-trading investments				
Held to maturity				
Return on Government Securities	769	769	1,537	1,539
Return on other fixed income securities and deposits	1,993	2,538	5,076	4,613
	2,762	3,307	6,613	6,152
Available for sale				
Dividend income	489	2,945	733	3,243
Gain on sale of available for sale investments	2,051	10,283	2,094	11,284
	2,540	13,228	2,827	14,527
Gain in value of held for trading investments	11,407	11,118	23,320	24,614
Impairment in value of Term Deposits	(500)	-	(500)	-
Investment expenses	-	-	(4)	(4)
Net investment income for the period	21,537	33,587	38,149	52,725

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


Director


Director


Chairman


Principal Officer
and
Chief Executive

Egnot

ALFALAH INSURANCE COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

1. THE COMPANY AND ITS OPERATIONS

Alfalaha Insurance Company Limited is a general non-life insurance company which was incorporated as an unquoted public limited company in Pakistan on 21 December 2005 under the Companies Ordinance, 1984. The registered office of the Company is situated at 5-Saint Mary Park, Gulberg, Lahore.

2. STATEMENT OF COMPLIANCE

This interim financial information has been prepared in accordance with the requirements of the Insurance Ordinance 2000, the SEC (Insurance) Rules, 2002, the Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002, the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002, the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

The disclosures made in this interim financial information have, however, been limited based on the 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 information required for full annual financial statements, and this interim financial information should be read in conjunction with the financial statements of the Company for the year ended 31 December 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial information of the Company for the year ended 31 December 2012.

3.1 New and amended standards and interpretations

The Company has adopted the following amended IFRS which became effective during the period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 19 – Employee Benefits (Revised)

IFRS 7 – Financial Instruments: Disclosures (Amendment)

-Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine.

The adoption of the above revision, amendments interpretation of the standards did not have any effect on the interim financial information.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 January 2013 but yet to be notified by the SECP for the purpose of applicability in Pakistan.

4. SIGNIFICANT ESTIMATES AND JUDGMENTS

The preparation of the interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimating uncertainty were same as those applied to the annual financial statements for the year ended 31 December 2012.

5. Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full year.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2012.

7. CONTINGENCIES AND COMMITMENTS

Contingencies:

There are no contingencies to report at the period end. (31 December 2012: NIL)

Commitments

The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	Unaudited 30 June 2013	Audited 31 December 2012
	(Rupees in thousand)	
Not later than one year	9,692	13,069
Later than one year and not later than five years	38,174	45,337
Later than five years	10,091	10,419
	<u>57,957</u>	<u>68,825</u>

8. INVESTMENTS

The investments comprise of the following:

Held to maturity	57,011	31,683
Available for sale - quoted	34,248	7,950
Held for trading	802,439	661,994
	<u>893,698</u>	<u>701,627</u>

Market value of available for sale investments is Rs. 37.441 million (31 December 2012: Rs. 9.687 million)

9. BUILDING ON LEASEHOLD LAND

	Unaudited 30 June 2013	Audited 31 December 2012
	(Rupees in thousand)	
Opening written down value	31,706	29,744
Add: Additions during the period / year	-	6,868
	<u>31,706</u>	<u>36,612</u>
Less: disposals / Adjustments during the period / year	-	-
Less: Depreciation for the period / year	2,513	4,906
	<u>2,513</u>	<u>4,906</u>
	<u>29,193</u>	<u>31,706</u>

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	Unaudited 30 June 2013	Audited 31 December 2012
	(Rupees in thousand)	
10. FURNITURE, FIXTURES AND OFFICE EQUIPMENT		
Opening written down value	24,709	19,807
Add: Additions during the period / year	6,590	13,020
	<u>31,299</u>	<u>32,827</u>
Less: Disposals during the period / year	181	905
Less: Depreciation for the period / year	3,931	7,213
	<u>4,112</u>	<u>8,118</u>
	<u>27,187</u>	<u>24,709</u>

11. MOTOR VEHICLES		
Opening written down value	26,210	22,533
Add: Additions during the period / year	2,336	9,278
	<u>28,546</u>	<u>31,811</u>
Less: disposals during the period / year	1,074	442
Less: Depreciation for the period / year	2,302	5,159
	<u>3,376</u>	<u>5,601</u>
	<u>25,170</u>	<u>26,210</u>

12. TRANSACTIONS WITH RELATED PARTIES

Relationship	Nature of transactions	Six month period ended	
		30 June 2013	30 June 2012
		(Rupees in thousand)	
Associated undertakings	Premium written	361,503	328,202
	Premium received	449,319	359,464
	Claims paid	126,770	294,307
	Interest income	5,046	4,362
	Rent expense	798	798
	Internet charges	1,410	1,152
Key management personnel	Remuneration	17,431	14,627
Post employment benefit plans	Expense charged	4,656	3,625

	Unaudited 30 June 2013	Audited 31 December 2012
	(Rupees in thousand)	
Period end balances		
Associated undertakings		
	76,243	90,980
	490,090	501,278
	399	-
	1,848	371

All transaction with related parties have been carried out on commercial terms and conditions.

13. SEGMENT REPORTING

There has been no change in the basis of segmentation or the measurement basis of segment profits or loss since 31 December 2012. Class of business wise revenue and results have been disclosed in the condensed interim statements of premiums and profit and loss account, respectively, prepared in accordance with the requirement of Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002.

Segment wise assets and liabilities as of 30 June 2013 are as follows:

											(Rupees in thousand)	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Unaudited 30 June	Audited 31 December
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	Total	Total
Segment assets	443,824	598,086	34,593	26,801	56,165	30,782	81,971	73,199	286,542	287,643	903,094	1,016,511
Unallocated assets											1,098,960	979,847
Consolidated total assets											<u>2,002,054</u>	<u>1,996,358</u>
Segment liabilities	469,852	692,810	26,641	28,170	233,092	189,058	194,689	153,376	437,939	332,399	1,362,213	1,395,813
Unallocated liabilities											97,348	113,855
Consolidated total liabilities											<u>1,459,561</u>	<u>1,509,668</u>

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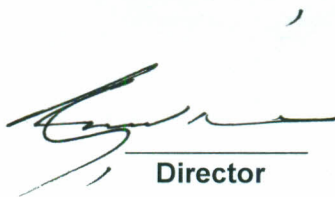
14. DATE OF AUTHORISATION FOR ISSUE

14 AUG 2013

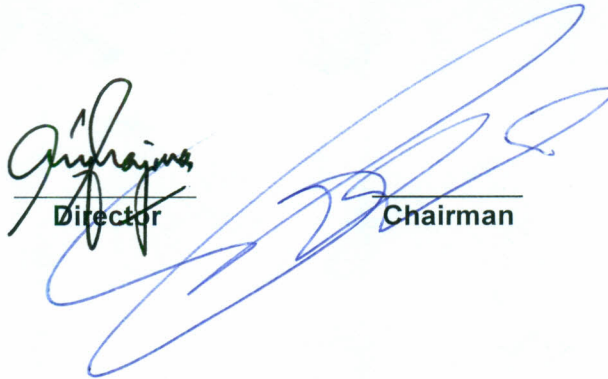
This interim financial information was authorized for issue by the Board of Directors of the Company on _____, 2013.

15. GENERAL

- Figures for the quarter ended 30 June 2013 and 30 June 2012 have not been subject to limited scope review by the statutory auditors as they are only required to review the half yearly figures.
- Figures in this interim financial information have been rounded off to the nearest thousand rupees unless otherwise specified.


Director


Director


Chairman


Principal Officer
and
Chief Executive

Egnot