



ALFALAH
INSURANCE COMPANY

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2014**

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 2014 and for the six months 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.



Chartered Accountants

Engagement Partner: Farooq Hameed

Lahore: 18 August 2014

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 30 JUN 2014

Note	Unaudited 30 June 2014	Audited 31 December 2013
	----(Rupees in thousand)----	
Share capital and reserves		
Authorized capital		
50,000,000 (31 December 2013: 50,000,000) ordinary shares of Rs 10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital		
30,000,000 (31 December 2013: 30,000,000) ordinary shares of Rs 10 each	<u>300,000</u>	<u>300,000</u>
Share deposit money	1,381	1,381
General reserve	150,000	150,000
Unappropriated profit	<u>192,459</u>	<u>135,475</u>
	<u>643,840</u>	<u>586,856</u>
Underwriting provisions		
Provision for outstanding claims [including IBNR]	455,182	393,782
Provision for unearned premium	547,048	526,235
Commission income unearned	47,095	45,846
Total underwriting provisions	<u>1,049,325</u>	<u>965,863</u>
Deferred Liabilities		
Deferred taxation	4,211	5,239
Creditors and accruals		
Premium received in advance	10,760	4,885
Amounts due to other insurers/reinsurers	172,313	142,414
Accrued expenses	47,819	60,633
Taxation - provision less payments	4,115	4,080
Other creditors and accruals	<u>40,408</u>	<u>63,253</u>
	<u>275,415</u>	<u>275,265</u>
Other Liabilities		
Deposits and other payables	<u>10,123</u>	<u>4,686</u>
TOTAL LIABILITIES	<u>1,339,074</u>	<u>1,251,053</u>
TOTAL EQUITY AND LIABILITIES	<u>1,982,914</u>	<u>1,837,909</u>

CONTINGENCIES AND COMMITMENTS

7

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

Eyfan


 Director


 Director


 Chairman

Note	Unaudited 30 June 2014	Audited 31 December 2013
	----(Rupees in thousand)----	
Cash and bank deposits		
Cash and other equivalents	673	404
Current and other accounts	<u>101,629</u>	<u>101,999</u>
	<u>102,302</u>	<u>102,403</u>
Loan - secured considered good		
To employees	2,907	2,866
Investments	8 <u>1,064,340</u>	<u>785,754</u>
Other assets		
Premiums due but unpaid - unsecured	171,728	254,286
Amounts due from other insurers/reinsurers - unsecured	37,876	86,836
Salvage recoveries accrued	6,804	7,190
Accrued investment income	1,746	1,738
Reinsurance recoveries against outstanding claims	270,953	218,933
Deferred commission expense	17,826	19,948
Prepayments - prepaid reinsurance premium ceded	206,351	253,685
- others	11,651	5,560
Sundry receivables	<u>6,234</u>	<u>9,789</u>
	<u>731,169</u>	<u>857,965</u>
Fixed assets		
Building on leasehold land	9 <u>24,104</u>	<u>26,683</u>
Furniture, fixtures and office equipment	10 <u>23,871</u>	<u>24,198</u>
Motor vehicles	11 <u>30,513</u>	<u>32,705</u>
	<u>78,488</u>	<u>83,586</u>
Capital work in progress	742	1,333
Intangible		
Computer software	2,966	4,002
TOTAL ASSETS	<u>1,982,914</u>	<u>1,837,909</u>


 Principal Officer and Chief Executive

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Six month period ended 30 June	
						2014 Total	2013 Total
------(Rupees in thousand)-----							
Revenue account							
Net premium revenue	22,893	7,059	154,520	145,897	20,243	350,612	255,226
Net claims	(19,869)	(4,704)	(69,479)	(114,925)	(5,532)	(214,509)	(129,837)
Management expenses	(8,148)	(5,066)	(45,696)	(33,311)	(22,207)	(114,428)	(107,268)
Net commission	19,656	2,684	(8,350)	(66)	30,483	44,407	45,203
Underwriting result	<u>14,532</u>	<u>(27)</u>	<u>30,995</u>	<u>(2,405)</u>	<u>22,987</u>	<u>66,082</u>	<u>63,324</u>
Investment income						48,977	38,149
Other income						2,214	2,331
General and administration expenses						(47,380)	(41,266)
						<u>3,811</u>	<u>(786)</u>
Profit before taxation						69,893	62,538
Taxation						(12,909)	(6,735)
Profit after taxation						<u>56,984</u>	<u>55,803</u>
Other comprehensive income						-	-
Total Comprehensive Income for the period						<u>56,984</u>	<u>55,803</u>
Earnings per share - basic & diluted - Rupees						<u>1.90</u>	<u>1.86</u>
Balance at the commencement of the period						135,475	170,309
Transfer to general reserve						-	(135,000)
Total comprehensive income for the period						56,984	55,803
Balance of unappropriated profits at the end of the period						<u>192,459</u>	<u>91,112</u>

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

Signature

Signature

 Director

Signature

 Director

Signature

 Chairman

N. Sawad

 Principal Officer
 and
 Chief Executive

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Three month period ended 30 June	
						2014 Total	2013 Total
------(Rupees in thousand)-----							
Revenue account							
Net premium revenue	11,354	3,269	77,910	82,413	9,832	184,778	137,467
Net claims	(12,381)	(4,476)	(31,090)	(71,546)	(658)	(120,151)	(73,224)
Management expenses	(4,627)	(3,411)	(30,166)	(14,342)	(9,635)	(62,181)	(57,450)
Net commission	9,607	1,315	(4,335)	(62)	15,436	21,961	22,867
Underwriting result	3,953	(3,303)	12,319	(3,537)	14,975	24,407	29,660
Investment income						26,350	21,537
Other Income						1,836	1,216
General and administration expenses						(24,419)	(22,230)
						3,767	523
Profit before taxation						28,174	30,183
Taxation						(5,204)	(3,250)
Profit after taxation						22,970	26,933
Other comprehensive income						-	-
Total Comprehensive Income for the period						22,970	26,933
Earnings per share - basic & diluted - Rupees						0.77	0.90
Balance at the commencement of the period						169,489	64,179
Transfer to general reserve						-	-
Total comprehensive income for the period						22,970	26,933
Balance of unappropriated profits at the end of the period						192,459	91,112

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

 Director

 Director

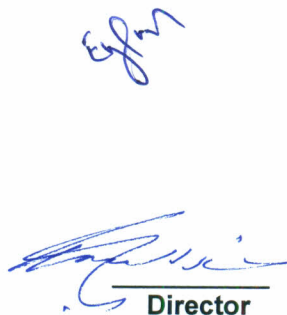
 Chairman

 Principal Officer
 and
 Chief Executive

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED CASH FLOW STATEMENT
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

	Six month period ended 30 June	
	2014	2013
	----(Rupees in thousand)----	
Operating cash flows		
Underwriting activities		
Premiums received	761,221	625,712
Reinsurance premiums paid	(154,562)	(278,977)
Commissions received	48,361	55,952
Commissions paid	(24,272)	(18,295)
Claims paid	(291,805)	(227,395)
Reinsurance recoveries received	86,676	93,343
Management expense paid	(117,084)	(117,235)
Net cash inflow from underwriting activities	308,535	133,105
Other operating activities		
Income tax paid	(13,902)	(4,292)
Other operating payments	(63,773)	(42,146)
Other operating receipts	1,603	360
Loan repayment received	3,247	1,993
Loan advanced	(3,288)	(1,713)
Net cash outflow from other operating activities	(76,113)	(45,798)
Total cash inflow from all operating activities	232,422	87,307
Investment activities		
Profit/return received	10,057	5,516
Dividend received	2,847	733
Sale of investments	125,831	302,462
Purchase of investments	(368,232)	(463,726)
Proceeds from disposal of fixed assets	1,919	3,226
Fixed capital expenditure	(4,945)	(10,063)
Total cash outflow from investing activities	(232,523)	(161,852)
Net cash outflow from all activities	(101)	(74,545)
Cash at the beginning of the period	102,403	162,256
Cash at the end of the period	102,302	87,711

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 CASH FLOW STATEMENT
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)


	Six month period ended 30 June	
	2014	2013
	----(Rupees in thousand)----	
Reconciliation to profit and loss account		
Operating cash flows	232,422	87,307
Depreciation of tangibles	(9,325)	(8,746)
Amortization of intangibles	(1,037)	(976)
Increase in assets other than cash	(126,763)	(112,013)
Increase in liabilities	(88,021)	50,107
Un-realized gain in value of held for trading investment	33,773	23,320
Others		
Gain on disposal of investments	2,412	7,987
Impairment in value of Term Deposits	-	(500)
Gain on disposal of fixed assets	611	1,971
Dividend and other investment income	12,912	7,346
Profit after taxation	56,984	55,803
Definition of cash		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalents		
Cash in hand	624	661
Stamps in hand	49	195
	673	856
Current and other accounts		
Current accounts	14,845	62,339
Saving accounts	86,784	23,016
	101,629	85,355
Deposits maturing within 12 months	-	1,500
	102,302	87,711

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

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 Director


 Director


 Chairman


 Principal Officer
 and
 Chief Executive

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

	Share capital	Share deposit money	General reserve	Unappropriated Profit	Total
	(Rupees in thousand)				
Balance as at 01 January 2013 (Audited)	300,000	1,381	15,000	170,309	486,690
Profit after tax for the period	-	-	-	55,803	55,803
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	55,803	55,803
Transferred to general reserve	-	-	135,000	(135,000)	-
Balance as at 30 June 2013 (Unaudited)	<u>300,000</u>	<u>1,381</u>	<u>150,000</u>	<u>91,112</u>	<u>542,493</u>
Balance as at 01 January 2014 (Audited)	300,000	1,381	150,000	135,475	586,856
Profit after tax for the period	-	-	-	56,984	56,984
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	56,984	56,984
Balance as at 30 June 2014 (Unaudited)	<u>300,000</u>	<u>1,381</u>	<u>150,000</u>	<u>192,459</u>	<u>643,840</u>

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 PREMIUMS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

Business underwritten inside Pakistan

Direct and facultative	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		2014	2013
(Rupees in thousand)										
Class										
Fire and property damage	59,873	226,816	101,414	185,275	58,910	195,608	92,136	162,382	22,893	16,778
Marine, aviation and transport	37,226	9,701	11,048	35,879	28,820	-	-	28,820	7,059	6,047
Motor	167,740	162,833	169,303	161,270	12,576	1,671	7,497	6,750	154,520	120,958
Health	244,774	48,527	146,664	146,637	4,169	575	4,004	740	145,897	88,432
Miscellaneous	163,175	78,358	118,619	122,914	149,554	55,831	102,714	102,671	20,243	23,011
Total	672,788	526,235	547,048	651,975	254,029	253,685	206,351	301,363	350,612	255,226

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 PREMIUMS
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

Business underwritten inside Pakistan

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		2014	2013
(Rupees in thousand)										
Class										
Fire and property damage	16,964	176,176	101,414	91,726	13,865	158,643	92,136	80,372	11,354	8,403
Marine, aviation and transport	17,066	10,787	11,048	16,805	13,536	-	-	13,536	3,269	3,076
Motor	94,077	156,676	169,303	81,450	1,132	9,905	7,497	3,540	77,910	62,871
Health	13,637	215,714	146,664	82,687	4,169	109	4,004	274	82,413	51,918
Miscellaneous	9,990	170,558	118,619	61,929	6,899	147,912	102,714	52,097	9,832	11,199
Total	151,734	729,911	547,048	334,597	39,601	316,569	206,351	149,819	184,778	137,467

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
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

Business underwritten inside Pakistan

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		2014	2013
(Rupees in thousand)										
Class										
Fire and property damage	89,424	107,730	102,744	84,438	71,640	87,595	80,524	64,569	19,869	9,925
Marine, aviation and transport	10,407	27,391	39,884	22,900	9,179	23,815	32,832	18,196	4,704	2,269
Motor	58,733	55,079	66,085	69,739	187	18	91	260	69,479	46,016
Health	116,803	52,641	50,763	114,925	-	-	-	-	114,925	64,903
Miscellaneous	16,438	150,941	195,706	61,203	5,670	107,505	157,506	55,671	5,532	6,724
Total	291,805	393,782	455,182	353,205	86,676	218,933	270,953	138,696	214,509	129,837

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
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

Business underwritten inside Pakistan

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		2014	2013
(Rupees in thousand)										
Class										
Fire and property damage	50,485	100,606	102,744	52,623	40,980	81,262	80,524	40,242	12,381	3,399
Marine, aviation and transport	3,012	21,682	39,884	21,214	2,641	18,735	32,832	16,738	4,476	1,443
Motor	38,413	73,376	66,085	31,122	188	247	91	32	31,090	29,266
Health	62,682	41,899	50,763	71,546	-	-	-	-	71,546	33,677
Miscellaneous	8,855	130,652	195,706	73,909	7,620	91,875	157,506	73,251	658	5,439
Total	163,447	368,215	455,182	250,414	51,429	192,119	270,953	130,263	120,151	73,224

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

Egla



Director



Director



Chairman



Principal Officer
and
Chief Executive

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF EXPENSES
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

Business underwritten inside Pakistan

Direct and facultative	Commissions		Net	Other	Underwriting	Commissions	Net underwriting expense		
	paid or payable	Deferred commission					commission expenses	management expenses	from reinsurers
Class		Opening	Closing				2014	2013	
------(Rupees in thousand)-----									
Fire and property damage	6,783	8,544	6,690	8,637	8,148	16,785	28,293	(11,508)	(10,376)
Marine, aviation and transport	5,913	1,451	1,719	5,645	5,066	10,711	8,329	2,382	1,763
Motor	9,368	8,567	9,356	8,579	45,696	54,275	229	54,046	48,852
Health	209	238	225	222	33,311	33,533	156	33,377	26,634
Miscellaneous	(843)	1,148	(164)	469	22,207	22,676	30,952	(8,276)	(4,808)
Total	<u>21,430</u>	<u>19,948</u>	<u>17,826</u>	<u>23,552</u>	<u>114,428</u>	<u>137,980</u>	<u>67,959</u>	<u>70,021</u>	<u>62,065</u>

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

Signature

Signature
 Director

Signature
 Director

Signature
 Chairman

Signature
 Principal Officer
 and
 Chief Executive

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF EXPENSES
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

Business underwritten inside Pakistan

Direct and facultative	Commissions		Net	Other	Underwriting	Commissions	Net underwriting expense		
	paid or payable	Deferred commission					commission	management	from
		Opening	Closing	expenses	expenses	expense	reinsurers	2014	2013
(Rupees in thousand)									
Class									
Fire and property damage	2,054	8,998	6,690	4,362	4,627	8,989	13,969	(4,980)	(5,187)
Marine, aviation and transport	2,579	1,644	1,719	2,504	3,411	5,915	3,819	2,096	1,646
Motor	4,784	9,038	9,356	4,466	30,166	34,632	131	34,501	30,777
Health	94	256	225	125	14,342	14,467	63	14,404	12,723
Miscellaneous	1,039	(905)	(164)	298	9,635	9,933	15,734	(5,801)	(5,376)
Total	10,550	19,031	17,826	11,755	62,181	73,936	33,716	40,220	34,583

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

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 Director


 Director


 Chairman


 Principal Officer
 and
 Chief Executive

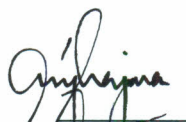
ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

	Three month period ended 30 June		Six month period ended 30 June	
	2014	2013	2014	2013
------(Rupees in thousand)-----				
Income from trading investments				
Gain on sale of held for trading investments	1,275	5,328	2,412	5,893
Income from non-trading investments				
Held to maturity				
Return on Government Securities	916	769	1,826	1,537
Return on other fixed income securities and deposits	3,724	1,993	8,203	5,076
	4,640	2,762	10,029	6,613
Available for sale				
Dividend income	682	489	2,883	733
Gain on sale of available for sale investments	-	2,051	-	2,094
	682	2,540	2,883	2,827
Gain in value of held for trading investments	19,799	11,407	33,773	23,320
Impairment in value of Term Deposits	-	(500)	-	(500)
Investment expenses	(46)	-	(120)	(4)
Net investment income for the period	26,350	21,537	48,977	38,149

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
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

Alfalah 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 condensed 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 condensed 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 2013.

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 2013.

3.1 New and amended standards, interpretations and amendments

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

IAS 32 – Financial Instruments : Presentation – (Amendment)
-Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
-Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
- Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

IFAS 3 – Profit and Loss Sharing on Deposits

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

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 January 2014 but yet to be notified by the SECP for the purpose of applicability in Pakistan.

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 2013.

4. SIGNIFICANT ESTIMATES AND JUDGMENTS

The preparation of the condensed 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 2013.

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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 2013.

7. CONTINGENCIES AND COMMITMENTS

Contingencies: Nil (31 December 2013: 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 2014	Audited 31 December 2013
	----(Rupees in thousand)----	
Not later than one year	9,201	10,244
Later than one year and not later than five years	34,527	43,100
Later than five years	1,843	930
	<u>45,571</u>	<u>54,274</u>

8. INVESTMENTS

The investments comprise of the following:

Held to maturity	33,071	33,071
Available for sale	71,849	48,797
Held for trading	959,420	703,886
	<u>1,064,340</u>	<u>785,754</u>

Market value of available for sale investments is Rs 83.744 million (31 December 2013: Rs 56.058 million).

9. BUILDING ON LEASEHOLD LAND

	Unaudited 30 June 2014	Audited 31 December 2013
	----(Rupees in thousand)----	
Opening written down value	26,683	31,706
Add: Additions during the period / year	319	-
	<u>27,002</u>	<u>31,706</u>
Less: Disposals / Adjustments during the period / year	400	-
Less: Depreciation for the period / year	2,498	5,023
	<u>2,898</u>	<u>5,023</u>
	<u>24,104</u>	<u>26,683</u>

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	Unaudited 30 June 2014	Audited 31 December 2013
	----(Rupees in thousand)----	
10. FURNITURE, FIXTURES AND OFFICE EQUIPMENT		
Opening written down value	24,198	24,709
Add: Additions / adjustments during the period / year	3,730	7,573
	<u>27,928</u>	<u>32,282</u>
Less: Disposals during the period / year	-	232
Less: Depreciation for the period / year	4,057	7,852
	<u>4,057</u>	<u>8,084</u>
	<u>23,871</u>	<u>24,198</u>

11. MOTOR VEHICLES

Opening written down value	32,705	26,210
Add: Additions during the period / year	1,884	14,379
	<u>34,589</u>	<u>40,589</u>
Less: Disposals during the period / year	1,306	2,669
Less: Depreciation for the period / year	2,770	5,215
	<u>4,076</u>	<u>7,884</u>
	<u>30,513</u>	<u>32,705</u>

12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors, key management personnel, associated companies and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. Contributions and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan.

	30 June - Unaudited 2014	2013
	----(Rupees in thousand)----	
Associated undertakings and other related parties		
Premium written	362,085	361,503
Premium received	533,888	449,319
Claims paid	176,679	126,770
Interest income	8,003	5,046
Dividend Income	1,000	19
Rent expense	1,000	798
Rent paid	1,830	-
License fees and connection charges	1,550	1,410
Expense charged in respect of retirement benefit plans	5,078	4,656
Key management personnel		
Key management personnel compensation	24,597	22,188
Premium written	147	32
Claims paid	41	-
	<u>57,573</u>	<u>161,957</u>
	<u>282,777</u>	<u>227,984</u>
	<u>1,990</u>	<u>440</u>
Key management personnel		
Premium receivable	61	388
Provision for outstanding claims	27	5

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 2013. 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 2014 are as follows:

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Unaudited 30 June	Audited 31 December
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	Total	
	(Rupees in thousand)											
Segment assets	241,265	479,886	58,952	48,984	62,309	56,136	64,476	213,576	277,732	41,298	704,734	839,880
Unallocated assets											1,278,180	998,029
Consolidated total assets											<u>1,982,914</u>	<u>1,837,909</u>
Segment liabilities	242,649	398,689	51,918	45,026	258,288	236,474	199,256	328,704	469,526	101,966	1,221,637	1,110,859
Unallocated liabilities											117,437	140,194
Consolidated total liabilities											<u>1,339,074</u>	<u>1,251,053</u>
Unallocated capital expenditure											5,933	23,089
Unallocated depreciation and amortization											10,362	20,104

14. DATE OF AUTHORISATION FOR ISSUE

This interim financial information was authorized for issue by the Board of Directors of the Company on 18 August 2014.

15. GENERAL

- Figures for the quarter ended 30 June 2014 and 30 June 2013 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