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ALFALAH INSURANCE COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2015**

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
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INDEPENDENT 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 2015 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.



Chartered Accountant
Engagement Partner: Farooq Hameed
Lahore: 18 August 2015

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 30 JUNE 2015

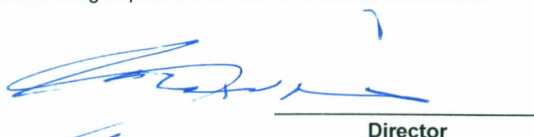
Note	Unaudited	Audited
	30 June 2015	31 December 2014
	(Rupees in thousand)	
Share capital and reserves		
Authorized capital 50,000,000 (31 December 2014: 50,000,000) ordinary shares of Rs. 10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital		
30,000,000 (31 December 2014: 30,000,000) ordinary shares of Rs. 10 each	300,000	300,000
Share deposit money	1,381	1,381
General reserve	150,000	150,000
Unappropriated profit	<u>318,641</u>	<u>258,930</u>
	<u>770,022</u>	<u>710,311</u>
Underwriting provisions		
Provision for outstanding claims [including IBNR]	526,672	456,432
Provision for unearned premium	561,201	505,363
Commission income unearned	47,015	53,238
Total underwriting provisions	<u>1,134,888</u>	<u>1,015,033</u>
Deferred Liabilities		
Deferred taxation	2,405	5,388
Creditors and accruals		
Premium received in advance	19,240	7,367
Amounts due to other insurers/reinsurers	215,048	281,020
Accrued expenses	54,803	66,624
Other creditors and accruals	<u>62,207</u>	<u>86,876</u>
	<u>351,298</u>	<u>441,887</u>
Other Liabilities		
Deposits and other payables	6,450	7,234
TOTAL LIABILITIES	<u>1,495,041</u>	<u>1,469,542</u>
TOTAL EQUITY AND LIABILITIES	<u>2,265,063</u>	<u>2,179,853</u>

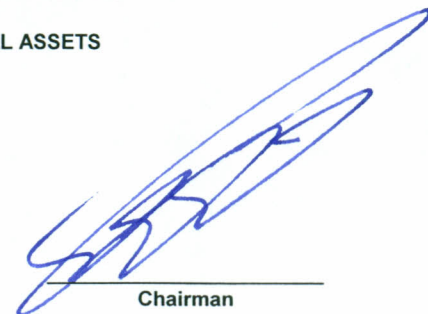
CONTINGENCIES AND COMMITMENTS

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


 Director


 Director


 Chairman


 Principal Officer
 and
 Chief Executive

Note	Unaudited	Audited
	30 June 2015	31 December 2014
	(Rupees in thousand)	
Cash and bank deposits		
Cash and other equivalents	928	496
Current and other accounts	<u>147,954</u>	<u>207,145</u>
	<u>148,882</u>	<u>207,641</u>
Loan - secured considered good		
To employees	3,015	3,910
Investments	8 1,132,940	860,171
Other assets		
Premiums due but unpaid - unsecured	288,328	378,199
Amounts due from other insurers/reinsurers - unsecured	56,088	87,042
Salvage recoveries accrued	7,721	9,715
Accrued investment income	1,649	1,687
Reinsurance recoveries against outstanding claims	323,288	264,928
Deferred commission expense	19,962	26,386
Prepayments - prepaid reinsurance premium ceded	179,515	247,781
- others	16,658	4,725
Taxation - payments less provision	6,390	6,092
Sundry receivables	<u>6,555</u>	<u>7,019</u>
	<u>906,154</u>	<u>1,033,574</u>
Fixed assets		
Building on leasehold land	9 20,196	21,141
Furniture, fixtures and office equipment	10 20,655	22,176
Motor vehicles	11 <u>25,572</u>	<u>28,559</u>
	<u>66,423</u>	<u>71,876</u>
Capital work in progress	6,324	742
Intangible		
Computer software	1,325	1,939
TOTAL ASSETS	<u>2,265,063</u>	<u>2,179,853</u>

ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015 (UNAUDITED)

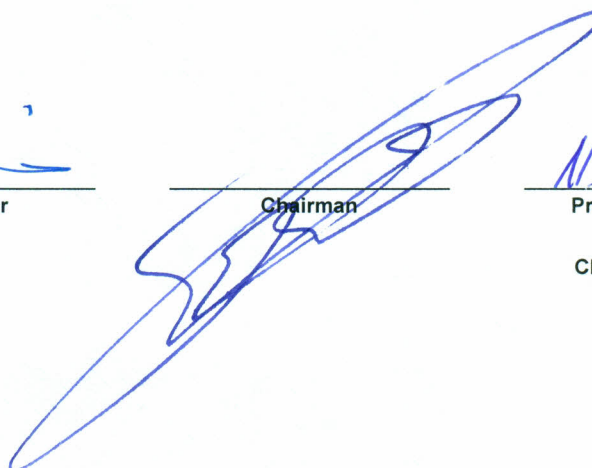
(Rupees in thousand)

	Fire and property damage	Marine, aviation and Transport	Motor	Health	Miscellaneous	Six month period ended 30 June	
						2015	2014
						Total	Total
Revenue account							
Net premium revenue	25,234	6,794	174,373	135,430	18,385	360,216	350,612
Net claims	(13,679)	(3,792)	(74,167)	(118,234)	(419)	(210,291)	(214,509)
Expenses	(7,910)	(6,022)	(54,477)	(35,852)	(22,089)	(126,350)	(114,428)
Net commission	21,523	2,770	(10,249)	292	34,083	48,419	44,407
Underwriting result	25,168	(250)	35,480	(18,364)	29,960	71,994	66,082
Investment income						52,434	48,977
Other income						689	2,214
General and administration expenses						(50,840)	(47,380)
Profit before taxation						2,283	3,811
Taxation						(14,566)	(12,909)
Profit after taxation						59,711	56,984
Other comprehensive income						-	-
Total Comprehensive Income for the period						59,711	56,984
Earnings per share - basic & diluted - Rupees						1.99	1.90
Balance at the commencement of the period						258,930	135,475
Transfer to general reserve						-	-
Total comprehensive income for the period						59,711	56,984
Balance of unappropriated profits at the end of the period						318,641	192,459

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


 Director


 Director


 Chairman


 Principal Officer
 and
 Chief Executive



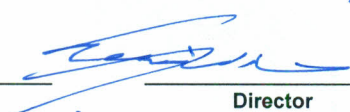
ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2015 (UNAUDITED)

(Rupees in thousand)

	Fire and Property damage	Marine, aviation and Transport	Motor	Health	Miscellaneous	Three month period ended 30 June	
						2015	2014
Revenue account						Total	Total
Net premium revenue	12,713	3,713	88,874	67,891	9,865	183,056	184,778
Net claims	(5,867)	(2,060)	(39,389)	(64,218)	(2,793)	(114,327)	(120,151)
Expenses	(4,451)	(4,467)	(35,324)	(14,038)	(8,520)	(66,800)	(62,181)
Net commission	9,984	1,624	(5,249)	147	16,675	23,181	21,961
Underwriting result	12,379	(1,190)	8,912	(10,218)	15,227	25,110	24,407
Investment income						31,099	26,350
Other income						7	1,836
General and administration expenses						(26,514)	(24,419)
						4,592	3,767
Profit before taxation						29,702	28,174
Taxation						(6,801)	(5,204)
Profit after taxation						22,901	22,970
Other comprehensive income						-	-
Total Comprehensive Income for the period						22,901	22,970
Earnings per share - basic & diluted - Rupees						0.76	0.77
Balance at the commencement of the period						295,740	169,489
Transfer to general reserve						-	-
Total comprehensive income for the period						22,901	22,970
Balance of unappropriated profits at the end of the period						318,641	192,459

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 CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

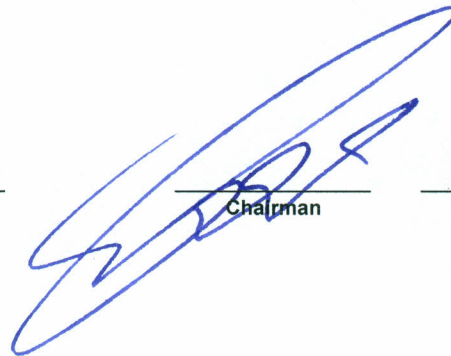
(Rupees in thousand)

	Share capital	Share deposit money	General reserve	Unappropriated Profit	Total
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>
Balance as at 01 January 2015 (Audited)	300,000	1,381	150,000	258,930	710,311
Profit after tax for the period	-	-	-	59,711	59,711
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	59,711	59,711
Balance as at 30 June 2015 (Unaudited)	<u>300,000</u>	<u>1,381</u>	<u>150,000</u>	<u>318,641</u>	<u>770,022</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 CASH FLOW STATEMENT
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015 (UNAUDITED)

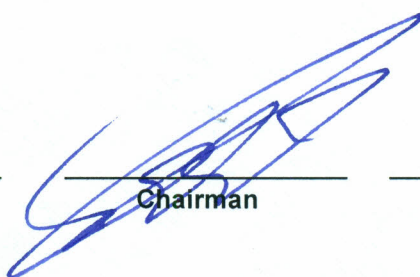
(Rupees in thousand)

	Six month period ended 30 June	
	2015	2014
Operating cash flows		
Underwriting activities		
Premiums received	841,796	761,221
Reinsurance premiums paid	(369,639)	(154,562)
Commissions received	152,312	48,361
Commissions paid	(32,872)	(24,272)
Claims paid	(240,195)	(291,805)
Reinsurance recoveries received	41,784	86,676
Management expense paid	(138,029)	(117,084)
Net cash inflow from underwriting activities	255,157	308,535
Other operating activities		
Income tax paid	(17,847)	(13,902)
Other operating payments	(68,139)	(63,773)
Other operating receipts	56	1,603
Loan repayment received	3,503	3,247
Loan advanced	(2,608)	(3,288)
Net cash outflow from other operating activities	(85,035)	(76,113)
Total cash inflow from all operating activities	170,122	232,422
Investment activities		
Profit/return received	11,416	10,057
Dividend received	5,413	2,847
Sale of investments	1,457,507	125,831
Purchase of investments	(1,694,423)	(368,232)
Proceeds from disposal of fixed assets	1,291	1,919
Fixed capital expenditure	(10,085)	(4,945)
Total cash outflow from investing activities	(228,881)	(232,523)
Net cash outflow from all activities	(58,759)	(101)
Cash at the beginning of the period	207,641	102,403
Cash at the end of the period	148,882	102,302

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 2015 (UNAUDITED)

(Rupees in thousand)


	Six month period ended 30 June	
	2015	2014
Reconciliation to profit and loss account		
Operating cash flows	170,122	232,422
Depreciation of tangibles	(9,298)	(9,325)
Amortization of intangibles	(614)	(1,037)
Increase in assets other than cash	(128,277)	(126,763)
Increase in liabilities	(25,499)	(88,021)
Un-realized gain in value of held for trading investment	5,946	33,773
Others		
Gain on disposal of investments	31,586	2,412
Loss in value of available for sale investments	(1,564)	-
Gain on disposal of fixed assets	633	611
Dividend and other investment income	16,676	12,912
Profit after taxation	59,711	56,984

Definition of cash

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

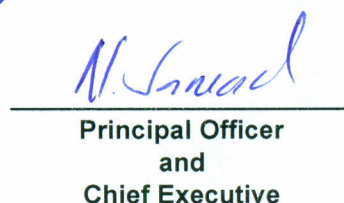
Cash and other equivalents		
Cash in hand	632	624
Stamps in hand	296	49
	928	673
Current and other accounts		
Current accounts	51,064	14,845
Saving accounts	96,890	86,784
	147,954	101,629
Deposits maturing within 12 months	-	-
	148,882	102,302

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 Director


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 Chairman


 Principal Officer
 and
 Chief Executive



ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PREMIUMS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015 (UNAUDITED)


(Rupees in thousand)

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	
		Opening	Closing			Opening	Closing		Six month period ended 30 June	
									2015	2014
Class										
Fire and property damage	60,088	221,443	83,318	198,213	60,997	187,416	75,434	172,979	25,234	22,893
Marine, aviation and transport	45,751	10,759	13,614	42,896	36,102	-	-	36,102	6,794	7,059
Motor	194,047	179,954	192,632	181,369	12,293	2,140	7,437	6,996	174,373	154,520
Health	272,359	24,267	159,091	137,535	4,329	1,564	3,788	2,105	135,430	145,897
Miscellaneous	167,807	68,940	112,546	124,201	142,011	56,661	92,856	105,816	18,385	20,243
	<u>740,052</u>	<u>505,363</u>	<u>561,201</u>	<u>684,214</u>	<u>255,732</u>	<u>247,781</u>	<u>179,515</u>	<u>323,998</u>	<u>360,216</u>	<u>350,612</u>

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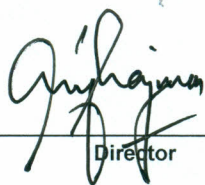
ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PREMIUMS
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2015 (UNAUDITED)

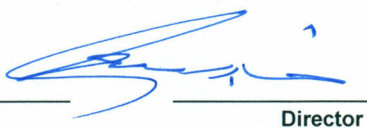
(Rupees in thousand)

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		2015	2014
Class										
Fire and property damage	20,367	161,444	83,318	98,493	18,045	143,169	75,434	85,780	12,713	11,354
Marine, aviation and transport	27,897	10,510	13,614	24,793	21,080	-	-	21,080	3,713	3,269
Motor	109,422	175,447	192,632	92,237	2,004	8,796	7,437	3,363	88,874	77,910
Health	21,895	206,149	159,091	68,953	4,329	521	3,788	1,062	67,891	82,413
Miscellaneous	12,007	163,143	112,546	62,604	4,100	141,495	92,856	52,739	9,865	9,832
	<u>191,588</u>	<u>716,693</u>	<u>561,201</u>	<u>347,080</u>	<u>49,558</u>	<u>293,981</u>	<u>179,515</u>	<u>164,024</u>	<u>183,056</u>	<u>184,778</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 CLAIMS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015 (UNAUDITED)

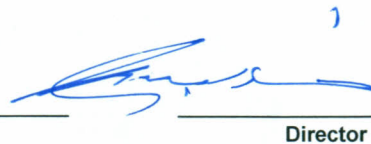
(Rupees in thousand)

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		2015	2014
Class										
Fire and property damage	16,166	157,569	216,089	74,686	15,226	116,693	162,474	61,007	13,679	19,869
Marine, aviation and transport	7,658	13,651	29,123	23,130	5,950	10,919	24,307	19,338	3,792	4,704
Motor	69,227	65,709	70,938	74,456	1,151	927	65	289	74,167	69,479
Health	123,372	52,319	47,181	118,234	-	-	-	-	118,234	114,925
Miscellaneous	23,772	167,184	163,341	19,929	19,457	136,389	136,442	19,510	419	5,532
Total	240,195	456,432	526,672	310,435	41,784	264,928	323,288	100,144	210,291	214,509

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 2015 (UNAUDITED)

(Rupees in thousand)

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		2015	2014
Class										
Fire and property damage	10,458	188,605	216,089	37,942	9,918	140,317	162,474	32,075	5,867	12,381
Marine, aviation and transport	4,279	22,420	29,123	10,982	3,378	18,763	24,307	8,922	2,060	4,476
Motor	40,948	72,581	70,938	39,305	254	403	65	(84)	39,389	31,090
Health	62,450	45,413	47,181	64,218	-	-	-	-	64,218	71,546
Miscellaneous	12,357	154,686	163,341	21,012	10,255	128,478	136,442	18,219	2,793	658
Total	<u>130,492</u>	<u>483,705</u>	<u>526,672</u>	<u>173,459</u>	<u>23,805</u>	<u>287,961</u>	<u>323,288</u>	<u>59,132</u>	<u>114,327</u>	<u>120,151</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 EXPENSES
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015 (UNAUDITED)

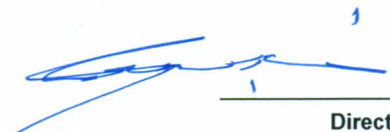
(Rupees in thousand)


Business underwritten inside Pakistan

Direct and facultative	Commissions paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expense	Commissions from reinsurers	Net underwriting expense Six month period ended 30 June	
		Opening	Closing					2015	2014
Class									
Fire and property damage	8,333	11,695	7,236	12,792	7,910	20,702	34,315	(13,613)	(11,508)
Marine, aviation and transport	6,947	1,710	2,118	6,539	6,022	12,561	9,309	3,252	2,382
Motor	11,297	10,139	10,953	10,483	54,477	64,960	234	64,726	54,046
Health	134	266	166	234	35,852	36,086	526	35,560	33,377
Miscellaneous	(1,908)	2,576	(511)	1,179	22,089	23,268	35,262	(11,994)	(8,276)
Total	<u>24,803</u>	<u>26,386</u>	<u>19,962</u>	<u>31,227</u>	<u>126,350</u>	<u>157,577</u>	<u>79,646</u>	<u>77,931</u>	<u>70,021</u>

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 Chairman


 Principal Officer
 and
 Chief Executive



ALFALAH INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF EXPENSES
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2015 (UNAUDITED)


(Rupees in thousand)

Business underwritten inside Pakistan

Direct and facultative	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					2015	2014
Class									
Fire and property damage	2,978	10,535	7,236	6,277	4,451	10,728	16,261	(5,533)	(4,980)
Marine, aviation and transport	4,092	1,656	2,118	3,630	4,467	8,097	5,254	2,843	2,096
Motor	6,117	10,210	10,953	5,374	35,324	40,698	125	40,573	34,501
Health	66	218	166	118	14,038	14,156	265	13,891	14,404
Miscellaneous	822	(796)	(511)	537	8,520	9,057	17,212	(8,155)	(5,801)
Total	<u>14,075</u>	<u>21,823</u>	<u>19,962</u>	<u>15,936</u>	<u>66,800</u>	<u>82,736</u>	<u>39,117</u>	<u>43,619</u>	<u>40,220</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 INVESTMENT INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015 (UNAUDITED)


(Rupees in thousand)


	Three month period ended 30 June		Six month period ended 30 June	
	2015	2014	2015	2014
Income from trading investments				
Gain on sale of held for trading investments	30,582	1,275	31,586	2,412
Dividend income	1,227	208	2,277	505
	31,809	1,483	33,863	2,917
Income from non-trading investments				
Held to maturity				
Return on Government Securities	801	916	1,710	1,826
Return on other fixed income securities and deposits	4,792	3,724	9,561	8,203
	5,593	4,640	11,271	10,029
Available for sale				
Dividend income	685	474	3,128	2,378
Unrealized gain in value of held for trading investments	(5,302)	19,799	5,946	33,773
Impairment in value of available for sale investments	(1,564)	-	(1,564)	-
Investment expenses	(122)	(46)	(210)	(120)
Net investment income for the period	31,099	26,350	52,434	48,977

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


 Director


 Director


 Chairman


 N. Saoud
 Principal Officer
 and
 Chief Executive



ALFALAH INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015 (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 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended 31 December 2014 except as follows.

3.1 New and amended standards, interpretations and amendments

The Company has adopted the following amendment to IFRSs which became effective for current period:

- IFRS 10 – Consolidated Financial Statements
- IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 19 – Employee Benefits – (Amendment) -Defined Benefit Plans: Employee Contributions

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the period.

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 2014.

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 2014.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Claim against the company not acknowledged as debt

Unaudited 30 June 2015	Audited 31 December 2014
(Rupees in thousand)	
261	261

7.2 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 2015	Audited 31 December 2014
	(Rupees in thousand)	
Not later than one year	9,988	13,976
Later than one year and not later than five years	31,273	35,970
Later than five years	1,795	1,092
	<u>43,056</u>	<u>51,038</u>

8. INVESTMENTS

The investments comprise of the following:

Held to maturity	32,750	32,865
Available for sale	73,934	71,619
Held for trading	1,026,256	755,687
	<u>1,132,940</u>	<u>860,171</u>

Market value of available for sale investments is Rs. 93.189 million (31 December 2014: Rs. 89.189 million).

9. BUILDING ON LEASEHOLD LAND

Opening written down value
Add: Additions during the period / year

	Unaudited 30 June 2015	Audited 31 December 2014
	(Rupees in thousand)	
Opening written down value	21,141	26,683
Add: Additions during the period / year	1,538	319
	<u>22,679</u>	<u>27,002</u>
Less: Disposals / Adjustments during the period / year	-	943
Less: Depreciation for the period / year	2,483	4,918
	<u>2,483</u>	<u>5,861</u>
	<u>20,196</u>	<u>21,141</u>

Signature

	Unaudited 30 June 2015	Audited 31 December 2014
10. FURNITURE, FIXTURES AND OFFICE EQUIPMENT		
	(Rupees in thousand)	
Opening written down value	22,176	24,198
Add: Additions during the period / year	2,726	5,922
	<u>24,902</u>	<u>30,120</u>
Less: Disposals / Adjustments during the period / year	-	(348)
Less: Depreciation for the period / year	4,247	8,292
	<u>4,247</u>	<u>7,944</u>
	<u><u>20,655</u></u>	<u><u>22,176</u></u>
11. MOTOR VEHICLES		
Opening written down value	28,559	32,705
Add: Additions during the period / year	239	3,925
	<u>28,798</u>	<u>36,630</u>
Less: Disposals / Adjustments during the period / year	658	2,582
Less: Depreciation for the period / year	2,568	5,489
	<u>3,226</u>	<u>8,071</u>
	<u><u>25,572</u></u>	<u><u>28,559</u></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	
	2015	2014
	(Rupees in thousand)	
Transactions during the period		
Associated undertakings and other related parties		
Premium written	383,830	362,085
Premium received	531,279	533,888
Claims paid	117,766	176,679
Interest income	9,398	8,003
Dividend Income	1,000	1,000
Rent expense	998	1,000
Rent paid	1,830	1,830
License fees and connection charges	1,346	1,550
Expense charged in respect of retirement benefit plans	5,287	5,078
Key management personnel		
Key management personnel compensation	27,103	24,597
Premium written	213	147
Claims paid	101	41
	<u>27,417</u>	<u>24,785</u>
Period end balances		
Associated undertakings and other related parties		
Premium receivable from related parties	107,038	183,589
Provision for outstanding claims	331,566	307,803
Internet Charges Payable	1,786	440
Key management personnel		
Premium receivable	229	104
Provision for outstanding claims	257	121

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 2014. 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 2015 are as follows:

											Rupees in thousands	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Unaudited 30 June	Audited 31 December
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	Total 2015	2014
Segment assets	381,765	548,897	73,881	49,550	91,299	83,105	60,056	49,176	260,175	273,608	867,176	1,004,336
Unallocated assets											1,397,887	1,175,517
Consolidated total assets											2,265,063	2,179,853
Segment liabilities	412,066	532,457	49,050	74,315	287,377	273,894	206,273	76,977	394,221	338,416	1,348,987	1,296,059
Unallocated liabilities											146,054	173,483
Consolidated total liabilities											1,495,041	1,469,542

14. SUBSEQUENT EVENTS


The board of directors proposed an dividend of Rs. 0.590/- per share, amounting to Rs. 17.702 million for the period ended 30 June 2015 (2014: Rs. Nil) and a bonus of Rs. 66.67/- per share, amounting to Rs. 200 million (2014: Nil) at their meeting held on 18 August 2015, subject to final approval of the Members of the Company. This interim financial information for six month period ended 30 June 2015 does not include the effect of this appropriation which will be accounted for in the financials statements for the period ending 31 December 2015.

15. GENERAL

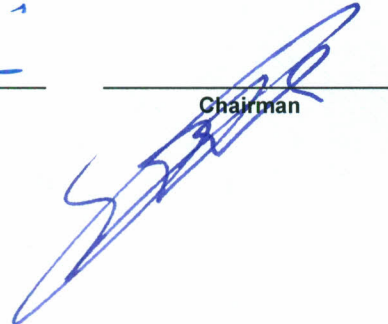
15.1 Figures for the quarter ended 30 June 2015 and 30 June 2014 have not been subject to limited scope review by the statutory auditors as they are only required to review the half yearly figures.

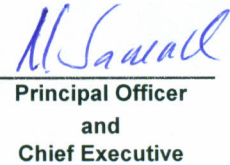
15.2 This interim financial information was authorized for issue by the Board of Directors of the Company on 18 AUG, 2015.

15.3 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