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Joining a wider corporate circle
by making our presence at the hub
of international business



VISION

Our will is to Explore, Innovate and Differentiate.
Our passion is to provide leadership to the insurance industry.

CORE VALUES

- Integrity
- Humility
- Fun at workplace
- Corporate Social Responsibility

COMPANY INFORMATION

BOARD OF DIRECTORS

Umer Mansha	Chairman
Ahmed Ebrahim Hasham	Director
Ali Munir	Director
Fredrik Coenrard de Beer	Director
Kamran Rasool	Director
Ibrahim Shamsi	Director
Imran Maqbool	Director
Muhammad Umar Virk	Director
S. M. Jawed	Director
Shahid Malik	Director
Manzar Mushtaq	Managing Director & CEO

ADVISOR

Mian Muhammad Mansha

AUDIT COMMITTEE

Umer Mansha	Chairman
Ahmed Ebrahim Hasham	Member
Ali Munir	Member
Ibrahim Shamsi	Member
S. M. Jawed	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Umer Mansha	Chairman
Ibrahim Shamsi	Member
Kamran Rasool	Member
Manzar Mushtaq	Member

UNDERWRITING COMMITTEE

Umer Mansha	Chairman
Fredrik Coenrard de Beer	Member
Manzar Mushtaq	Member
Head of Technical	Member

CLAIM SETTLEMENT COMMITTEE

S. M. Jawed	Chairman
Ahmed Ebrahim Hasham	Member
Manzar Mushtaq	Member
Head of Claims	Member

RE-INSURANCE COMMITTEE AND CO-INSURANCE

Ali Munir	Chairman
Muhammad Umar Virk	Member
Manzar Mushtaq	Member
Head of Re-Insurance	Member
Head of Co-Insurance	Member

COMPANY SECRETARY

Tameez-ul-Haque,
F.C.A.

CHIEF FINANCIAL OFFICER

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

EXECUTIVE MANAGEMENT TEAM

Manzar Mushtaq	Chief Executive
Jehangir Bashir Nawaz	Executive Director
Rehan Ahmad Khan	Chief Financial Officer
Absar Azim Burney	General Manager Sales
Adnan Ahmad Chaudhry	General Manager Operations
Najib Nasir Syed	General Manager Technical
Tameez-ul-Haque	Company Secretary

AUDITORS

M/s Riaz Ahmad & Co.
Chartered Accountants, Karachi

SHARES REGISTRAR

Technology Trade (Pvt.) Limited
Dajia House, 241-C, Block-2, P.E.C.H.S.,
Off Shahrah-e-Quaideen, Karachi
Phone: (92-21) 34391316-7, 34387960-1
Fax: (92-21) 34391318

BANKERS

Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Citibank N.A.
Habib Bank Limited
HSBC Bank Oman S.A.O.G.
HSBC Bank Middle East Limited
Industrial Development Bank of Pakistan
KASHF Microfinance Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Rozgar Microfinance Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Tameer Micro Finance Bank Limited
The Punjab Provincial Cooperative Bank Limited
United Bank Limited
Zarai Taraqati Bank Limited

REGISTERED OFFICE

1st Floor, ISE Towers, 55-B, Jinnah Avenue,
Blue Area, Islamabad

Directors' Report to the Members on Unconsolidated Condensed Interim Financial Information

For the quarter ended 31 March 2013

On behalf of the Board, I am pleased to present the unconsolidated financial information of the Company for the first quarter ended 31 March 2013.

The highlights for the period under review are as follows:

	31 March 2013	31 March 2012
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Gross premium	2,614,390	2,636,374
Net premium	1,309,101	1,510,267
Underwriting results	46,258	45,396
Investment income	709,258	291,840
Profit before tax	738,359	320,337
Profit after tax	701,239	293,071
Earnings per share (Rupees)	5.67	2.37

The Gross Premium of the Company has decreased by 1% where as the Net Premium has decreased by 13%. Net Claims and Net Commission have decreased by 18% and 2%, respectively over the corresponding period of last year.

The investment income of the Company has increased by 143% as compared to last year and the Profit Before and After Tax have increased by 130% and 139%, respectively from the same period of last year.

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

On Behalf of Board of Directors

Manzar Mushtaq
Managing Director and Chief Executive

Date: 30 April 2013
Lahore

**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL
INFORMATION
FOR THE**

QUARTER ENDED

31 MARCH 2013

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2013

	Note	31 March 2013	31 December 2012
	Rupees in thousand		
		(Unaudited)	(Audited)
Share capital and reserves			
Authorised share capital		<u>1,500,000</u>	<u>1,500,000</u>
Paid-up share capital		1,237,045	1,237,045
Retained earnings - restated		9,384,356	8,806,822
Reserves		1,525,450	1,441,879
TOTAL EQUITY		<u>10,909,806</u>	<u>10,248,701</u>
		12,146,851	11,485,746
Underwriting provisions			
Provision for outstanding claims (including IBNR)		6,106,680	6,361,653
Provision for unearned premium		4,102,797	3,961,293
Commission income unearned		281,728	313,279
		10,491,205	10,636,225
Deferred liabilities			
Staff retirement benefits		32,604	31,042
Creditors and Accruals			
Premiums received in advance		96,714	113,689
Amounts due to other insurers / reinsurers		721,608	496,887
Accrued expenses		63,651	117,593
Other creditors and accruals - restated		1,864,638	1,665,436
		2,746,611	2,393,605
Borrowings			
Liabilities against assets subject to finance lease		18,391	24,987
Other liabilities			
Unclaimed dividends		35,203	35,558
TOTAL LIABILITIES		13,324,014	13,121,417
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u>25,470,865</u>	<u>24,607,163</u>

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

	Note	31 March 2013	31 December 2012
Rupees in thousand			
		(Unaudited)	(Audited)
Cash and bank deposits			
Cash and other equivalents		698	1,099
Current and other accounts		801,631	1,479,939
Deposits maturing within 12 months		1,035,622	1,026,373
		1,837,951	2,507,411
Loans			
To employees		15,274	12,791
Investments	7	10,712,610	9,948,294
Deferred taxation		241,171	241,171
Current assets - others			
Premiums due but unpaid	8	3,561,309	3,197,422
Amounts due from other insurers / reinsurers	9	686,295	591,566
Salvage recoveries accrued		184,503	169,671
Premium and claim reserves retained by cedants		23,252	23,252
Accrued investment income		286,033	20,329
Reinsurance recoveries against outstanding claims		4,319,994	4,330,229
Taxation - payments less provision		62,401	85,273
Deferred commission expense		433,054	422,203
Prepayments		1,694,857	1,734,149
Sundry receivables - restated		283,100	205,751
		11,534,798	10,779,845
Fixed assets - Tangible & Intangible	10		
Owned			
Land and buildings		458,403	464,050
Furniture and fixtures		108,743	100,272
Motor vehicles		213,431	221,410
Machinery and equipment		96,299	97,717
Computers and related accessories		46,358	44,582
Intangible asset - computer software		43,638	45,336
Capital work in progress - Tangible		118,241	91,855
		1,085,113	1,065,222
Leased			
Motor vehicles		43,948	52,429
TOTAL ASSETS		25,470,865	24,607,163

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand							
Revenue account							
Net premium revenue	218,535	136,607	685,588	268,371	-	1,309,101	1,510,267
Net claims	(194,775)	(88,399)	(416,459)	(125,537)	-	(825,170)	(1,011,268)
Expenses	(80,700)	(42,624)	(143,722)	(83,728)	-	(350,774)	(364,876)
Net commission	(5,310)	(13,777)	(57,148)	(10,664)	-	(86,899)	(88,727)
Underwriting result	<u>(62,250)</u>	<u>(8,193)</u>	<u>68,259</u>	<u>48,442</u>	<u>-</u>	46,258	45,396
Investment income						709,258	291,840
Rental income						1,191	-
Other income						34,685	30,602
						791,392	367,838
General and administration expenses						(53,653)	(46,015)
Exchange gain						1,233	406
Finance charges on lease liabilities						(613)	(1,892)
Profit before tax						738,359	320,337
Provision for taxation						(37,120)	(27,266)
Profit after tax						701,239	293,071
Balance at the commencement of the period - restated						8,806,822	8,356,574
Profit after tax for the period						701,239	293,071
Final dividend for the year ended 31 December 2012 @ 10% (Re. 1.0/- per share) (2011: NIL)						(123,705)	-
Balance unappropriated profit at the end of the period - restated						9,384,356	8,649,645
						Rupees	Rupees
Earnings per share - basic and diluted						5.67	2.37

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand							
Revenue account							
Net premium revenue	213,375	131,424	312,644	263,178	-	920,621	1,206,044
Net claims	(186,364)	(88,252)	(155,570)	(124,024)	-	(554,210)	(788,902)
Expenses	(71,287)	(38,320)	(97,329)	(75,004)	-	(281,940)	(311,654)
Net commission	(6,792)	(13,250)	(23,924)	(10,001)	-	(53,967)	(69,822)
Underwriting result	<u>(51,068)</u>	<u>(8,398)</u>	<u>35,821</u>	<u>54,149</u>	<u>-</u>	30,504	35,666
Investment income						709,258	291,840
Rental income						-	-
Other income						22,008	23,528
						761,770	351,034
General and administration expenses						(36,087)	(34,072)
Exchange gain						1,233	406
Finance charges on lease liabilities						(613)	(1,892)
Profit before tax						726,303	315,476

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand						
Revenue account						
Net premium revenue	5,160	5,183	372,944	5,193	388,480	304,223
Net claims	(8,411)	(147)	(260,889)	(1,513)	(270,960)	(222,366)
Expenses	(9,413)	(4,304)	(46,393)	(8,724)	(68,834)	(53,222)
Net commission	1,482	(527)	(33,224)	(663)	(32,932)	(18,905)
Underwriting result	<u>(11,182)</u>	<u>205</u>	<u>32,438</u>	<u>(5,707)</u>	15,754	9,730
Investment income					-	-
Rental income					1,191	-
Other income					12,677	7,074
					29,622	16,804
General and administration expenses					(17,566)	(11,943)
Exchange gain / (loss)					-	-
Finance charges on lease liabilities					-	-
Profit before tax					12,056	4,861

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	Rupees in thousand	
Profit for the period	701,239	294,144
Other comprehensive income:		
Effect of translation of net investment in foreign branches	83,571	71,006
Total comprehensive income for the period	<u>784,810</u>	<u>364,077</u>

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED 31 MARCH 2013

	Share Capital	Capital Reserves			Revenue Reserves		Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Exchange translation reserve	Investment fluctuation reserve	General reserve	Retained earnings	
Rupees in thousand							
Balance as at 31 December 2011- (Audited)	1,237,045	22,859	278,502	3,764	936,500	8,422,236	10,900,906
Effect of change in accounting policy relating to prior period note - 4.2	-	-	-	-	-	(65,662)	(65,662)
Balance as at 31 December 2011 - restated	1,237,045	22,859	278,502	3,764	936,500	8,356,574	10,835,244
Profit for the period ended 31 March 2012	-	-	-	-	-	293,071	293,071
Other comprehensive income for the period	-	-	71,006	-	-	-	71,006
Balance as at 31 March 2012 - restated (Unaudited)	1,237,045	22,859	349,508	3,764	936,500	8,649,645	11,199,321
Profit for the period from 01 April 2012 to 31 December 2012	-	-	-	-	-	331,122	331,122
Other comprehensive income for the period	-	-	129,248	-	-	11,612	140,860
Interim dividend @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	(185,557)	(185,557)
Balance as at 31 December 2012 - restated	1,237,045	22,859	478,756	3,764	936,500	8,806,822	11,485,746
Profit for the period ended 31 March 2013	-	-	-	-	-	701,239	701,239
Other comprehensive income for the period	-	-	83,571	-	-	-	83,571
Final dividend for the year ended 31 December 2012 @ 10% (Rupee 1/- per share)	-	-	-	-	-	(123,705)	(123,705)
Balance as at 31 March 2013 (Unaudited)	1,237,045	22,859	562,327	3,764	936,500	9,384,356	12,146,851

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Operating cash flows		
a) Underwriting activities		
Premiums received	2,238,164	2,876,362
Reinsurance premiums paid	(1,521,643)	(1,211,254)
Claims paid	(1,640,449)	(1,795,604)
Surrenders paid	(4,636)	-
Reinsurance and other recoveries received	1,147,275	563,022
Commissions paid	(223,233)	(308,519)
Commissions received	153,073	134,746
Other underwriting payments	(274,387)	(308,834)
Net cash used in underwriting activities	(125,836)	(50,081)
b) Other operating activities		
Income tax paid	(14,248)	(13,790)
General and other expenses paid	(191,371)	(56,808)
Loans disbursed	(6,397)	(5,052)
Loan repayments received	5,674	8,440
Other receipts	9,327	6,968
Net cash used in other operating activities	(197,015)	(60,242)
Total cash used in all operating activities	(322,851)	(110,323)
Investment activities		
Profit / return received	24,758	21,337
Dividends received	129,199	105,279
Payments for investments	(1,705,814)	(613,263)
Proceeds from disposal of investments	1,250,849	607,319
Fixed capital expenditure - Tangible assets	(50,342)	(55,871)
Fixed capital expenditure - Intangible assets	(3,649)	3,382
Proceeds from disposal of fixed assets	7,069	-
Rental received	1,191	-
Income received on PIBs	5,817	1,186
Income received on TFCs	1,265	5,673
Total cash (used in) / flow from investing activities	(339,657)	75,042
Financing activities		
Lease rentals paid	10,215	(11,942)
Dividends paid	(17,167)	(214)
Total cash used in financing activities	(6,952)	(12,156)
Net cash used in all activities	(669,460)	(47,437)
Cash at the beginning of the period	2,498,335	2,369,891
Cash at the end of the period	1,828,875	2,322,454

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Reconciliation to Profit and Loss Account		
Operating cash flows	(322,851)	(110,323)
Depreciation expense	(29,707)	(41,342)
Provision for gratuity	(1,562)	(1,486)
Other income - bank deposits	26,302	22,338
Profit on disposal of fixed assets	(109)	1,298
Finance charges on lease obligations	(613)	(1,892)
Rental income	1,191	-
Decrease in assets other than cash	(217,590)	(482,315)
Decrease in liabilities other than running finance	706,132	562,292
	161,193	(51,430)
Others		
Profit on sale of investments	309,215	14,817
Amortization expense	(5,695)	(4,779)
Decrease in unearned premium	(141,504)	74,304
Amortization of income on Government Securities - net	136	-
Decrease in loans	723	(3,388)
Income tax paid	14,248	13,790
Profit on PIBs	2,921	617
Reversal / (provision) for diminution in value of investments	-	30,766
Dividend, investment and other income	392,985	237,110
Income on treasury bills	913	4,016
Income on TFCs	3,224	4,514
	577,166	371,767
Profit before taxation	738,359	320,337

Definition of cash:

Cash comprises cash in hand, bank balances excluding Rs. 9.076 million (2012: Rs. 9.076 million) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalents	698	2,810
Current and other accounts	801,631	1,302,347
Deposits maturing within 12 months	1,026,546	1,017,297
Total cash and cash equivalents	1,828,875	2,322,454

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Operating cash flows		
a) Underwriting activities		
Premiums received	1,750,237	2,454,531
Reinsurance premiums paid	(1,382,841)	(1,089,725)
Claims paid	(1,094,149)	(1,456,015)
Surrenders paid	(4,636)	-
Reinsurance and other recoveries received	957,049	440,344
Commissions paid	(172,846)	(273,119)
Commissions received	129,318	116,186
Other underwriting payments	(241,466)	(303,215)
Net cash used in underwriting activities	(59,334)	(111,013)
b) Other operating activities		
Income tax paid	(14,248)	(13,790)
General and other expenses paid	(176,069)	(30,970)
Loans disbursed	(5,726)	(4,905)
Loan repayments received	3,316	7,914
Other receipts	2,560	5,009
Net cash used in other operating activities	(190,167)	(36,742)
Total cash used in all operating activities	(249,501)	(147,755)
Investment activities		
Profit / return received	20,396	16,991
Dividends received	129,199	105,279
Payments for investments	(1,705,814)	(613,263)
Proceeds from disposal of investments	1,250,849	607,319
Fixed capital expenditure - Tangible assets	(44,934)	(32,095)
Fixed capital expenditure - Intangible assets	(3,649)	-
Proceeds from disposal of fixed assets	7,069	2,939
Income received on PIBs	5,817	1,186
Income received on TFCs	1,265	5,673
Total cash (used in) / flow from investing activities	(339,802)	94,029
Financing activities		
Lease rentals paid	10,215	(11,942)
Dividends paid	(17,167)	(214)
Total cash used in financing activities	(6,952)	(12,156)
Net cash used in all activities	(596,255)	(65,882)
Cash at the beginning of the period	1,289,119	1,279,772
Cash at the end of the period	692,864	1,213,890

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

Reconciliation to Profit and Loss Account

Operating cash flows
Depreciation expense
Provision for gratuity
Other income - bank deposits
Profit on disposal of fixed assets
Finance charges on lease obligations
Rental income
Decrease in assets other than cash
Decrease in liabilities other than running finance

Others

Profit on sale of investments
Amortization expense
Decrease in unearned premium
Amortization of income on Government Securities - net
Decrease in loans
Income tax paid
Profit on PIBs
Reversal / (provision) for diminution in value of investments
Dividend, investment and other income
Income on treasury bills
Income on TFCs

Profit before taxation

Definition of cash:

Cash comprises cash in hand, bank balances excluding Rs. 9.076 million (2012: Rs. 9.076 million) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

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

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

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
	(249,501)	(147,755)
	(23,386)	(40,633)
	-	-
	20,391	17,040
	(109)	1,480
	(613)	(1,892)
	-	-
	(541,209)	(781,998)
	795,262	810,794
	835	(142,964)
	309,215	14,817
	(5,695)	(4,779)
	5,111	160,598
	136	-
	2,410	(3,009)
	14,248	13,790
	2,921	617
	-	30,766
	392,985	237,110
	913	4,016
	3,224	4,514
	725,468	458,440
	726,303	315,476

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
	431	2,564
	687,698	1,206,591
	4,735	4,735
	692,864	1,213,890

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Operating cash flows		
a) Underwriting activities		
Premiums received	487,927	421,831
Reinsurance premiums paid	(138,802)	(121,529)
Claims paid	(546,300)	(339,589)
Surrenders paid	-	-
Reinsurance and other recoveries received	190,226	122,678
Commissions paid	(50,387)	(35,400)
Commissions received	23,755	18,560
Other underwriting payments	(32,921)	(5,619)
Net cash (used in) / flow from underwriting activities	(66,502)	60,932
b) Other operating activities		
Income tax refund / (paid)	-	-
General and other expenses paid	(15,302)	(25,838)
Loans disbursed	(671)	(147)
Loan repayments received	2,358	526
Other receipts	6,767	1,959
Net cash used in all operating activities	(6,848)	(23,500)
Total cash (used in) / flow from other operating activities	(73,350)	37,432
Investment activities		
Profit / return received	4,362	4,346
Dividends received	-	-
Payments for investments	-	-
Proceeds from disposal of investments	-	-
Fixed capital expenditure - Tangible assets	(5,408)	(23,776)
Fixed capital expenditure - Intangible assets	-	-
Proceeds from disposal of fixed assets	-	443
Rental received	1,191	-
Income received on PIBs	-	-
Income received on TFCs	-	-
Total cash flow from / (used in) investing activities	145	(18,987)
Financing activities		
Lease rentals paid	-	-
Dividends paid	-	-
Total cash used in financing activities	-	-
Net cash (used in) / flow from all activities	(73,205)	18,445
Cash at the beginning of the period	1,209,216	1,090,119
Cash at the end of the period	1,136,011	1,108,564

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Reconciliation to Profit and Loss Account		
Operating cash flows	(73,350)	37,432
Depreciation expense	(6,321)	(709)
Provision for gratuity	(1,562)	(1,486)
Other income - bank deposits	5,911	5,298
Loss on disposal of fixed assets	-	(182)
Finance charges on lease obligations	-	-
Rental income	1,191	-
Decrease in assets other than cash	323,619	299,683
(Increase) / decrease in liabilities other than running finance	(89,130)	(248,502)
	160,358	91,534
Others		
Profit on sale of investments	-	-
Amortization expense	-	-
(Increase) / decrease in unearned premium	(146,615)	(86,294)
Amortization of income on Government Securities - net	-	-
Decrease in loans	(1,687)	(379)
Income tax paid	-	-
Profit on PIBs	-	-
(Provision) / reversal of impairment in value of investments	-	-
Dividend, investment and other income	-	-
Income on TFCs	-	-
	(148,302)	(86,673)
Profit before taxation	12,056	4,861

Definition of cash:

Cash comprises cash in hand, bank balances excluding Rs. Nil (2011: Nil) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalents	267	246
Current and other accounts	113,933	95,756
Deposits maturing within 12 months	1,021,811	1,012,562
Total cash and cash equivalents	1,136,011	1,108,564

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand										
Direct and facultative										
Fire and property damage	963,475	1,858,769	1,712,656	1,109,588	746,793	1,377,042	1,232,782	891,053	218,535	288,839
Marine, aviation and transport	174,655	66,461	68,101	173,015	44,727	12,978	21,297	36,408	136,607	166,855
Motor	915,760	1,489,035	1,644,154	760,461	95,731	107,564	128,242	75,053	685,588	688,559
Miscellaneous	560,500	547,028	677,886	429,642	210,788	158,463	207,980	161,271	268,371	366,014
Total	2,614,390	3,961,293	4,102,797	2,472,886	1,098,039	1,656,047	1,590,301	1,163,785	1,309,101	1,510,267
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	2,614,390	3,961,293	4,102,797	2,472,886	1,098,039	1,656,047	1,590,301	1,163,785	1,309,101	1,510,267

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

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Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand										
Direct and facultative										
Fire and property damage	923,499	1,802,996	1,646,526	1,079,969	714,194	1,330,294	1,177,894	866,594	213,375	283,982
Marine, aviation and transport	169,788	62,059	64,977	166,870	44,727	10,244	19,525	35,446	131,424	159,263
Motor	333,069	601,815	616,191	318,693	6,396	598	945	6,049	312,644	402,188
Miscellaneous	551,972	522,777	656,843	417,906	205,588	145,224	196,084	154,728	263,178	360,611
Total	1,978,328	2,989,647	2,984,537	1,983,438	970,905	1,486,360	1,394,448	1,062,817	920,621	1,206,044
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	1,978,328	2,989,647	2,984,537	1,983,438	970,905	1,486,360	1,394,448	1,062,817	920,621	1,206,044

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

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand										
Direct and facultative										
Fire and property damage	39,976	55,773	66,130	29,619	32,599	46,748	54,888	24,459	5,160	4,857
Marine, aviation and transport	4,867	4,402	3,124	6,145	-	2,734	1,772	962	5,183	7,592
Motor	582,691	887,220	1,027,963	441,948	89,335	106,966	127,297	69,004	372,944	286,371
Miscellaneous	8,528	24,251	21,043	11,736	5,200	13,239	11,896	6,543	5,193	5,403
Total	636,062	971,646	1,118,260	489,448	127,134	169,687	195,853	100,968	388,480	304,223
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	636,062	971,646	1,118,260	489,448	127,134	169,687	195,853	100,968	388,480	304,223

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

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

Class	Total 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 claims expense	
		Opening	Closing			Opening	Closing		Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand										
Direct and facultative										
Fire and property damage	260,662	2,884,545	3,046,409	422,526	170,672	2,142,921	2,200,000	227,751	194,775	216,234
Marine, aviation and transport	101,823	269,872	247,133	79,084	2,520	127,373	115,538	(9,315)	88,399	83,601
Motor	712,234	2,012,919	1,987,859	687,174	174,929	1,460,234	1,556,020	270,715	416,459	451,311
Miscellaneous	565,730	1,173,985	804,947	196,692	207,588	769,372	632,939	71,155	125,537	260,122
Total	1,640,449	6,341,321	6,086,348	1,385,476	555,709	4,499,900	4,504,497	560,306	825,170	1,011,268
Treaty										
Proportional	-	20,332	20,332	-	-	-	-	-	-	-
Total	-	20,332	20,332	-	-	-	-	-	-	-
Grand Total	1,640,449	6,361,653	6,106,680	1,385,476	555,709	4,499,900	4,504,497	560,306	825,170	1,011,268

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

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Total 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 claims expense	
		Opening	Closing			Opening	Closing		Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand										
Direct and facultative										
Fire and property damage	245,366	2,816,319	2,936,923	365,970	157,671	2,079,054	2,100,989	179,606	186,364	193,036
Marine, aviation and transport	101,600	262,210	239,495	78,885	2,468	127,373	115,538	(9,367)	88,252	87,521
Motor	186,345	265,637	242,899	163,607	1,134	44,031	50,934	8,037	155,570	248,833
Miscellaneous	560,838	1,173,464	803,189	190,563	203,883	769,001	631,657	66,539	124,024	259,512
Total	1,094,149	4,517,630	4,222,506	799,025	365,156	3,019,459	2,899,118	244,815	554,210	788,902
Treaty										
Proportional	-	20,332	20,332	-	-	-	-	-	-	-
Total	-	20,332	20,332	-	-	-	-	-	-	-
Grand Total	1,094,149	4,537,962	4,242,838	799,025	365,156	3,019,459	2,899,118	244,815	554,210	788,902

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

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Total 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 claims expense	
		Opening	Closing			Opening	Closing		Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand										
Direct and facultative										
Fire and property damage	15,296	68,226	109,486	56,556	13,001	63,867	99,011	48,145	8,411	23,198
Marine, aviation and transport	223	7,662	7,638	199	52	-	-	52	147	(3,920)
Motor	525,889	1,747,282	1,744,960	523,567	173,795	1,416,203	1,505,086	262,678	260,889	202,478
Miscellaneous	4,892	521	1,758	6,129	3,705	371	1,282	4,616	1,513	610
Total	546,300	1,823,691	1,863,842	586,451	190,553	1,480,441	1,605,379	315,491	270,960	222,366
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	546,300	1,823,691	1,863,842	586,451	190,553	1,480,441	1,605,379	315,491	270,960	222,366

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

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand									
Direct and facultative									
Fire and property damage	124,253	252,708	224,999	151,962	80,700	232,662	146,652	86,010	101,373
Marine, aviation and transport	24,895	(5,160)	4,864	14,871	42,624	57,495	1,094	56,401	66,250
Motor	90,687	118,926	141,987	67,626	143,722	211,348	10,478	200,870	213,348
Miscellaneous	42,539	55,729	61,204	37,064	83,728	120,792	26,400	94,392	72,632
Total	282,374	422,203	433,054	271,523	350,774	622,297	184,624	437,673	453,603
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	282,374	422,203	433,054	271,523	350,774	622,297	184,624	437,673	453,603

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

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand									
Direct and facultative									
Fire and property damage	119,853	243,588	216,004	147,437	71,287	218,724	140,645	78,079	98,886
Marine, aviation and transport	24,457	(5,486)	4,771	14,200	38,320	52,520	950	51,570	64,151
Motor	30,652	43,949	50,631	23,970	97,329	121,299	46	121,253	148,478
Miscellaneous	40,748	53,544	58,505	35,787	75,004	110,791	25,786	85,005	69,961
Total	215,710	335,595	329,911	221,394	281,940	503,334	167,427	335,907	381,476
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	215,710	335,595	329,911	221,394	281,940	503,334	167,427	335,907	381,476

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

Umer Mansha
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Manzar Mushtaq
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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Quarter ended 31 March 2013	Quarter ended 31 March 2012

Rupees in thousand

Direct and facultative

Fire and property damage	4,400	9,120	8,995	4,525	9,413	13,938	6,007	7,931	2,487
Marine, aviation and transport	438	326	93	671	4,304	4,975	144	4,831	2,099
Motor	60,035	74,977	91,356	43,656	46,393	90,049	10,432	79,617	64,870
Miscellaneous	1,791	2,185	2,699	1,277	8,724	10,001	614	9,387	2,671
Total	66,664	86,608	103,143	50,129	68,834	118,963	17,197	101,766	72,127

Treaty

Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	66,664	86,608	103,143	50,129	68,834	118,963	17,197	101,766	72,127

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

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Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Income from non-trading investments		
Available-for-sale		
Return on fixed income securities	-	-
Return on Term Finance Certificates	3,224	4,514
Return on Pakistan Investment Bonds	2,921	617
Profit on Treasury Bills	913	4,016
Dividend income		
- associated undertakings	195,603	78,113
- others	197,382	158,997
	392,985	237,110
	400,043	246,257
Gain / (loss) on sale of available-for-sale investments		
- associated undertakings	-	35,550
- others	309,215	(20,733)
	309,215	14,817
	709,258	261,074
Reversal of impairment in value of available-for-sale investments	-	30,766
	-	30,766
Net investment income	709,258	291,840

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

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Director

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Director

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Managing Director & Chief Executive Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

1 THE COMPANY AND ITS OPERATIONS

Adamjee Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984). The Company is listed on all the stock exchanges in Pakistan and is engaged in the non-life insurance business. The registered office of the Company is situated at Islamabad Stock Exchange Building, Islamabad.

The Company also operates branches in the United Arab Emirates (UAE), the Kingdom of Saudi Arabia (KSA) and the Export Processing Zone (EPZ). The branch in the KSA has closed down its operations and is in "run-off" status with effect from 01 October 2003.

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the quarter ended 31 March 2013 has been prepared in accordance with requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

The disclosures made in these condensed interim financial information have, however, been limited based on format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard 34 - 'Interim Financial Reporting'. They do not include all the disclosures required for annual financial statements, and this condensed interim financial information should be read in conjunction with annual financial statements of the Company for the year ended 31 December 2012.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that obligations under certain employee benefits are measured at present value.

4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 31 December 2012, except for :

4.1 Provision for taxation

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

4.2 Changes in accounting policies and disclosures - standards, interpretations and amendments to published approved accounting standards that are effective in the current year that have an impact on the Company's financial information

IAS 19 - 'Employee Benefits' (amended 2011) is effective for annual periods beginning on or after 01 January 2013. The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect, if any, of the change in accounting policy on the financial statements for the current and preceding periods is summarised below:

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Year ended 31 December 2012	Year ended 31 December 2011
Rupees in thousand			
Impact on statement of financial position			
Increase / (decrease) in other creditors and accruals	-	54,049	65,662
Impact on statement of changes in equity			
Unappropriated profit as previously reported	-	8,860,872	8,422,236
Adjustments due to change in accounting policy	-	11,612	17,907
Cumulative effect from prior years	-	(65,662)	(83,569)
Unappropriated profit as restated	-	8,806,822	8,356,574

5 ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied to the preceding annual published financial statements of the Company for the year ended 31 December 2012.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

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

6.2 Commitments

There were no capital or other commitments as at 31 March 2013 (31 December 2012: Nil)

	Note	Quarter ended 31 March 2013	Year ended 31 December 2012
Rupees in thousand			
		(Unaudited)	(Audited)
7 INVESTMENTS			
In related parties			
Available-for-sale			
Marketable securities			
Listed			
		5,089,277	6,333,561
Less: Provision for impairment in value of investments		-	-
		5,089,277	6,333,561
Unlisted			
		412,796	412,796
		5,502,073	6,746,357
Investment in subsidiary - Adamjee Life Assurance Company Limited			
		494,564	494,564
Less: Provision for impairment in value of investment		-	-
		494,564	494,564
		5,996,637	7,240,921
Others			
Available-for-sale			
Marketable securities			
		5,132,257	3,123,657
Less: Provision for impairment in value of investments		(416,284)	(416,284)
		4,715,973	2,707,373
		<u>10,712,610</u>	<u>9,948,294</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Note	Quarter ended 31 March 2013	Year ended 31 December 2012
Rupees in thousand			
8 PREMIUMS DUE BUT UNPAID - Unsecured		(Unaudited)	(Audited)
Considered good		3,561,309	3,197,422
Considered doubtful		361,332	359,147
		<u>3,922,641</u>	<u>3,556,569</u>
Less: Provision for doubtful balances	8.1	<u>(361,332)</u>	<u>(359,147)</u>
		<u>3,561,309</u>	<u>3,197,422</u>
8.1 Reconciliation of provision for doubtful balances			
Opening provision		359,147	309,821
Exchange loss		2,185	8,426
Charge for the period		-	40,900
Written off during the period		-	-
Closing provision		<u>361,332</u>	<u>359,147</u>
9 AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured			
Considered good		686,295	591,566
Considered doubtful		326,327	326,327
		<u>1,012,622</u>	<u>917,893</u>
Less: Provision for doubtful balances	9.1	<u>(326,327)</u>	<u>(326,327)</u>
		<u>686,295</u>	<u>591,566</u>
9.1 Reconciliation of provision for doubtful balances			
Opening provision		326,327	276,327
Charge for the period		-	50,000
Written off during the period		-	-
Closing provision		<u>326,327</u>	<u>326,327</u>
10 FIXED ASSETS			
Opening book value		1,025,796	929,492
Add: Additions during the period	10.2	27,605	391,588
Less: Disposals during the period (at book value)	10.3	7,179	102,709
Depreciation charged during the period		35,402	192,575
		<u>42,581</u>	<u>295,284</u>
		<u>1,010,820</u>	<u>1,025,796</u>
Capital work in progress		91,855	133,378
Add: Additions during the period	10.2	26,386	134,448
Less: Transferred to fixed assets during the period		-	(175,971)
		<u>118,241</u>	<u>91,855</u>
		<u>1,129,061</u>	<u>1,177,651</u>
10.1 Breakup of written down value into owned and leased fixed assets:			
Owned assets		966,872	973,367
Capital work in progress - owned		118,241	91,855
Leased assets		43,948	52,429
		<u>1,129,061</u>	<u>1,117,651</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

Note	Quarter ended 31 March 2013	Year ended 31 December 2012
Rupees in thousand		
10.2 The following capital expenditure was incurred during the period:	(Unaudited)	(Audited)
Land and buildings	200	217,122
Furniture and fixtures	17,396	54,375
Motor vehicles	441	53,558
Machinery and equipment	1,523	24,547
Computer and related accessories	4,396	11,959
Intangible assets	3,649	30,027
	<u>27,605</u>	<u>391,588</u>
Capital work in progress - owned	26,386	134,448
	<u>53,991</u>	<u>526,036</u>

10.3 The following are the written down values of fixed assets disposed off during the period:

Land and buildings	-	1,640
Furniture and fixtures	-	2,574
Motor vehicles	6,995	33,255
Machinery and equipment	164	64,875
Computer and related accessories	20	365
	<u>7,179</u>	<u>102,709</u>

11 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationships with its associates, subsidiary company, employee benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them. There are no transactions with key management personnel other than their terms of employment. Investment in related parties have been disclosed in note 7 to the financial information. Other transactions with related parties are summarised as follows:

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
	(Unaudited)	(Unaudited)
Premium underwritten	353,002	229,993
Premium received	135,514	483,974
Premium ceded	-	-
Claims paid	89,889	161,759
Rent paid	1,130	2,929
Dividend received	195,603	78,113
Number of shares		
Bonus shares received	56,266,121	2,603,771

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

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

31 March 2013													
Rupees in thousand													
Fire and Property Damage	Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities		Total		Aggregate
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	
4,900,938	242,009	398,341	11,497	609,616	2,876,916	1,726,637	32,754	-	-	-	7,655,532	3,163,176	10,798,708
-	-	-	-	-	-	-	-	-	-	13,255,791	1,416,366	1,416,366	14,672,157
4,900,938	242,009	398,341	11,497	609,616	2,876,916	1,726,637	32,754	-	-	13,255,791	1,416,366	1,416,366	23,470,865
5,099,076	198,595	363,581	12,167	971,845	2,934,644	1,683,132	26,155	20,332	-	-	8,137,966	3,171,561	11,309,527
-	-	-	-	-	-	-	-	-	-	1,792,547	221,940	221,940	1,960,437
5,099,076	198,595	363,581	12,167	971,845	2,934,644	1,683,132	26,155	20,332	-	1,792,547	221,940	221,940	13,324,014
											22,197	5,408	27,605

OTHER INFORMATION

Segment assets
Unallocated assets
Total assets

Segment liabilities
Unallocated liabilities
Total liabilities

Capital expenditure

31 December 2012													
Rupees in thousand													
Fire and Property Damage	Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities		Total		Aggregate
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	
4,940,171	189,471	402,771	14,990	519,036	2,587,598	1,692,442	43,911	-	-	-	7,554,420	2,835,970	10,390,390
-	-	-	-	-	-	-	-	-	-	12,733,719	1,483,054	1,483,054	14,216,773
4,940,171	189,471	402,771	14,990	519,036	2,587,598	1,692,442	43,911	-	-	12,733,719	1,483,054	1,483,054	24,607,163
5,085,856	144,964	371,472	14,096	940,683	2,790,394	1,849,656	29,348	20,332	-	-	8,267,999	2,978,802	11,246,801
-	-	-	-	-	-	-	-	-	-	1,651,585	223,031	223,031	1,874,616
5,085,856	144,964	371,472	14,096	940,683	2,790,394	1,849,656	29,348	20,332	-	1,651,585	223,031	223,031	13,121,417
											266,893	83,172	350,065

OTHER INFORMATION

Segment assets
Unallocated assets
Total assets

Segment liabilities
Unallocated liabilities
Total liabilities

Capital expenditure

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

13 GENERAL

- 13.1** Comparative information has been reclassified and re-arranged in this condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.
- 13.2** Figures in this unconsolidated condensed interim financial information has been rounded off to the nearest thousand of rupees unless otherwise stated.

14 DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on 30 April 2013 by the Board of Directors of the Company.

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

Directors' Report to the Members

On Consolidated Condensed Interim Financial Information

For the quarter ended 31 March 2013

On behalf of the Board, I am pleased to present the consolidated financial information of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company Limited for the first quarter ended 31 March 2013.

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

	31 March 2013	31 March 2012
	Rupees in thousand	
Profit before tax	741,458	408,830
Taxation	(37,896)	(27,383)
Profit after tax	703,562	381,447
Profit attributable to non-controlling interest	(762)	(820)
Profit attributable to ordinary shareholders	702,800	380,627
Unappropriated profit brought forward	8,831,227	8,566,680
Profit available for appropriation	9,534,027	8,947,307
Appropriation		
Final dividend for the year ended 31 December 2012 @ 10% (Re. 1/- per share) [2011: Nil]	(123,705)	-
Profit after appropriation	9,410,322	8,947,307

Earnings per share

The consolidated condensed interim financial information reflects Rs. 5.69 (31 March 2012: Rs. 3.08) earnings per share for the period under review.

On Behalf of Board of Directors

Manzar Mushtaq
Managing Director and Chief Executive

Date: 30 April 2013
Lahore

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**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL
INFORMATION
FOR THE**

QUARTER ENDED

31 MARCH 2013

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2013

Note	31 March 2013	31 December 2012
	Rupees in thousand	
	(Unaudited)	(Audited)
Share capital and reserves		
Authorised share capital	1,500,000	1,500,000
Paid-up share capital	1,237,045	1,237,045
Retained earnings - restated	9,410,322	8,831,227
Reserves	1,211,276	1,134,570
	10,621,598	9,965,797
Equity attributable to equity holders of the parent	11,858,643	11,202,842
Non-controlling interest	26,301	28,889
Total equity	11,884,944	11,231,731
Balance of statutory funds	2,601,586	2,017,689
Underwriting provisions		
Provision for outstanding claims (including IBNR)	6,167,242	6,412,501
Provision for unearned premium	4,102,797	3,961,293
Commission income unearned	281,728	313,279
	10,551,767	10,687,073
Deferred liabilities		
Staff retirement benefits	40,855	37,687
Creditors and accruals		
Premiums received in advance	117,237	128,142
Amounts due to other insurers / reinsurers	792,533	504,732
Accrued expenses	65,949	119,831
Other creditors and accruals	1,892,739	1,790,325
	2,868,458	2,543,030
Borrowings		
Liabilities against assets subject to finance lease	18,391	24,987
Other liabilities		
Unclaimed dividends	35,203	35,558
TOTAL LIABILITIES	13,514,674	13,328,335
CONTINGENCIES AND COMMITMENTS	6	
TOTAL EQUITY AND LIABILITIES	28,001,204	26,577,755

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

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2013

	Note	31 March 2013	31 December 2012
Rupees in thousand			
		(Unaudited)	(Audited)
Cash and bank deposits			
Cash and other equivalents		884	1,200
Current and other accounts		1,021,584	1,705,386
Deposits maturing within 12 months		1,035,622	1,026,373
		2,058,090	2,732,959
Loans			
To employees		15,274	12,791
Investments	7	12,908,664	11,583,212
Deferred taxation		246,315	247,065
Current assets - others			
Premiums due but unpaid	8	3,575,098	3,217,207
Amounts due from other insurers / reinsurers	9	703,993	606,559
Salvage recoveries accrued		184,503	169,671
Premium and claim reserves retained by cedants		23,252	23,252
Accrued investment income		292,567	26,616
Reinsurance recoveries against outstanding claims		4,319,994	4,330,229
Taxation - payments less provision		70,597	93,130
Deferred commission expense		433,054	422,203
Prepayments		1,710,117	1,746,313
Sundry receivables		286,853	208,776
		11,600,028	10,843,956
Fixed Assets - Tangible & Intangible	10		
Owned			
Land and buildings		458,403	464,050
Furniture and fixtures		132,822	114,336
Motor vehicles		213,431	224,004
Machinery and equipment		46,358	99,559
Computers and related accessories		63,331	50,348
Intangible asset - computer software		118,241	61,191
Capital work in progress - Tangible		96,299	91,855
		1,128,885	1,105,343
Leased			
Motor vehicles		43,948	52,429
TOTAL ASSETS		<u>28,001,204</u>	<u>26,577,755</u>

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	General Insurance					Life Insurance				Total	
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Conventional Business	Accident and Health Business	Non-united Investment Link Business	Unit Link Business	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand											
Revenue account											
Net premium revenue	218,535	136,607	685,588	268,371	-	18,195	2	105,900	681,353	2,114,551	1,756,422
Net claims	(194,775)	(88,399)	(416,459)	(125,537)	-	(12,477)	-	(1,346)	(53,731)	(892,724)	(1,027,042)
Expenses	(80,700)	(42,624)	(143,722)	(83,728)	-	(7,765)	-	(10,684)	(45,854)	(415,077)	(416,416)
Net commission	(5,310)	(13,777)	(57,148)	(10,664)	-	(4,198)	-	(18,627)	(131,399)	(241,123)	(187,055)
Net Investment income - statutory fund	-	-	-	-	-	2,268	7	14,237	33,054	49,566	15,483
Add: Policyholders' liabilities at beginning of the period	-	-	-	-	-	74,352	5	628,849	1,251,469	1,954,675	479,562
Less: Policyholders' liabilities at end of the period	-	-	-	-	-	(67,522)	(6)	(713,633)	(1,748,692)	(2,529,853)	(623,479)
Capital contribution from shareholders' fund	-	-	-	-	-	-	-	-	10,215	10,215	35,499
Excess capital contribution from shareholders' fund	-	-	-	-	-	(2,853)	(8)	(4,696)	3,585	(3,972)	12,422
Underwriting result	(62,250)	(8,193)	68,259	48,442	-	-	-	-	-	46,258	45,396
Investment income - other										714,277	297,444
Rental income										1,191	-
Other income										36,305	30,797
										798,031	373,637
General and administration expenses										(57,193)	(49,875)
Exchange gain										1,233	406
Finance charge on lease liabilities										(613)	(1,892)
Share of profit from associated companies										-	86,554
Profit before tax										741,458	408,530
Provision for taxation										(37,896)	(27,383)
Profit after tax										703,562	381,147
Profit attributable to:											
Equity holders of the parent										702,800	380,627
Non-controlling interest										762	820
Profit and loss appropriation account - Parent Company											
Balance at the commencement of the year - restated										8,831,227	8,566,680
Profit after tax for the period										702,800	380,627
Final dividend for the year ended 31 December 2012 @ 10% (Re. 1.0/- per share) [2011:Nil]										(123,705)	-
Balance unappropriated profit at the end of the period - restated										9,410,322	8,947,307
										Rupees	Rupees
Earnings per share - basic and diluted										5.69	3.08

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Profit for the period	703,562	381,447
Other comprehensive income:		
Effect of translation of net investment in foreign branches	83,571	71,006
Capital contribution to statutory funds	(10,215)	(35,499)
Total comprehensive income for the period	73,356	35,507
Comprehensive income attributable to:	776,918	416,954
Equity holders of the parent	779,506	432,109
Non-controlling interest	(2,588)	(15,155)
	776,918	416,954

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED 31 MARCH 2013

	Share capital	Capital reserves				Revenue reserves		Equity attributable to equity holders of the parent	Non-controlling interest	Total Equity
	Issued, subscribed and paid-up	Reserve for exceptional losses	Exchange translation reserve	Capital contribution to statutory funds	Investment fluctuation reserve	General reserve	Retained earnings			
Rupees in thousand										
Balance as at 31 December 2011	1,237,045	22,859	278,502	(218,193)	3,764	936,500	8,632,342	10,892,819	77,748	10,970,567
Effect of change in accounting policy relating to prior periods note - 4.2	-	-	-	-	-	-	(65,662)	(65,662)	-	(65,662)
Balance as at 31 December 2011 - restated	1,237,045	22,859	278,502	(218,193)	3,764	936,500	8,566,680	10,827,157	77,748	10,904,905
Profit for the period ended 31 March 2012	-	-	-	-	-	-	380,627	380,627	820	381,447
Other comprehensive income for the period	-	-	71,006	(19,524)	-	-	-	51,482	(15,975)	35,507
Balance as at 31 March 2012 - restated (Unaudited)	1,237,045	22,859	349,508	(237,717)	3,764	936,500	8,947,307	11,259,266	62,593	11,321,859
Profit for the period from 01 April 2012 to 31 December 2012	-	-	-	-	-	-	69,477	69,477	2,236	71,713
Other comprehensive income for the period	-	-	129,248	(69,592)	-	-	-	59,656	(35,940)	23,716
Interim dividend @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	(185,557)	(185,557)	-	(185,557)
Balance as at 31 December 2012 - restated (Audited)	1,237,045	22,859	478,756	(307,309)	3,764	936,500	8,831,227	11,202,842	28,889	11,231,731
Profit for the period ended 31 March 2013	-	-	-	-	-	-	702,800	702,800	762	703,562
Other comprehensive income for the period	-	-	83,571	(6,865)	-	-	-	76,706	(3,350)	73,356
Final dividend for the year ended 31 December 2012 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	(123,705)	(123,705)	-	(123,705)
Balance as at 31 March 2013 (Unaudited)	1,237,045	22,859	562,327	(314,174)	3,764	936,500	9,410,322	11,858,643	26,301	11,884,944

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Operating cash flows		
a) Underwriting activities		
Premiums received	3,085,738	3,156,266
Reinsurance premiums paid	(1,516,796)	(1,208,824)
Claims paid	(1,743,741)	(1,830,399)
Surrenders paid	(4,636)	-
Reinsurance and other recoveries received	1,147,275	563,022
Commissions paid	(395,970)	(412,943)
Commissions received	153,073	134,746
Other underwriting payments	(274,387)	(308,835)
Net cash flow from underwriting activities	450,556	93,033
b) Other operating activities		
Income tax paid	(14,612)	(14,726)
General and other expenses paid	(264,765)	(107,930)
Loans disbursed	(6,397)	(5,052)
Loan repayments received	5,674	8,440
Other receipts	9,327	6,968
Net cash used in other operating activities	(270,773)	(112,300)
Total cash generated from / (used in) all operating activities	179,783	(19,267)
Investment activities		
Profit / return received	37,511	47,220
Dividends received	129,537	105,530
Payments for investments	(5,073,829)	(1,596,326)
Proceeds from disposal of investments	4,103,729	1,446,750
Fixed capital expenditure - Tangible assets	(61,886)	(56,577)
Proceeds from disposal of fixed assets	8,965	4,812
Rental received	1,191	-
Income received on PIBs	5,817	1,186
Income received on TFCs	1,265	5,673
Total cash used in investing activities	(847,700)	(41,732)
Financing activities		
Lease rentals paid	10,215	(11,942)
Dividends paid	(17,167)	(214)
Total cash used in financing activities	(6,952)	(12,156)
Net cash used in all activities	(674,869)	(73,155)
Cash at the beginning of the period	2,723,883	2,497,305
Cash at the end of the period	2,049,014	2,424,150

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Reconciliation to Profit and Loss Account		
Operating cash flows	179,782	(19,267)
Depreciation expense	(32,030)	(44,112)
Provision for gratuity	(1,562)	(1,486)
Other income - bank deposits	26,302	22,338
Profit on disposal of fixed assets	1,452	1,342
Finance charge on lease liabilities	(613)	(1,892)
Rental income	1,191	-
Decrease in assets other than cash	(209,544)	(468,774)
Decrease in liabilities other than running finance	130,578	407,152
	95,556	(104,699)
Others		
Profit on sale of investments	309,310	14,817
Amortization expense	(7,280)	(6,273)
Capital contribution from shareholders' fund	10,215	35,499
Decrease in unearned premium	(141,504)	74,304
Amortization of income on Government Securities - net	136	-
Profit on PIBs	2,921	617
Share of profit from associated companies	-	86,554
Decrease / (increase) in loans	723	(3,388)
Income tax paid	15,024	13,907
Reversal of diminution in value of investments	3,573	27,597
Dividends, investment and other income	448,647	261,365
Income on Treasury Bills	913	4,016
Income on TFCs	3,224	4,514
	645,902	513,529
Profit before taxation	741,458	408,830

Definition of cash:

Cash comprises cash in hand, bank balances excluding Rs. 9.076 million (2012: Rs 9.076 million) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalents	884	2,907
Current and other accounts	1,021,584	1,403,446
Deposits maturing within 12 months	1,026,546	1,017,797
Total cash and cash equivalents	2,049,014	2,424,150

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance ceded	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand										
General Insurance:										
Direct and facultative										
Fire and property damage	963,475	1,858,769	1,712,656	1,109,588	746,793	1,377,042	1,232,782	891,053	218,535	288,839
Marine, aviation and transport	174,655	66,461	68,101	173,015	44,727	12,978	21,297	36,408	136,607	166,855
Motor	915,760	1,489,035	1,644,154	760,641	95,731	107,564	128,242	75,053	685,588	688,559
Miscellaneous	560,500	547,028	677,886	429,642	210,788	158,463	207,980	161,271	268,371	366,014
	<u>2,614,390</u>	<u>3,961,293</u>	<u>4,102,797</u>	<u>2,472,886</u>	<u>1,098,039</u>	<u>1,656,047</u>	<u>1,590,301</u>	<u>1,163,785</u>	<u>1,309,101</u>	<u>1,510,267</u>
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,614,390</u>	<u>3,961,293</u>	<u>4,102,797</u>	<u>2,472,886</u>	<u>1,098,039</u>	<u>1,656,047</u>	<u>1,590,301</u>	<u>1,163,785</u>	<u>1,309,101</u>	<u>1,510,267</u>
Life Insurance:										
Conventional Business	39,748	-	-	39,748	21,553	-	-	21,553	18,195	13,833
Accident and Health Business	2	-	-	2	-	-	-	-	2	2
Non-utilised Investment Link Business	107,886	-	-	107,886	1,986	-	-	1,986	105,900	88,527
Unit Link Business	687,872	-	-	687,872	6,519	-	-	6,519	681,353	143,793
Total	<u>835,508</u>	<u>-</u>	<u>-</u>	<u>835,508</u>	<u>30,058</u>	<u>-</u>	<u>-</u>	<u>30,058</u>	<u>805,450</u>	<u>246,155</u>
Grand total	<u>3,449,898</u>	<u>3,961,293</u>	<u>4,102,797</u>	<u>3,308,394</u>	<u>1,128,097</u>	<u>1,656,047</u>	<u>1,590,301</u>	<u>1,193,843</u>	<u>2,114,551</u>	<u>1,756,422</u>

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

Class	Total claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries revenue	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand										
General Insurance:										
Direct and facultative										
Fire and property damage	260,662	2,884,545	3,046,409	422,526	170,672	2,142,921	2,200,000	227,751	194,775	216,234
Marine, aviation and transport	101,823	269,872	247,133	79,084	2,520	127,373	115,538	(9,315)	88,399	83,601
Motor	712,234	2,012,919	1,987,859	687,174	174,929	1,460,234	1,556,020	270,715	416,459	451,311
Miscellaneous	565,730	1,173,985	804,947	196,692	207,588	769,372	632,939	71,155	125,537	260,122
	<u>1,640,449</u>	<u>6,341,321</u>	<u>6,086,348</u>	<u>1,385,476</u>	<u>555,709</u>	<u>4,499,900</u>	<u>4,504,497</u>	<u>560,306</u>	<u>825,170</u>	<u>1,011,268</u>
Treaty										
Proportional	-	20,332	20,332	-	-	-	-	-	-	-
	-	20,332	20,332	-	-	-	-	-	-	-
Total	<u>1,640,449</u>	<u>6,361,653</u>	<u>6,106,680</u>	<u>1,385,476</u>	<u>555,709</u>	<u>4,499,900</u>	<u>4,504,497</u>	<u>560,306</u>	<u>825,170</u>	<u>1,011,268</u>
Life Insurance:										
Conventional Business	46,496	34,002	31,739	44,233	31,756	-	-	31,756	12,477	12,284
Accident and Health Business	-	-	-	-	-	-	-	-	-	-
Non-unitised Investment Link Business	432	2,631	5,524	3,325	1,979	-	-	1,979	1,346	228
Unit Link Business	56,365	14,215	23,299	65,449	11,718	-	-	11,718	53,731	3,262
Total	<u>103,293</u>	<u>50,848</u>	<u>60,562</u>	<u>113,007</u>	<u>45,453</u>	<u>-</u>	<u>-</u>	<u>45,453</u>	<u>67,554</u>	<u>15,774</u>
Grand total	<u>1,743,742</u>	<u>6,412,501</u>	<u>6,167,242</u>	<u>1,498,483</u>	<u>601,162</u>	<u>4,499,900</u>	<u>4,504,497</u>	<u>605,759</u>	<u>882,724</u>	<u>1,027,042</u>

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand									
General Insurance:									
Direct and facultative									
Fire and property damage	124,253	252,708	224,999	151,962	80,700	232,662	146,652	86,010	101,373
Marine, aviation and transport	24,895	(5,160)	4,864	14,871	42,624	57,495	1,094	56,401	66,250
Motor	90,687	118,926	141,987	67,626	143,722	211,348	10,478	200,870	213,348
Miscellaneous	42,539	55,729	61,204	37,064	83,728	120,792	26,400	94,392	72,632
	<u>282,374</u>	<u>422,203</u>	<u>433,054</u>	<u>271,523</u>	<u>350,774</u>	<u>622,297</u>	<u>184,624</u>	<u>437,673</u>	<u>453,603</u>
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>282,374</u>	<u>422,203</u>	<u>433,054</u>	<u>271,523</u>	<u>350,774</u>	<u>622,297</u>	<u>184,624</u>	<u>437,673</u>	<u>453,603</u>
Life Insurance:									
Conventional Business	4,198	-	-	4,198	7,765	11,963	-	11,963	14,092
Accident and Health Business	-	-	-	-	-	-	-	-	13
Non-unitised Investment Link Business	18,627	-	-	18,627	10,684	29,311	-	29,311	45,330
Unit Link Business	131,399	-	-	131,399	45,854	177,253	-	177,253	90,433
Total	<u>154,224</u>	<u>-</u>	<u>-</u>	<u>154,224</u>	<u>64,303</u>	<u>218,527</u>	<u>-</u>	<u>218,527</u>	<u>149,868</u>
Grand total	<u>436,598</u>	<u>422,203</u>	<u>433,054</u>	<u>425,747</u>	<u>415,077</u>	<u>840,824</u>	<u>184,624</u>	<u>656,200</u>	<u>603,471</u>

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
Rupees in thousand		
General insurance:		
Income from non-trading investments		
Available-for-sale		
Return on fixed income securities	-	-
Return on Term Finance Certificates	3,224	4,514
Return on Pakistan Investment Bonds	2,921	617
Profit on Treasury Bills	913	4,016
Dividend income		
- associated undertakings	195,603	78,113
- others	197,382	158,997
	392,985	237,110
	400,043	246,257
Gain / (Loss) on sale of available-for-sale investments		
- associated undertakings	-	35,550
- others	309,215	(20,733)
	309,215	14,817
	709,258	261,074
Reversal of impairment in value of available-for-sale investments	-	30,766
	709,258	291,840
Life insurance:		
Shareholders' fund		
Unrealised appreciation in value of quoted equity securities	19	247
Return on Government Securities	3,431	3,125
Return on bank deposits	312	105
Dividend income	1,256	720
Gain on sale of non-trading investments	-	939
Reversal of impairment in the value of available-for-sale investments	-	468
	5,019	5,604
Statutory Funds		
Conventional Business		
Return on bank deposits	1,180	740
Return on Government Securities	1,076	2,119
Gain on sale of Government Securities	12	-
Gain on sale of Units of open end mutual funds	-	335
Reversal of impairment in the value of available-for-sale investments	-	28
	2,268	3,222
Accident and Health Business		
Return on bank deposits	7	2
	7	2
Non-united Investment Link Business		
Unrealised mark to market loss on Government Securities	(1,427)	(3,700)
Unrealised mark to market gain on mutual funds	859	126
Return on bank deposits	-	355
Return on Government securities	14,105	7,983
Gain on sale of Government Securities	36	1,075
Return on other fixed income Securities	644	-
Gain on disposal of open end mutual funds	21	-
	14,237	5,839

CONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED) (Cont'd)

FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	Rupees in thousand	
Unit Link Business		
Unrealised mark to market loss on Government Securities	(1,524)	(1,831)
Unrealised mark to market gain on mutual funds	5,633	1,110
Unrealised mark to market gain on quoted securities	12	384
Return on Government Securities	28,201	5,735
Dividend income	6	84
Investment income on bank deposits	-	380
Return on other fixed income securities	698	-
Gain on sale of listed equities	-	27
Gain on disposal of open end mutual funds	172	-
Gain on sale of Government Securities	(145)	531
	33,454	6,420
Net investment income	763,843	312,927
Net investment income - statutory funds	49,566	15,483
Net investment income - other	714,277	297,444
	763,843	312,927

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

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

1 THE GROUP AND ITS OPERATIONS

The consolidated condensed interim financial information comprises the consolidated financial information of Adamjee Insurance Company Limited and its subsidiary company, Adamjee Life Assurance Company Limited, as at 31 March 2013. The condensed interim financial information of the subsidiary company has been consolidated on a line by line basis. All inter company balances and transactions have been eliminated.

2 BASIS OF PREPARATION

This consolidated condensed interim financial information of the Company for the quarter ended 31 March 2013 has been prepared in accordance with requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

The disclosures made in this consolidated condensed interim financial information have, however, been based on format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard 34 - 'Interim Financial Reporting'. They do not include all the disclosures required for annual financial statements, and this consolidated condensed interim financial information should be read in conjunction with the consolidated annual financial statements of the Company for the year ended 31 December 2012.

3 BASIS OF MEASUREMENT

This consolidated condensed interim financial information has been prepared under the historical cost convention except that obligations under certain employee benefits are measured at present value.

4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 31 December 2012, except for:

4.1 Provision for taxation

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

4.2 Changes in accounting policies and disclosures - Standards, interpretations and amendments to published approved accounting standards that are effective in the current year that have an impact on the Company's financial information

IAS 19 - 'Employee Benefits' (amended 2011) is effective for annual periods beginning on or after 1 January 2013. The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect, if any, of the change in accounting policy on the financial statements for the current and preceding periods is summarised below:

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Year ended 31 December 2012	Year ended 31 December 2011
Rupees in thousand			
Impact on statement of financial position			
Increase in other creditors and accruals	-	54,049	65,662
Impact on statement of changes in equity			
Unappropriated profit as previously reported	-	8,885,277	8,632,342
Adjustments due to change in accounting policy	-	11,612	17,907
Cumulative effect from prior years	-	(65,662)	(83,569)
Unappropriated profit as restated	-	8,831,227	8,566,680

5 ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied to the preceding consolidated annual published financial statements of the Company for the year ended 31 December 2012.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

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

6.2 Commitments

Holding Company

There were no capital or other commitments as at 31 March 2013 (31 December 2012: Nil).

Subsidiary Company

Nil (31 December 2012: Nil).

	Note	Quarter ended 31 March 2013	Year ended 31 December 2012
	Rupees in thousand		
7 INVESTMENTS		(Unaudited)	(Audited)
Available-for-sale In related parties			
Marketable securities		5,089,394	6,746,356
Less: Provision for impairment in value of investments		-	-
		5,089,394	6,746,356
Unlisted		412,796	-
		5,502,190	6,746,356
Others			
Marketable securities		5,418,548	3,449,616
Less: Provision for impairment in value of investments		(416,284)	(416,284)
		5,002,264	3,033,332
At fair value through profit or loss			
Others			
Marketable securities		1,300	1,006
Mutual funds		299,950	100,031
Government securities		2,038,537	1,663,179
Other fixed income securities		64,423	39,308
		2,404,210	1,803,524
		12,908,664	11,583,212

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Note	Quarter ended	Year ended
		31 March 2013	31 December 2012
		Rupees in thousand	
		(Unaudited)	(Audited)
8 PREMIUMS DUE BUT UNPAID - Unsecured			
Considered good		3,575,098	3,217,207
Considered doubtful		361,332	359,147
		3,936,430	3,576,354
Less: Provision for doubtful balances	8.1	(361,332)	(359,147)
		<u>3,575,098</u>	<u>3,217,207</u>
8.1 Reconciliation of provision for doubtful balances			
Opening provision		359,147	309,821
Exchange loss		2,185	8,426
Charge for the period		-	40,900
Written off during the period		-	-
Closing provision		<u>361,332</u>	<u>359,147</u>
9 AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured			
Considered good		703,993	606,559
Considered doubtful		326,327	326,327
		1,030,320	932,886
Less: Provision for doubtful balances	9.1	(326,327)	(326,327)
		<u>703,993</u>	<u>606,559</u>
9.1 Reconciliation of provision for doubtful balances			
Opening provision		326,327	276,327
Charge for the period		-	50,000
Written off during the period		-	-
Closing provision		<u>326,327</u>	<u>326,327</u>
10 FIXED ASSETS			
Opening book value		1,065,917	984,204
Add: Additions during the period		35,500	396,229
Less: Disposals during the period (at book value)		7,515	105,092
Depreciation charged during the period		39,310	209,424
		46,825	314,516
		<u>1,054,592</u>	<u>1,065,917</u>
Capital work in progress		91,855	133,378
Add: Additions during the period		26,386	134,448
Less: Transferred to fixed assets during the period		-	(175,971)
		118,241	91,855
		<u>1,172,833</u>	<u>1,157,772</u>
10.1 Breakup of written down value in to owned and leased fixed assets			
Owned assets		1,010,644	1,013,488
Capital work in progress - owned		118,241	91,855
Leased assets		43,948	52,429
		<u>1,172,833</u>	<u>1,157,772</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Year ended 31 December 2012
	Rupees in thousand	
	(Unaudited)	(Audited)
10.2 The following capital expenditure was incurred during the period:		
Land and building	200	217,122
Furniture and fixtures	17,396	54,614
Motor vehicles	2,570	53,558
Machinery and equipment	1,598	24,820
Computer and related accessories	4,665	16,088
Intangible assets	9,071	30,027
	35,500	396,229

11 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationships with its associates, subsidiary company, employee benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payment of rentals for the use of premises rented from them. There are no transactions with key management personnel other than their terms of employment.

Investment in related parties have been disclosed in note 7 to the financial information. Other transactions with related parties are summarised as follows:

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	Rupees in thousand	
Subsidiary Company		
Premium written	6,160	9,338
Claims expense	12,138	18,183
Commission and other incentives in respect of Bancassurance	138,755	95,874
Profit on bank deposits	3,682	1,264
Investment advisor fee	1,318	230
Custodian fee	432	105
Technical support fee	4,800	3,216
Holding Company		
Premium underwritten	353,002	229,993
Premium received	135,514	483,974
Premium ceded	-	-
Claims paid	89,889	161,759
Rent paid	1,130	2,929
Dividend received	195,603	78,113
Income on deposits	7,441	7,243
	Number of shares	
Bonus shares received	56,266,121	2,603,771

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

12. SEGMENT REPORTING

Each class of business has been identified as reportable segment. Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following is a schedule of class of business wise assets and liabilities:

31 March 2013																				
File and Property Damage	Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities		Total		Aggregate Life Insurance	Grand Total						
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan			Conventional Business	Accident and Health Business	Non-unimised Investment Link Business	Unit Link Business		
4,900,938	242,009	398,341	11,497	609,616	2,876,916	1,726,637	32,754	-	-	-	7,635,532	3,163,176	10,796,708	103,852	485	767,813	1,862,206	2,734,355	13,533,063	
-	-	-	-	-	-	-	-	-	-	12,761,228	1,416,366	12,761,228	1,416,366	14,177,594	-	-	-	290,547	14,468,141	
4,900,938	242,009	398,341	11,497	609,616	2,876,916	1,726,637	32,754	-	-	12,761,228	1,416,366	20,396,760	4,579,542	24,976,302	485	767,813	1,862,206	3,024,902	28,001,204	
5,099,076	198,595	363,581	12,167	971,845	2,934,644	1,683,192	26,155	20,332	-	-	8,137,966	3,171,561	11,309,527	36,560	43	24,201	93,405	154,209	11,463,736	
-	-	-	-	-	-	-	-	-	-	1,792,546	221,940	1,792,546	221,940	2,014,466	-	-	-	36,452	2,050,938	
5,099,076	198,595	363,581	12,167	971,845	2,934,644	1,683,192	26,155	20,332	-	1,792,546	221,940	9,930,512	3,393,501	13,324,013	43	24,201	93,405	190,661	13,514,674	
											22,197	5,408	27,605				7,895	35,500		

OTHER INFORMATION

Segment assets
Unallocated assets
Total assets

Segment liabilities
Unallocated liabilities
Total liabilities

Capital expenditure

31 December 2012																				
File and Property Damage	Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities		Total		Aggregate Life Insurance	Grand Total						
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan			Conventional Business	Accident and Health Business	Non-unimised Investment Link Business	Unit Link Business		
4,940,171	189,471	402,772	14,890	519,035	2,587,589	1,692,441	43,911	-	-	-	7,554,419	2,835,971	10,390,390	123,999	478	723,143	1,358,555	2,206,175	12,596,565	
-	-	-	-	-	-	-	-	-	-	12,239,155	1,483,054	12,239,155	1,483,054	13,722,209	-	-	-	258,981	13,981,190	
4,940,171	189,471	402,772	14,890	519,035	2,587,589	1,692,441	43,911	-	-	12,239,155	1,483,054	19,793,574	4,319,025	24,112,599	478	723,143	1,358,555	2,465,156	26,577,755	
5,304,053	153,764	417,347	15,602	1,013,649	2,915,258	2,623,847	33,055	20,332	-	-	9,379,228	3,117,679	12,496,907	42,284	45	30,196	94,331	166,856	12,663,763	
-	-	-	-	-	-	-	-	-	-	540,356	84,151	624,507	-	624,507	-	-	-	40,065	664,572	
5,304,053	153,764	417,347	15,602	1,013,649	2,915,258	2,623,847	33,055	20,332	-	540,356	84,151	9,919,584	3,201,830	13,121,414	45	30,196	94,331	206,921	13,328,335	
											266,893	83,172	350,065				4,640	354,705		

OTHER INFORMATION

Segment assets
Unallocated assets
Total assets

Segment liabilities
Unallocated liabilities
Total liabilities

Capital expenditure

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2013

13 GENERAL

13.1 Comparative information has been reclassified and re-arranged in this consolidated condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.

13.2 Figures in this consolidated condensed interim financial information have been rounded off to the nearest thousand of rupees unless otherwise stated.

14 DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on 30 April 2013 by the Board of Directors of the Company.

Umer Mansha
Chairman

S. M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

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