



**Consolidated Condensed Interim
Financial Statements
For the First Quarter ended 31 March 2011**

THE POWER OF ACCURACY

At Adamjee Insurance we don't make mistakes, we can't afford to. In a business that prides itself in numbers, accuracy becomes the name of the game. Each number each value is checked and vetted on multiple levels and that's what defines our quest for excellence.

DIRECTORS' REPORT TO THE MEMBERS ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 MARCH 2011

On behalf of the Board of Directors, I am pleased to present report on the interim consolidated financial statements of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company Limited for the first quarter ended 31 March 2011.

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

	31 March 2011	31 March 2010
	(Rupees in thousand)	
Profit before tax	473,147	343,627
Taxation	(76,985)	(88,440)
Profit after tax	396,162	255,187
Profit attributable to non-controlling interest	(1,722)	(3,431)
Profit attributable to ordinary share holders	394,440	251,756
Un-appropriated profit brought forward	8,736,251	8,522,098
Profit available for appropriation	9,130,691	8,773,854
Appropriations		
Final dividend for the year ended 31 December 2010 @10% (Re.1.0/- per share) [2009:@15%(Rs. 1.5/- per share)	(123,705)	(168,688)
Reserve for issue of bonus shares for the year ended 31 December 2009	-	(112,459)
Total appropriations	(123,705)	(281,147)
	9,006,986	8,492,707

EARNINGS PER SHARE

The interim consolidated financial statements reflect Rs. 3.20 (31 March 2010: Rs. 2.06 Restated) earning per share for the period under review.

On behalf of Directors

Karachi: 27 April 2011

Umer Mansha
Chairman

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 31 MARCH 2011

	Note	31 March 2011 (Unaudited)	31 December 2010 (Audited)
—————(Rupees in thousand)—————			
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		9,006,986	8,736,251
Reserves		1,008,132	1,047,106
		<u>10,015,118</u>	<u>9,783,357</u>
Equity attributable to equity holders of the parent		<u>11,252,163</u>	11,020,402
Non-controlling interest		131,575	152,444
Total equity		<u>11,383,738</u>	<u>11,172,846</u>
Balance of statutory funds		147,085	99,479
Underwriting provisions			
Provision for outstanding claims (including IBNR)		6,855,563	7,989,823
Provision for unearned premium		4,674,538	5,017,435
Commission income unearned		270,910	305,434
Total underwriting provisions		<u>11,801,011</u>	<u>13,312,692</u>
Deferred liabilities			
Deferred taxation		82,444	58,375
Staff retirement benefits		20,403	19,585
Creditors and Accruals			
Premiums received in advance		87,096	77,174
Amounts due to other insurers / reinsurers		1,146,852	1,599,650
Accrued expenses		102,684	151,051
Taxation - provision less payments		-	-
Other creditors and accruals		1,668,365	1,564,460
		<u>3,004,997</u>	<u>3,392,335</u>
Borrowings			
Liabilities against assets subject to finance lease		88,778	107,637
Other liabilities			
Unclaimed dividends		29,117	29,121
TOTAL LIABILITIES		<u>15,026,750</u>	<u>16,919,745</u>
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u>26,557,573</u>	<u>28,192,070</u>

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

	Note	31 March 2011 (Unaudited)	31 December 2010 (Audited)
(Rupees in thousand)			
Cash and bank deposits			
Cash and other equivalents		7,102	59,453
Current and other accounts		1,230,754	1,098,285
Deposits maturing within 12 months		1,576,255	1,584,827
		2,814,111	2,742,565
Loans			
To employees		22,609	22,086
Investments			
	7	9,411,379	9,607,857
Deferred taxation		9,102	-
Current assets - others			
Premiums due but unpaid	8	4,311,522	4,554,824
Amounts due from other insurers/ reinsurers	9	1,093,716	993,584
Salvage recoveries accrued		171,213	99,636
Premium and claim reserves retained by cedants		23,252	23,252
Accrued investment income		171,210	41,389
Reinsurance recoveries against outstanding claims		5,069,682	6,253,202
Taxation - payments less provision		7,297	45,873
Deferred commission expense		490,915	512,222
Prepayments		1,616,731	1,835,054
Sundry receivables		245,515	316,635
		13,201,053	14,675,671
Fixed Assets - Tangible & Intangible			
Owned			
Land and buildings		278,031	281,472
Furniture and fixtures		71,476	70,212
Motor vehicles		208,391	203,650
Machinery and equipment		297,929	318,224
Computers and related accessories		58,314	60,455
Intangible asset - computer software		61,798	66,435
		975,939	1,000,448
Leased			
Motor vehicles		123,380	143,443
TOTAL ASSETS		26,557,573	28,192,070

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 2011

	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	Quarter ended 31 March 2011	Quarter ended 31 March 2010
	(Rupees in thousand)									
Revenue account										
Net premium revenue	317,722	310,706	792,830	563,556	-	19,521	8	63,712	2,068,055	1,728,500
Net claims	(235,882)	(120,253)	(541,426)	(414,873)	-	(8,140)	-	(388)	(1,320,962)	(1,071,580)
Expenses	(48,218)	(46,863)	(110,338)	(85,642)	-	(11,249)	(30)	(23,559)	(325,899)	(336,393)
Net commission	(26,410)	(49,052)	(68,661)	12,896	-	(7,213)	(3)	(41,867)	(180,310)	(120,122)
Net Investment income - statutory fund	-	-	-	-	-	2,170	2	4,442	6,614	289
Add: Policyholder's liabilities at beginning of the period	-	-	-	-	-	20,034	59	79,386	99,479	11,499
Less: Policyholder's liabilities at end of the period	-	-	-	-	-	(15,642)	(59)	(108,502)	(124,203)	(11,499)
Capital contribution from shareholder's fund	-	-	-	-	-	23,377	24	26,800	50,201	31,719
Excess Capital contribution from shareholder's fund	-	-	-	-	-	(22,858)	(1)	(24)	(22,883)	-
Underwriting result	<u>7,212</u>	<u>94,538</u>	<u>72,405</u>	<u>75,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	250,092	232,413
Investment income - other									206,727	233,157
Rental income									165	554
Other income									35,378	37,909
									492,362	504,033
General and administration expenses									(119,300)	(155,458)
Exchange gain									294	400
Finance charge on lease liabilities									(3,722)	(5,348)
Share of profit from associated companies									103,513	-
Profit before tax									473,147	343,627
Provision for taxation									(76,985)	(88,440)
Profit after tax									396,162	255,187
Profit attributable to:										
Equity holders of the parent									394,440	251,756
Non-controlling interest									1,722	3,431
Profit and loss appropriation account										
Balance at the commencement of the year									8,736,251	8,522,098
Profit after tax for the period									394,440	251,756
Final dividend for the year ended December 31, 2010 @10% (Rs.1.0/- per share) [2009:@15%(Re. 1.5/- per share)									(123,705)	(168,688)
Reserve for issue of bonus shares									-	(112,459)
Balance unappropriated profit at the end of the period									9,006,986	8,492,707
									Rupees	Restated Rupees
Earnings per share - basic and diluted									3.20	2.06

The annexed notes form an integral part of this condensed interim consolidated 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 2011

	Quarter ended 31 March 2011	Quarter ended 31 March 2010
	—————(Rupees in thousand)—————	
Profit for the period	396,162	255,187
Other comprehensive income:		
Effect of translation of net investment in foreign branches	(11,364)	17,605
Capital contribution to statutory funds	(50,201)	(31,719)
Total comprehensive income for the period	334,597	241,073
Comprehensive income attributable to:		
Equity holders of the parent	355,466	251,916
Non-controlling interest	(20,869)	(10,843)
	334,597	241,073

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2011

	Share Capital		Capital Reserves				Revenue Reserves		Equity attributable to equity holders of the parent	Non-Controlling interest	Total
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	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 2009	1,124,586	-	22,859	173,424	(31,840)	3,764	936,500	8,522,098	10,751,391	216,230	10,967,621
Total comprehensive income for the quarter ended 31 March 2010	-	-	-	17,605	(17,445)	-	-	251,756	251,916	(10,843)	241,073
Final dividend for the year ended 31 December 2009 @15% (Rs.1.5/- per share)	-	-	-	-	-	-	-	(168,688)	(168,688)	-	(168,688)
Transfer to Reserve for Issue of Bonus shares	-	112,459	-	-	-	-	-	(112,459)	-	-	-
Balance as at 31 March 2010	1,124,586	112,459	22,859	191,029	(49,285)	3,764	936,500	8,492,707	10,834,619	205,387	11,040,006
Total comprehensive income for the Nine months ended 31 December 2010	-	-	-	9,696	(67,457)	-	-	367,249	309,488	(52,943)	256,545
Issue of bonus shares for the year ended 31 December 2009 @ 10%	112,459	(112,459)	-	-	-	-	-	-	-	-	-
Interim dividend @ 10% (Re. 1.0/- per share)	-	-	-	-	-	-	-	(123,705)	(123,705)	-	(123,705)
Balance as at 31 December 2010	1,237,045	-	22,859	200,725	(116,742)	3,764	936,500	8,736,251	11,020,402	152,444	11,172,846
Total comprehensive income for the quarter ended 31 March 2011	-	-	-	(11,364)	(27,610)	-	-	394,440	355,466	(20,869)	334,597
Final dividend for the year ended 31 December 2010 @10% (Re. 1.0/- per share)	-	-	-	-	-	-	-	(123,705)	(123,705)	-	(123,705)
Balance as at 31 March 2011	1,237,045	-	22,859	189,361	(144,352)	3,764	936,500	9,006,986	11,252,163	131,575	11,383,738

The annexed notes 1 to 37 form an integral part of these consolidated financial statements.

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 2011

	Quarter ended 31 March 2011	Quarter ended 31 March 2010
	—————(Rupees in thousand)—————	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	3,103,142	2,820,302
Reinsurance premiums paid	(1,343,881)	(985,951)
Claims paid	(2,541,298)	(1,542,273)
Surrenders paid	(11,782)	(34,758)
Reinsurance and other recoveries received	1,096,703	78,767
Commissions paid	(349,327)	(369,770)
Commissions received	159,608	127,543
Other underwriting payments	(241,500)	(401,994)
Net cash flow used in underwriting activities	(128,335)	(308,134)
b) Other operating activities		
Income tax refund / (paid)	(23,444)	(54,560)
General and other expenses paid	(171,559)	(186,928)
Loans disbursed	(6,507)	(5,337)
Loan repayments received	9,044	8,669
Other receipts	4,164	2,103
Net cash used in other operating activities	(188,302)	(236,053)
Total cash flow used in all operating activities	(316,637)	(544,187)
Investment activities		
Profit/ return received	27,586	26,411
Dividends received	61,395	117,925
Investments purchased	(815,942)	(969,564)
Proceeds from disposal of investments	1,142,511	1,499,107
Fixed capital expenditure	(30,507)	(32,482)
Proceeds from disposal of fixed assets	22,637	5,919
Income received on rent	165	2,921
Income received on PIBs	1,416	1,745
Income received on TFCs	1,506	2,344
Total cash flow from investing activities	410,767	654,326
Financing activities		
Lease rentals paid	(22,581)	(11,362)
Dividends paid	(4)	(1,038)
Total cash used in financing activities	(22,585)	(12,400)
Net cash flow / (used in) from all activities	71,545	97,739
Cash at the beginning of the period	2,737,741	2,168,707
Cash at the end of the period	2,809,287	2,266,446

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2011

	Quarter ended 31 March 2011	Quarter ended 31 March 2010
	(Rupees in thousand)	
Reconciliation to Profit and Loss Account		
Operating cash flows	(316,637)	(544,187)
Depreciation expense	(47,662)	(45,488)
Provision for gratuity	(174)	(1,178)
Other income - bank deposits	30,968	33,898
Profit on disposal of fixed assets	268	2,565
Finance charge on lease liabilities	(3,722)	(5,348)
Rental income	165	554
Decrease in assets other than cash	(1,586,446)	(183,724)
Decrease in liabilities other than running finance	1,668,659	809,880
	(254,581)	66,972
Others		
Profit on sale of investments	112,780	47,214
Amortization expense	(3,922)	(2,878)
Capital contribution from shareholders fund	50,201	31,718
(Increase) / decrease in unearned premium	342,897	(29,004)
Amortization of income on Government Securities - net	-	2,160
Profit on PIBs	3,863	11,442
Share of Profit from Associated companies	103,513	-
Decrease in loans	(2,537)	(3,332)
Income tax paid/(refund)	24,363	46,963
(Provision) / Reversal for diminution in value of investments	(93,774)	(4,757)
Dividend, investment and other income	184,370	170,765
Income on TFCs	5,974	6,364
	727,727	276,655
Profit before taxation	473,147	343,627

Definition of cash:

Cash comprises of cash in hand, bank balances excluding Rs.4.824 million (2010: Rs. 4.451 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 2011	Quarter ended 31 March 2010
	(Rupees in thousand)	
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent	7,102	3,228
Current and other accounts	1,624,130	658,543
Deposits maturing within 12 months	1,178,055	1,604,675
Total cash and cash equivalents	2,809,287	2,266,446

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

Umer Mansha
Chairman

S.M. Jawed
Director

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Director

Manzar Mushtaq
Managing Director & Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2011

1. THE GROUP AND ITS OPERATIONS

The condensed interim consolidated financial information comprises the consolidated financial information of Adamjee Insurance Company Limited and its subsidiary company, Adamjee Life Assurance Company Limited, as at March 31, 2011. The condensed interim financial information of the subsidiary companies has been consolidated on line by line basis. All inter company balances and transaction have been eliminated .

2 BASIS OF PREPARATION

This condensed interim consolidated financial information is unaudited and is being submitted to the shareholders in accordance with the listing regulations of the Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) - 34 'Interim Financial Reporting' and in the format prescribed by Insurance Division of SECP in its Circular No. 7 of 2003 dated August 27, 2003. This condensed interim consolidated financial information do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual published financial statements for the year ended December 31, 2010.

3. BASIS OF MEASUREMENT

This condensed interim consolidated 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 AND COMPUTATION METHODS

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated 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 December 31, 2010.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this interim financial information are the same as those applied to the preceding annual published financial statements of the company for the year ended December 31, 2010.

6. CONTINGENCIES AND COMMITMENTS

6.1. Contingencies

The income tax assessments of the company have been finalized up to and including the tax year 2010. However, the holding company has filed appeals in respect of certain assessment years mainly on account of following:

- i) The Deputy Commissioner of Income Tax (DCIT) has finalized assessments for the assessment year 1999-2000 by taxing capital gains at the full rate of 33%. The aggregate tax liability assessed by the DCIT amounted to Rupees 48.205 million against which the holding company has made a total provision of Rupees 44.141 million resulting in a shortfall of Rupees 4.064 million. The holding company filed appeals with the Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal (ITAT) which were decided against the holding company. Consequently the holding company has filed an appeal before the Honorable High Court of Sindh and the petition is fixed for regular hearing.
- ii) The Additional Commissioner / Taxation Officer has reopened assessments for the assessment years 2000-2001 and 2001-2002 by taxing bonus shares received by the holding company during the above mentioned periods resulting in an additional tax liability of Rupees 14.907 million. An appeal was filed before the Commissioner of Income Tax (Appeals) who cancelled the amended order passed by the Additional Commissioner and allowed relief to the holding company but the Tax Department had filed an appeal before the ITAT against the order of the Additional Commissioner, which has been decided in favour of the holding company. However, the holding company again received a notice from additional commissioner for reassessment of the case. The holding company has filed a constitutional petition in Sindh High Court against such order.

- iii) While finalizing the assessment for the assessment year 2002-2003, DCIT has reduced the business loss for the year by Rupees 88.180 million by adjusting the dividend income against this loss. The holding company maintains that it is entitled to carry the gross loss forward for adjustment against the future taxable income and dividend income for the year should be taxed separately at reduced rate. The appeals of the holding company in this respect have been rejected by the Commissioner of Income Tax (Appeals), the ITAT and the Sindh High Court. The holding company has now filed a reference application with the Supreme Court of Pakistan. The management is confident that the matter will eventually be decided in favor of the holding company and has consequently not made any provision against the additional tax liability of Rupees 26.455 million which may arise in this respect.
- iv) The Tax Authorities have also amended the assessments for tax years 2003 to 2007 on the ground that the holding company has not apportioned management and general administration expenses against capital gain and dividend income. The holding company has filed constitution petition in the High Court of Sindh against the amendment in the assessment order. The holding company may be liable to pay Rupees 5.881 million in the event of decision against the holding company, out of which Rupees 2.727 million has been provided by the holding company resulting in a shortfall of Rupees 3.154 million.
- v) The Taxation Officer has passed an order in the tax year 2005 and 2006 under section 221 of the Income Tax Ordinance, 2001 (the Ordinance) levying minimum tax liability aggregating to Rupees 38.358 million. An appeal had been filed before the Commissioner of Income Tax (Appeals) who upheld the order of the Taxation Officer. The holding company has filed an appeal before ITAT which is pending to be heard.
- vi) The Taxation Officer has passed an order under section 161/205 of the Income Tax Ordinance, 2001 in Tax year 2007 creating a demand of Rupees 1.263 million. The holding company filed an appeal before the Commissioner of Income Tax (Appeals) which has been decided against the holding company. The holding company is filing an appeal before the ITAT.
- vii) The holding company received a notice from Additional Commissioner Inland Revenue pertaining to the assessment of tax year 2008. Among others, the Additional Commissioner raised issues pertaining to avoidance of tax on capital gains on listed securities. However, the holding company filed a constitutional petition in Sindh High Court against such order and the court has granted stay in this regard.

Pending resolution of the above-mentioned appeals filed by the holding company, no provision has been made in these condensed interim consolidated financial statements for the aggregate amount of Rupees 88.201 million (December 31, 2010: 88.201 million) as the management is confident that the eventual outcome of the above matters will be in favor of the company.

6.2 Commitments

Holding company

There were no capital or other commitments as at March 31, 2011 (December 31, 2010: Nil).

Subsidiary company

Commitments in respect of leased assets - not later than one year is Rupees 2.996 million (31 December 2010: 2.996) and intangible assets not later than one year is Rupees 2.550 million (31 December 2010: 2.550 million).

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2011

	Note	31 March 2011	31 December 2010
(Rupees in thousand)			
7. INVESTMENTS			
Available-for-sale			
In related parties			
Marketable securities		6,563,865	6,699,828
Less: Provision for impairment in value of investments		(2,652)	-
		6,561,213	6,699,828
Others			
Marketable securities		3,260,109	3,264,744
Less: Provision for impairment in value of investments		(503,630)	(412,931)
		2,756,479	2,851,813
Fixed income investments		-	-
		2,756,479	2,851,813
At fair value through profit or loss			
In related parties			
Marketable securities		4,660	-
Listed equity securities		838	853
Government securities		88,189	55,363
		89,027	56,216
		9,411,379	9,607,857
8. PREMIUMS DUE BUT UNPAID - Unsecured			
Considered good		4,311,522	4,554,824
Considered doubtful		208,739	199,015
		4,520,261	4,753,839
Less: Provision for doubtful balances	8.1	(208,739)	(199,015)
		4,311,522	4,554,824
8.1 Reconciliation of provision for doubtful balances			
Opening provision		199,015	119,530
Exchange loss		-	274
Charge for the period / year		9,724	86,867
Written off during the period / year		-	(7,656)
Closing provision		208,739	199,015
9. AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - Unsecured			
Considered good		1,093,716	993,584
Considered doubtful		30,000	30,000
		1,123,716	1,023,584
Less: Provision for doubtful balances	9.1	(30,000)	(30,000)
		1,093,716	993,584
9.1 Reconciliation of provision for doubtful balances			
Opening provision		30,000	30,000
Charge for the period / year		-	-
Written off during the period / year		-	-
Closing provision		30,000	30,000

	Quarter ended 31 March 2011	Quarter ended 31 March 2010
	—————(Rupees in thousand)—————	
10. FIXED ASSETS		
10.1 The following capital expenditure was incurred during the period:		
Furniture and fixtures	4,227	21,236
Motor vehicles	19,468	3,002
Machinery and equipment	3,172	1,435
Computer and related accessories	3,229	6,809
Intangible Assets	410	-
	<u>30,506</u>	<u>32,482</u>
10.2 The following are the written down values of fixed assets disposed off during the period:		
Furniture and fixtures	135	105
Motor vehicles	6,385	3,026
Machinery and equipment	511	223
Computer and related accessories	269	-
	<u>7,300</u>	<u>3,354</u>

11. TRANSACTIONS WITH RELATED PARTIES

The company has related party relationships with its associated company, 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 statements. Other transactions with related parties are summarised as follows:

	Quarter ended 31 March 2011	Quarter ended 31 March 2010
	—————(Rupees in thousand)—————	
Subsidiary company		
Associated undertakings		
Premium written	10,433	-
Claims expense	12,647	6,405
Travelling expenses	-	33
Commission and other incentives in respect of Bancassurance	40,728	7,295
Profit on bank deposits	314	116
Investment advisor fee	28	-
Custodian fee	34	-
Technical support fee	3,226	-
Holding Company		
Premium underwritten	239,514	231,181
Premium received	147,466	167,364
Premium ceded	1,976	350
Claims paid	976,826	142,425
Rent paid	4,664	3,005
Dividend received	-	74,308
		Number of shares
Bonus shares	2,326,228	2,740,126

UNCONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED 31 MARCH 2011

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 2011																						
		Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Treaty		Unallocated Corporate Assets/ Liabilities				Total		Aggregate General Insurance		Life Insurance		Aggregate Life Insurance		Grand Total
		Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Aggregate General Insurance	Conventional Business	Accident and Health Business	Non-utilised investment link business	Aggregate Life Insurance	Grand Total	
(Rupees in thousand)																								
OTHER INFORMATION																								
Segment assets		6,362,428	82,734	853,939	54,367	2,013,991	1,135,692	2,144,595	37,407	-	-	-	-	11,374,953	1,310,200	12,685,153	67,477	143	163,557	-	231,177	12,916,330		
Unallocated assets		-	-	-	-	-	-	-	-	-	-	-	-	12,299,597	1,159,961	13,459,558	-	-	-	-	-	181,685	13,641,243	
Total assets		6,362,428	82,734	853,939	54,367	2,013,991	1,135,692	2,144,595	37,407	-	-	-	-	12,299,597	1,159,961	26,144,711	67,477	143	163,557	-	412,862	26,557,573		
Segment liabilities		6,234,816	66,231	579,988	48,714	1,615,807	2,089,881	2,334,472	29,644	20,332	-	-	-	10,785,425	2,234,470	13,019,895	67,477	143	163,557	-	231,177	13,251,072		
Unallocated liabilities		-	-	-	-	-	-	-	-	-	-	-	-	1,529,846	169,040	1,698,886	-	-	-	-	-	76,792	1,775,678	
Total liabilities		6,234,816	66,231	579,988	48,714	1,615,807	2,089,881	2,334,472	29,644	20,332	-	-	-	1,529,846	169,040	14,718,781	67,477	143	163,557	-	307,969	15,026,750		
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-	-	29,294	612	29,906	-	-	-	-	-	600	30,506	
(Rupees in thousand)																								
OTHER INFORMATION																								
Segment assets		7,696,091	120,913	638,440	59,835	1,044,736	2,408,230	2,197,241	34,218	2,939	-	-	-	11,579,447	2,623,196	14,202,643	83,220	645	119,235	-	203,100	14,405,743		
Unallocated assets		-	-	-	-	-	-	-	-	-	-	-	-	12,105,976	1,306,123	13,412,099	-	-	-	-	-	374,228	13,786,327	
Total assets		7,696,091	120,913	638,440	59,835	1,044,736	2,408,230	2,197,241	34,218	2,939	-	-	-	12,105,976	1,306,123	27,614,742	83,220	645	119,235	-	577,328	28,192,070		
Segment liabilities		7,390,948	101,729	553,040	57,001	1,606,881	2,625,138	2,571,549	33,551	20,936	-	-	-	12,143,154	2,817,419	14,960,573	83,220	645	119,235	-	203,100	15,163,673		
Unallocated liabilities		-	-	-	-	-	-	-	-	-	-	-	-	1,526,644	194,100	1,720,744	-	-	-	-	-	35,328	1,756,072	
Total liabilities		7,390,948	101,729	553,040	57,001	1,606,881	2,625,138	2,571,549	33,551	20,936	-	-	-	1,526,644	194,100	16,681,317	83,220	645	119,235	-	238,428	16,919,745		
Capital expenditure		-	-	-	-	-	-	-	-	-	-	-	-	311,318	3,896	315,214	-	-	-	-	-	30,216	345,430	

