



Head Office

6th Floor, Adamjee House, I.I. Chundrigar Road, Karachi-74000, Pakistan

www.adamjeeinsurance.com

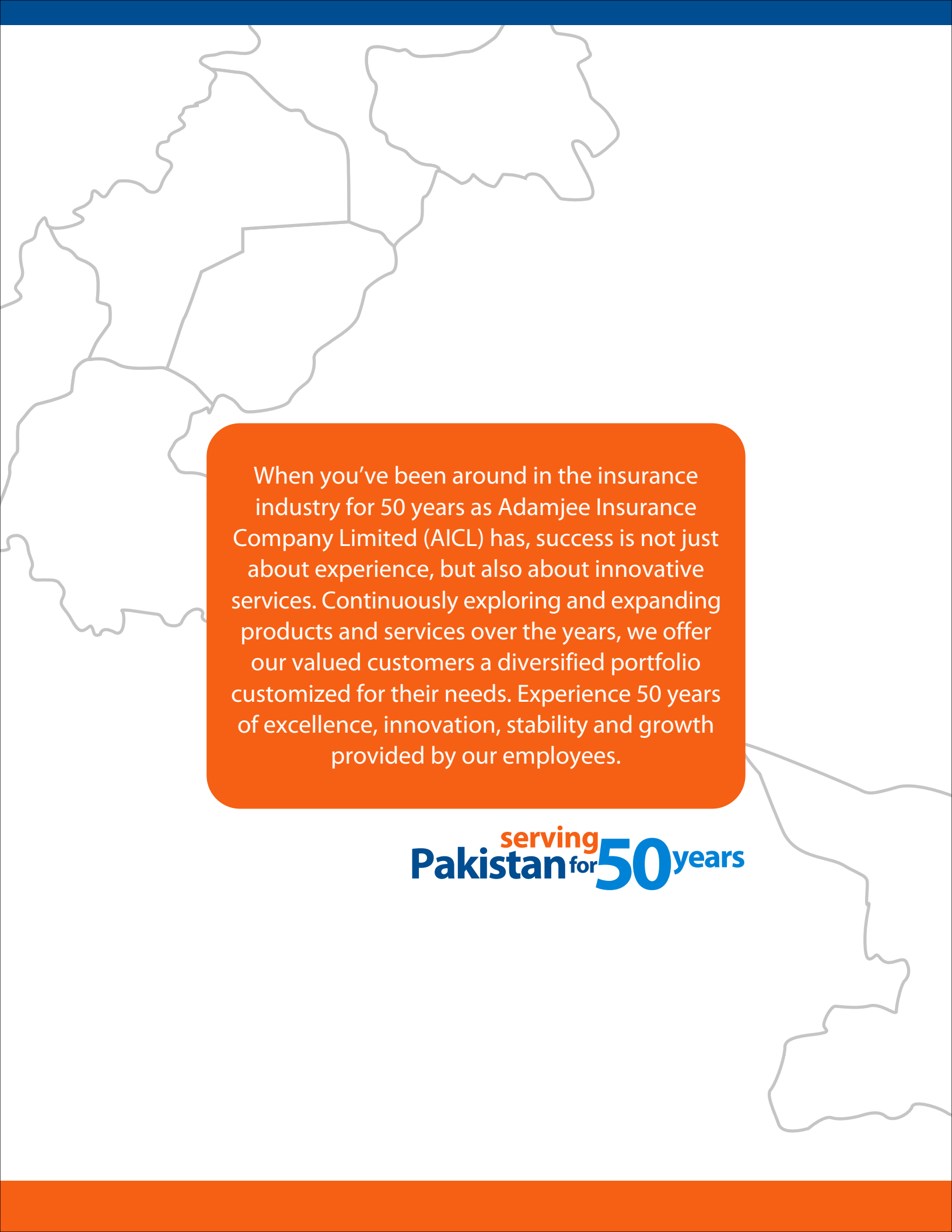


**serving
Pakistan
for 50 years**

Adamjee Insurance Company Limited

***financial statements
for the nine months ended
30 September 2010 (Unaudited)***

**adamjee
insurance**

A light gray outline map of Pakistan is positioned in the upper left and right corners of the page, framing the central text box.

When you've been around in the insurance industry for 50 years as Adamjee Insurance Company Limited (AICL) has, success is not just about experience, but also about innovative services. Continuously exploring and expanding products and services over the years, we offer our valued customers a diversified portfolio customized for their needs. Experience 50 years of excellence, innovation, stability and growth provided by our employees.

serving
Pakistan for **50** years

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vision

“Our will is to Explore, Innovate & Differentiate. Our passion is to provide Leadership to the Insurance Industry”.

core values

- ▴ Integrity: Transparency and Honesty without Compromise
- ▴ Humility: Empathy, Self Esteem and Respect in all relationships
- ▴ Fun at Workplace: Work Life Balance
- ▴ Corporate Social Responsibility: Service to Humanity



Board of Directors

Umer Mansha	Chairman
Ahmed Ebrahim Hasham	Director
Ali Munir	Director
Alman Aslam	Director
Hassan Mansha	Director
Ibrahim Shamsi	Director
Khalid Qadeer Qureshi	Director
Muhammad Usman Ali Usmani (Appointed w.e.f. 08/07/2010)	Director
Nabiha Shahnawaz Cheema	Director
S. M. Jawed	Director
Muhammad Ali Zeb	Managing Director & CEO

Advisor

Mian Mohammad Mansha

Audit Committee

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

Human Resource Committee

Hassan Mansha	Chairman
Ibrahim Shamsi	Member
Umer Mansha	Member
Muhammad Ali Zeb	Member

Risk Management Committee

S. M. Jawed	Chairman
Ali Munir	Member
Umer Mansha	Member

Strategic Committee

Umer Mansha	Chairman
Alman Aslam	Member
S. M. Jawed	Member
Muhammad Ali Zeb	Member

Secretary

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

Chief Financial Officer

Mudassar Zubair Ahmed Mirza,
A.C.A., A.C.M.A. (UK)

Head of Internal Audit

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

Executive Directors

Jehangir Bashir Nawaz
Manzar Mushtaq

Auditors

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

Shares Registrar

Technology Trade (Pvt.) Limited
Dagia House, 241-C, Block-2, P.E.C.H.S.,
Off Shahrah-e-Quaideen, Karachi

Bankers

Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Barclays Bank PLC, Pakistan
Citibank N.A.
Faysal Bank Limited
Habib Bank Limited
HSBC Middle East Bank Limited
KASHF Microfinance Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Oman International Bank S.A.O.G.
Rozgar Microfinance Bank Limited
Soneri Bank Limited
Standard Chartered Bank Limited
Tameer Micro Finance Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited

Registered Office

Adamjee House
P.O. Box No. 4850
I.I. Chundrigar Road, Karachi-74000, Pakistan
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Website: www.adamjeeinsurance.com



Directors' Report to the Members

For the nine months ended 30 September 2010

On behalf of the Board, I am pleased to present the unconsolidated financial statements of the Company for the nine months ended 30 September 2010.

The highlights for the period under review are as under:

	30 September 2010	30 September 2009
	(Rupees in thousand)	
Gross Premium	8,445,598	7,405,108
Net Premium	5,049,611	5,187,372
Underwriting Results	223,011	557,316
Investment Income	335,991	2,296,039
Profit Before Tax	231,960	2,538,521
Profit After Tax	133,317	2,308,817
Earnings per Share (Rupees)	1.08	18.66

During the period under review, Company has underwritten the premium of Rs. 8,446 million and registered growth of 14% over the corresponding period. However, the same could not be reflected in the underwriting results as the third quarter has seen considerable increase in claim expenses under the classes of 'Fire and Property Damage' and 'Crop' business due to the natural catastrophe and floods in the country.

The investment income of the Company has declined by 85% as compared to last year and there is a charge of Rs.165 million during the period due to adverse position of stock markets in the country. The substantial amount of Rs. 2,296 million in the nine months of 2009 was mainly due to the Reversal of provision for 'available for sales' investments, which amounts to Rs. 1,551 million. The Profit Before and After Tax declined by 91 % and 94 % 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 premier choice. We are also grateful to the Insurance Division, Security and Exchange Commission of Pakistan and State Bank of Pakistan for their continued guidance and assistance.

On behalf of the Board of Directors

Muhammad Ali Zeb

Managing Director & Chief Executive

Karachi: 28 October 2010



***Unconsolidated Condensed
Interim Financial Statements***

***for the nine months ended
30 September 2010 (Unaudited)***

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2010 (Unaudited)

	Note	(Unaudited) 30 September 2010	(Audited) 31 December 2009
(Rupees in thousand)			
Share capital and reserves			
Authorised share capital		1,500,000	1,500,000
Paid-up share capital		1,237,045	1,124,586
Retained earnings		8,248,508	8,520,042
Reserves		1,168,773	1,136,547
		9,417,281	9,656,589
TOTAL EQUITY		10,654,326	10,781,175
Underwriting provisions			
Provision for outstanding claims (including IBNR)		6,929,685	3,575,903
Provision for unearned premium		4,893,389	4,405,817
Commission income unearned		337,473	228,439
Total underwriting provisions		12,160,547	8,210,159
Deferred liabilities			
Deferred taxation		85,429	87,834
Staff retirement benefits		16,829	13,581
		102,258	101,415
Creditors and Accruals			
Premiums received in advance		121,536	91,147
Amounts due to other insurers / reinsurers		1,044,845	948,716
Accrued expenses		112,576	139,319
Taxation - provision less payments		13,899	-
Other creditors and accruals		1,328,539	1,165,571
		2,621,395	2,344,753
Borrowings			
Liabilities against assets subject to finance lease		119,913	148,911
Other liabilities			
Unclaimed dividends		150,985	25,965
TOTAL LIABILITIES		15,155,098	10,831,203
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		25,809,424	21,612,378

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

	Note	(Unaudited) 30 September 2010	(Audited) 31 December 2009
(Rupees in thousand)			
Cash and bank deposits			
Cash and other equivalents		3,103	61,740
Current and other accounts		889,644	686,915
Deposits maturing within 12 months		1,538,505	1,408,449
		2,431,252	2,157,104
Loans			
To employees		25,592	28,383
Investments			
	7	9,439,894	9,658,030
Current assets - others			
Premiums due but unpaid	8	3,973,545	3,818,046
Amounts due from other insurers / reinsurers	9	858,948	716,962
Salvage recoveries accrued		106,727	115,753
Premium and claim reserves retained by cedants		24,235	24,235
Accrued investment income		64,424	41,307
Reinsurance recoveries against outstanding claims		5,185,428	1,845,562
Taxation - payments less provision		-	1,485
Deferred commission expense		560,907	399,884
Prepayments		1,790,685	1,548,922
Sundry receivables		261,490	206,392
		12,826,389	8,718,548
Fixed Assets - Tangible & Intangible			
	10		
Owned			
Land and buildings		273,323	174,660
Furniture and fixtures		39,110	29,580
Motor vehicles		203,819	190,681
Machinery and equipment		324,213	373,223
Computers and related accessories		51,177	49,324
Intangible asset - computer software		32,973	38,269
		924,615	855,737
Leased			
Motor vehicles		161,682	194,576
TOTAL ASSETS		25,809,424	21,612,378


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 September, 2010	Quarter ended 30 September, 2009
(Rupees in thousand)							
Revenue account							
Net premium revenue	270,525	208,948	829,299	309,753	-	1,618,525	1,608,817
Net claims	(346,817)	(95,474)	(573,907)	(361,972)	-	(1,378,170)	(1,072,342)
Expenses	(53,831)	(41,076)	(136,582)	(61,993)	-	(293,482)	(280,868)
Net commission	(22,693)	(48,206)	(59,930)	14,694	-	(116,135)	(99,298)
Underwriting result	(152,816)	24,192	58,880	(99,518)	-	(169,262)	156,309
Investment income						112,608	1,735,909
Rental income						164	114
Other income						37,174	30,362
						(19,316)	1,922,694
General and administration expenses						(129,820)	(144,764)
Exchange gain-net						(192)	2,644
Finance charges on lease liabilities						(4,632)	(4,452)
Profit before tax						(153,960)	1,776,122
Provision for taxation							
- Current						9,165	(53,190)
- Prior						-	-
- Deferred						(20,579)	3,356
Profit after tax						(165,374)	1,726,288

Earnings per share - basic

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Nine months ended 30 September, 2010	Nine months ended 30 September, 2009
(Rupees in thousand)							
Revenue account							
Net premium revenue	851,294	699,735	2,522,752	975,830	-	5,049,611	5,187,372
Net claims	(719,926)	(318,147)	(1,705,513)	(821,399)	(460)	(3,565,445)	(3,339,306)
Expenses	(162,772)	(132,148)	(412,744)	(187,436)	-	(895,100)	(877,392)
Net commission	(84,761)	(135,741)	(173,193)	27,640	-	(366,055)	(413,358)
Underwriting result	(116,165)	113,699	231,302	(5,365)	(460)	223,011	557,316
Investment income						335,991	2,296,039
Rental income						882	361
Other income						108,187	121,074
						668,071	2,974,790
General and administration expenses						(421,271)	(434,521)
Exchange gain-net						15	3,554
Finance charges on lease liabilities						(14,855)	(5,302)
Profit before tax						231,960	2,538,521
Provision for taxation							
- Current						(89,556)	(195,608)
- Prior						-	43,957
- Deferred						(9,087)	(78,053)
Profit after tax						133,317	2,308,817
Balance at the commencement of the year						8,520,042	6,458,717
Profit after tax for the period						133,317	2,308,817
Final dividend for the year ended 31 December 2009 @ 15% (Rs. 1.5/- per share) [2008: @ 10% (Re. 1.0/- per share)]						(168,688)	(102,235)
Issue of bonus shares for the year ended 31 December 2009 @ 10 percent (2008: 10%)						(112,459)	(102,235)
Interim dividend @10%(Re.1/- per share) (2009: 1.5/- per share)						(123,704)	(168,688)
Balance unappropriated profit at the end of the period						8,248,508	8,394,376

Earnings per share - basic

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


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended 30 September, 2010	Quarter ended 30 September, 2009
(Rupees in thousand)							
Revenue account							
Net premium revenue	264,947	197,459	503,268	307,219	-	1,272,893	1,356,236
Net claims	(346,810)	(95,066)	(420,304)	(361,105)	-	(1,223,285)	(935,131)
Expenses	(53,231)	(39,835)	(101,280)	(61,722)	-	(256,068)	(236,892)
Net commission	(24,550)	(46,707)	(32,355)	14,171	-	(89,441)	(77,704)
Underwriting result	(159,644)	15,851	(50,671)	(101,437)	-	(295,901)	106,509
Investment income						112,608	1,735,909
Rental income						164	114
Other income						28,673	23,207
						(154,456)	1,865,739
General and administration expenses						(119,246)	(134,586)
Exchange (loss) / gain-net						(192)	100
Finance charges on lease liabilities						(4,632)	(4,452)
Profit before tax						(278,526)	1,726,801

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Nine months ended 30 September, 2010	Nine months ended 30 September, 2009
(Rupees in thousand)							
Revenue account							
Net premium revenue	833,202	664,968	1,627,508	965,381	-	4,091,059	4,420,721
Net claims	(718,742)	(312,100)	(1,234,214)	(820,497)	(460)	(3,086,013)	(2,955,817)
Expenses	(160,778)	(128,315)	(314,051)	(186,284)	-	(789,428)	(793,427)
Net commission	(88,109)	(124,913)	(110,648)	26,192	-	(297,478)	(333,163)
Underwriting result	(134,427)	99,640	(31,405)	(15,208)	(460)	(81,860)	338,314
Investment income						335,991	2,296,039
Rental income						882	361
Other income						86,290	100,390
						341,303	2,735,104
General and administration expenses						(374,236)	(416,300)
Exchange gain						15	354
Finance charges on lease liabilities						(14,855)	(5,302)
Profit before tax						(47,773)	2,313,856

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Quarter ended 30 September, 2010	Quarter ended 30 September, 2009
(Rupees in thousand)						
Revenue account						
Net premium revenue	5,578	11,489	326,031	2,534	345,632	252,581
Net claims	(7)	(408)	(153,603)	(867)	(154,885)	(137,211)
Expenses	(600)	(1,241)	(35,302)	(271)	(37,414)	(43,976)
Net commission	1,857	(1,499)	(27,575)	523	(26,694)	(21,594)
Underwriting result	6,828	8,341	109,551	1,919	126,639	49,800
Investment income					-	-
Rental income					-	-
Other income					8,501	7,155
					135,140	56,955
General and administration expenses					(10,574)	(10,178)
Exchange gain-net					-	2,544
Finance charges on lease liabilities					-	-
Profit before tax					124,566	49,321

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Nine months ended 30 September, 2010	Nine months ended 30 September, 2009
(Rupees in thousand)						
Revenue account						
Net premium revenue	18,092	34,767	895,244	10,449	958,552	766,651
Net claims	(1,184)	(6,047)	(471,299)	(902)	(479,432)	(383,489)
Expenses	(1,994)	(3,833)	(98,693)	(1,152)	(105,672)	(83,965)
Net commission	3,348	(10,828)	(62,545)	1,448	(68,577)	(80,195)
Underwriting result	18,262	14,059	262,707	9,843	304,871	219,002
Investment income					-	-
Rental income					-	-
Other income					21,897	20,684
					326,768	239,686
General and administration expenses					(47,035)	(18,221)
Exchange gain -net					-	3,200
Finance charges on lease liabilities					-	-
Profit before tax					279,733	224,665

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	(Unaudited) Nine months ended 30 September 2010	(Unaudited) Nine months ended 30 September 2009	(Unaudited) Quarter ended 30 September 2010	(Unaudited) Quarter ended 30 September 2009
	(Rupees in thousand)			
Profit for the period	133,317	2,308,817	(165,374)	1,726,288
Other comprehensive income:				
Effect of translation of net investment in foreign branches	32,226	656	10,169	-
Total comprehensive income for the period	165,543	2,309,473	(155,205)	1,726,288

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	Share Capital	Capital Reserves				Revenue Reserves		Total
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	Reserve for exceptional losses	Exchange translation reserve	Investment fluctuation reserve	General reserve	Retained earnings	
	(Rupees in thousand)							
Balance as at 31 December 2008	1,022,351	-	22,859	114,452	3,764	936,500	6,458,717	8,558,643
Total comprehensive income for the nine months ended 30 September 2009	-	-	-	656	-	-	2,308,817	2,309,473
Final dividend for the year ended 31 December 2008 @10%(Re. 1.0/- per share)	-	-	-	-	-	-	(102,235)	(102,235)
Transfer to Reserve for issue of Bonus shares	-	102,235	-	-	-	-	(102,235)	-
Issue of bonus shares for the year ended 31 December 2008	102,235	(102,235)	-	-	-	-	-	-
Interim dividend @15% (Rs. 1.5 per share)	-	-	-	-	-	-	(168,688)	(168,688)
Balance as at 30 September 2009	<u>1,124,586</u>	<u>-</u>	<u>22,859</u>	<u>115,108</u>	<u>3,764</u>	<u>936,500</u>	<u>8,394,376</u>	<u>10,597,193</u>
Balance as at 31 December 2009	1,124,586	-	22,859	173,424	3,764	936,500	8,520,042	10,781,175
Total comprehensive income for the nine months ended 30 September 2010	-	-	-	32,226	-	-	133,317	165,543
Final dividend for the year ended 31 December 2009	-	-	-	-	-	-	(168,688)	(168,688)
Transfer to Reserve for issue of Bonus shares	-	112,459	-	-	-	-	(112,459)	-
Issue of bonus shares for the year ended 31 December 2008	112,459	(112,459)	-	-	-	-	-	-
Interim dividend @10% (Re.1 per share)	-	-	-	-	-	-	(123,704)	(123,704)
Balance as at 30 September 2010	<u>1,237,045</u>	<u>-</u>	<u>22,859</u>	<u>205,650</u>	<u>3,764</u>	<u>936,500</u>	<u>8,248,508</u>	<u>10,654,326</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

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)	
Reconciliation to Profit and Loss Account		
Operating cash flows	21,657	320,647
Depreciation expense	(139,210)	(113,279)
Provision for gratuity	(3,248)	(3,539)
Other income-bank deposits	95,220	109,475
Profit on disposal of fixed assets	2,177	3,093
Financial charges on lease obligations	(14,855)	(5,301)
Rental income	882	361
Increase/(Decrease) in assets other than cash	4,070,955	(98,434)
(Increase)/Decrease in liabilities other than running finance	(3,725,557)	220,836
	308,021	433,859
Others		
Profit on sale of investments	92,529	117,867
Amortization expense	(8,765)	(8,355)
Increase in unearned premium	(487,572)	(139,842)
Amortization of income on Government Securities - net	2,160	31,427
Profit on Pakistan Investment Bonds	11,554	9,225
Decrease in loans	(1,379)	(1,838)
Income tax paid/(refund)	85,664	(41,342)
Reversal for diminution in value of investments	(165,341)	1,838,197
Dividend, investment and other income	376,460	277,309
Income on TFCs	18,629	22,014
	(76,061)	2,104,662
Profit before taxation	231,960	2,538,521

Definition of cash:

Cash comprises of cash in hand, bank balances excluding Rs.4.451 million (2009: 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.

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)	
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	3,103	1,455
Current and other accounts		
Current and saving accounts	889,644	543,444
Deposits maturing within 12 months		
Fixed and term deposits accounts	1,534,054	602,741
Total cash and cash equivalents	2,426,801	1,147,640

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)	
a) Underwriting activities		
Premiums received	7,066,959	6,728,278
Reinsurance premiums paid	(2,678,321)	(2,082,577)
Claims paid	(3,815,956)	(4,252,382)
Surrenders paid	(96,996)	(30,413)
Reinsurance and other recoveries received	627,508	1,023,905
Commissions paid	(646,957)	(630,511)
Commissions received	491,359	329,746
Other underwriting payments	(840,040)	(519,152)
Net cash flow from underwriting activities	107,556	566,894
b) Other operating activities		
Income tax (paid)/refund	(85,664)	41,342
General and other expenses paid	(262,194)	(388,403)
Loans disbursed	(22,449)	(30,262)
Loan repayments received	22,400	32,103
Other receipts	8,475	6,477
Net cash flow from other operating activities	(339,432)	(338,743)
Total cash flow from all operating activities	(231,876)	228,151
Investment activities		
Profit / return received	88,169	109,463
Dividends received	351,979	263,420
Investments purchased	(3,851,710)	(4,062,127)
Proceeds from disposal of investments	4,007,068	2,930,330
Fixed capital expenditure	(208,031)	(112,847)
Proceeds from disposal of fixed assets	28,798	52,726
Income received on Rent	3,249	-
Income received on PIBS	9,555	-
Income received on TFC	14,950	17,951
Total cash flow from investing activities	444,027	(801,084)
Financing activities		
Lease rentals paid	(33,244)	(10,338)
Dividends paid	(167,372)	(104,521)
Total cash flow from financing activities	(200,616)	(114,859)
Net cash outflow from all activities	11,535	(687,792)
Cash at the beginning of the period	1,240,605	1,151,374
Cash at the end of the period	1,252,140	463,582

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)	
Reconciliation to Profit and Loss Account		
Operating cash flows	(231,876)	228,151
Depreciation expense	(136,765)	(111,579)
Provision for gratuity	-	-
Other income-bank deposits	75,526	91,173
Profit on disposal of fixed assets	2,303	3,093
Financial charges on lease obligations	(14,855)	(5,301)
Rental income	882	361
Increase/(Decrease) in assets other than cash	3,878,815	(355,578)
(Increase)/Decrease in liabilities other than running finance	(3,539,736)	392,065
	34,294	242,385
Others		
Profit on sale of investments	92,529	117,867
Amortization expense	(8,765)	(8,355)
Increase in unearned premium	(495,006)	(173,030)
Amortization of income on Government Securities - net	2,160	31,427
Profit on Pakistan Investment Bonds	11,554	9,225
Decrease in loans	49	(1,841)
Income tax paid/(refund)	85,664	(41,342)
Reversal for diminution in value of investments	(165,341)	1,838,197
Dividend, investment and other income	376,460	277,309
Income on TFCs	18,629	22,014
	(82,067)	2,071,471
(Loss) / Profit before taxation	(47,773)	2,313,856

Definition of cash:

Cash comprises of cash in hand, bank balances excluding Rs.4.451 million (2009: 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.

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)	
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	2,868	1,229
Current and other accounts		
Current and saving accounts	745,381	457,637
Deposits maturing within 12 months		
Fixed and term deposits accounts	503,891	4,716
Total cash and cash equivalents	1,252,140	463,582

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Nine months ended Nine months ended
30 September 30 September
2010 2009

 (Rupees in thousand)

Operating Cash Flows

a) Underwriting activities

Premiums received	1,352,132	801,389
Reinsurance premiums paid	(402,919)	(189,971)
Claims paid	(757,900)	(620,278)
Surrenders paid	(1,607)	(1,029)
Reinsurance and other recoveries received	261,859	197,184
Commissions paid	(136,865)	(76,651)
Commissions received	55,622	41,894
Other underwriting payments	(76,440)	(39,061)
Net cash flow from underwriting activities	293,882	113,477

b) Other operating activities

Income tax (paid)/refund	-	-
General and other expenses paid	(44,106)	(26,560)
Loans disbursed	(2,435)	(2,941)
Loan repayments received	3,863	2,938
Other receipts	2,329	5,582
Net cash flow from other operating activities	(40,349)	(20,981)

Total cash flow from all operating activities

253,533 92,496

Investment activities

Profit/return received	11,727	18,830
Dividends received	-	-
Investments purchased	-	-
Proceeds from disposal of investments	-	-
Fixed capital expenditure	(3,454)	-
Proceeds from disposal of fixed assets	807	-
Income received on Rent	-	-
Income received on PIBS	-	-
Income received on TFC	-	-
Total cash flow from investing activities	9,080	18,830

Financing activities

Lease rentals paid	-	-
Dividends paid	-	-

Total cash flow from financing activities

-

Net cash outflow from all activities

262,613

Cash at the beginning of the period **912,048** 572,732

Cash at the end of the period

1,174,661 684,058

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)	
Reconciliation to Profit and Loss Account		
Operating cash flows	253,533	92,496
Depreciation expense	(2,445)	(1,700)
Provision for gratuity	(3,248)	(3,539)
Other income-bank deposits	19,694	18,302
Loss on disposal of fixed assets	(126)	-
Financial charges on lease obligations	-	-
Rental income	-	-
Increase in assets other than cash	192,140	257,144
Increase in liabilities other than running finance	(185,821)	(171,229)
	273,727	191,474
Others		
Profit on sale of investments	-	-
Amortization expense	-	-
Decrease in unearned premium	7,434	33,188
Amortization of income on Government Securities - net	-	-
Profit on Pakistan Investment Bonds	-	-
(Increase)/Decrease in loans	(1,428)	3
Income tax paid/(refund)	-	-
Reversal for diminution in value of investments	-	-
Dividend, investment and other income	-	-
Income on TFCs	-	-
	6,006	33,191
Profit before taxation	279,733	224,665

Definition of cash:

Cash comprises of cash in hand, bank balances excluding Rs.4.451 million : Nil (2009: Rs 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.

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)	
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	235	226
Current and other accounts		
Current and saving accounts	144,263	85,807
Deposits maturing within 12 months		
Fixed and term deposits accounts	1,030,163	598,025
Total cash and cash equivalents	1,174,661	684,058

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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 30 September 2010	Quarter ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	980,944	1,964,759	1,959,888	985,815	602,060	1,381,417	1,268,187	715,290	270,525	213,013
Marine, aviation and transport	256,549	75,005	81,070	250,484	41,317	15,577	15,358	41,536	208,948	225,985
Motor	866,574	1,972,309	1,898,891	939,992	96,128	191,295	176,730	110,693	829,299	841,347
Miscellaneous	483,251	968,193	953,540	497,904	155,587	322,872	290,308	188,151	309,753	328,472
Total	2,587,318	4,980,266	4,893,389	2,674,195	895,092	1,911,161	1,750,583	1,055,670	1,618,525	1,608,817

Treaty

Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Grand Total	2,587,318	4,980,266	4,893,389	2,674,195	895,092	1,911,161	1,750,583	1,055,670	1,618,525	1,608,817
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Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Nine months ended 30 September 2010	Nine months ended 30 September 2009

(Rupees in thousand)

Direct and facultative

Fire and property damage	3,167,171	1,685,968	1,959,888	2,893,251	2,173,095	1,137,049	1,268,187	2,041,957	851,294	866,832
Marine, aviation and transport	862,609	42,099	81,070	823,638	134,106	5,155	15,358	123,903	699,735	764,399
Motor	2,844,172	1,900,021	1,898,891	2,845,302	301,872	197,408	176,730	322,550	2,522,752	2,637,070
Miscellaneous	1,571,646	777,729	953,540	1,395,835	568,296	142,017	290,308	420,005	975,830	918,954
Total	8,445,598	4,405,817	4,893,389	7,958,026	3,177,369	1,481,629	1,750,583	2,908,415	5,049,611	5,187,255

Treaty

Proportional	-	-	-	-	-	-	-	-	-	117
Total	-	-	-	-	-	-	-	-	-	117

Grand Total	8,445,598	4,405,817	4,893,389	7,958,026	3,177,369	1,481,629	1,750,583	2,908,415	5,049,611	5,187,372
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The annexed notes form an integral part of this condensed interim unconsolidated financial information.

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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 30 September 2010	Quarter ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	962,521	1,926,686	1,923,750	965,457	587,485	1,354,110	1,241,085	700,510	264,947	203,077
Marine, aviation and transport	235,589	72,153	70,357	237,385	38,179	14,256	12,509	39,926	197,459	198,147
Motor	530,754	1,014,427	1,034,250	510,931	7,475	2,841	2,653	7,663	503,268	632,307
Miscellaneous	477,533	950,878	937,990	490,421	153,086	313,089	282,973	183,202	307,219	322,705
Total	2,206,397	3,964,144	3,966,347	2,204,194	786,225	1,684,296	1,539,220	931,301	1,272,893	1,356,236

Treaty

Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Grand Total	2,206,397	3,964,144	3,966,347	2,204,194	786,225	1,684,296	1,539,220	931,301	1,272,893	1,356,236
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Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Nine months ended 30 September 2010	Nine months ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	3,114,840	1,634,259	1,923,750	2,825,349	2,135,011	1,098,221	1,241,085	1,992,147	833,202	828,117
Marine, aviation and transport	810,096	46,726	70,357	786,465	127,607	6,399	12,509	121,497	664,968	689,065
Motor	1,660,578	1,024,231	1,034,250	1,650,559	23,730	1,974	2,653	23,051	1,627,508	2,003,067
Miscellaneous	1,547,798	766,126	937,990	1,375,934	556,870	136,656	282,973	410,553	965,381	900,355
Total	7,133,312	3,471,342	3,966,347	6,638,307	2,843,218	1,243,250	1,539,220	2,547,248	4,091,059	4,420,604

Treaty

Proportional	-	-	-	-	-	-	-	-	-	117
Total	-	-	-	-	-	-	-	-	-	117

Grand Total	7,133,312	3,471,342	3,966,347	6,638,307	2,843,218	1,243,250	1,539,220	2,547,248	4,091,059	4,420,721
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The annexed notes form an integral part of this condensed interim unconsolidated financial information.

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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 30 September 2010	Quarter ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	18,423	38,073	36,138	20,358	14,575	27,307	27,102	14,780	5,578	9,936
Marine, aviation and transport	20,960	2,852	10,713	13,099	3,138	1,321	2,849	1,610	11,489	27,838
Motor	335,820	957,882	864,641	429,061	88,653	188,454	174,077	103,030	326,031	209,040
Miscellaneous	5,718	17,315	15,550	7,483	2,501	9,783	7,335	4,949	2,534	5,767
Total	380,921	1,016,122	927,042	470,001	108,867	226,865	211,363	124,369	345,632	252,581

Treaty

Proportional	-	-	-	-	-	-	-	-	-	-
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Total	-	-	-	-	-	-	-	-	-	-
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Grand Total	380,921	1,016,122	927,042	470,001	108,867	226,865	211,363	124,369	345,632	252,581
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Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Nine months ended 30 September 2010	Nine months ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	52,331	51,709	36,138	67,902	38,084	38,828	27,102	49,810	18,092	38,715
Marine, aviation and transport	52,513	(4,627)	10,713	37,173	6,499	(1,244)	2,849	2,406	34,767	75,334
Motor	1,183,594	875,790	864,641	1,194,743	278,142	195,434	174,077	299,499	895,244	634,003
Miscellaneous	23,848	11,603	15,550	19,901	11,426	5,361	7,335	9,452	10,449	18,599
Total	1,312,286	934,475	927,042	1,319,719	334,151	238,379	211,363	361,167	958,552	766,651

Treaty

Proportional	-	-	-	-	-	-	-	-	-	-
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Total	-	-	-	-	-	-	-	-	-	-
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Grand Total	1,312,286	934,475	927,042	1,319,719	334,151	238,379	211,363	361,167	958,552	766,651
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The annexed notes form an integral part of this condensed interim unconsolidated financial information.

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

Class	Total claims paid	Outstanding claims		Claims expenses	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 30 September 2010	Quarter ended 30 September 2009

(Rupees in thousand)

Direct and facultative

Fire and property damage	297,909	1,146,840	3,733,276	2,884,345	129,978	740,781	3,148,331	2,537,528	346,817	152,788
Marine, aviation and transport	91,226	347,472	350,858	94,612	(2,281)	168,572	169,991	(862)	95,474	91,252
Motor	707,865	1,491,513	1,524,816	741,168	106,198	887,982	949,045	167,261	573,907	602,018
Miscellaneous	290,418	615,060	1,297,773	973,131	46,751	460,380	1,024,788	611,159	361,972	226,284
Total	1,387,418	3,600,885	6,906,723	4,693,256	280,646	2,257,715	5,292,155	3,315,086	1,378,170	1,072,342

Treaty

Proportional	-	22,962	22,962	-	-	-	-	-	-	-
Total	-	22,962	22,962	-	-	-	-	-	-	-
Grand Total	1,387,418	3,623,847	6,929,685	4,693,256	280,646	2,257,715	5,292,155	3,315,086	1,378,170	1,072,342

Class	Total claims paid	Outstanding claims		Claims expenses	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		Nine months ended 30 September 2010	Nine months ended 30 September 2009

(Rupees in thousand)

Direct and facultative

Fire and property damage	1,238,454	1,168,771	3,733,276	3,802,959	644,405	709,703	3,148,331	3,083,033	719,926	472,036
Marine, aviation and transport	318,622	359,826	350,858	309,654	5,389	183,873	169,991	(8,493)	318,147	277,331
Motor	2,155,057	1,471,832	1,524,816	2,208,041	259,090	705,607	949,045	502,528	1,705,513	1,873,669
Miscellaneous	861,263	552,512	1,297,773	1,606,524	122,469	362,132	1,024,788	785,125	821,399	705,628
Total	4,573,396	3,552,941	6,906,723	7,927,178	1,031,353	1,961,315	5,292,155	4,362,193	3,564,985	3,328,664

Treaty

Proportional	460	22,962	22,962	460	-	-	-	-	460	10,642
Total	460	22,962	22,962	460	-	-	-	-	460	10,642
Grand Total	4,573,856	3,575,903	6,929,685	7,927,638	1,031,353	1,961,315	5,292,155	4,362,193	3,565,445	3,339,306

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Total claims paid	Outstanding claims		Claims expenses	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 30 September 2010	Quarter ended 30 September 2009

(Rupees in thousand)

Direct and facultative

Fire and property damage	297,893	1,144,680	3,731,101	2,884,314	129,967	738,908	3,146,445	2,537,504	346,810	161,462
Marine, aviation and transport	90,878	336,301	339,627	94,204	(2,281)	168,572	169,991	(862)	95,066	90,713
Motor	407,664	529,262	529,571	407,973	10	116,771	104,430	(12,331)	420,304	456,716
Miscellaneous	290,417	614,162	1,296,008	972,263	46,751	460,283	1,024,690	611,158	361,105	226,240
Total	1,086,852	2,624,405	5,896,307	4,358,754	174,447	1,484,534	4,445,556	3,135,469	1,223,285	935,131

Treaty

Proportional	-	22,962	22,962	-	-	-	-	-	-	-
Total	-	22,962	22,962	-	-	-	-	-	-	-

Grand Total	1,086,852	2,647,367	5,919,269	4,358,754	174,447	1,484,534	4,445,556	3,135,469	1,223,285	935,131
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Class	Total claims paid	Outstanding claims		Claims expenses	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		Nine months ended 30 September 2010	Nine months ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	1,234,595	1,166,655	3,731,101	3,799,041	641,721	707,867	3,146,445	3,080,299	718,742	477,232
Marine, aviation and transport	315,657	351,769	339,627	303,515	5,297	183,873	169,991	(8,585)	312,100	272,944
Motor	1,404,131	695,339	529,571	1,238,363	29	100,310	104,430	4,149	1,234,214	1,489,746
Miscellaneous	861,113	551,574	1,296,008	1,605,547	122,447	362,087	1,024,690	785,050	820,497	705,253
Total	3,815,496	2,765,337	5,896,307	6,946,466	769,494	1,354,137	4,445,556	3,860,913	3,085,553	2,945,175

Treaty

Proportional	460	22,962	22,962	460	-	-	-	-	460	10,642
Total	460	22,962	22,962	460	-	-	-	-	460	10,642

Grand Total	3,815,956	2,788,299	5,919,269	6,946,926	769,494	1,354,137	4,445,556	3,860,913	3,086,013	2,955,817
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The annexed notes form an integral part of this condensed interim unconsolidated financial information.

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Total claims paid	Outstanding claims		Claims expenses	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 30 September 2010	Quarter ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	16	2,160	2,175	31	11	1,873	1,886	24	7	(8,674)
Marine, aviation and transport	348	11,171	11,231	408	-	-	-	-	408	539
Motor	300,201	962,251	995,245	333,195	106,188	771,211	844,615	179,592	153,603	145,302
Miscellaneous	1	898	1,765	868	-	97	98	1	867	44
Total	300,566	976,480	1,010,416	334,502	106,199	773,181	846,599	179,617	154,885	137,211

Treaty

Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	300,566	976,480	1,010,416	334,502	106,199	773,181	846,599	179,617	154,885	137,211

Class	Total claims paid	Outstanding claims		Claims expenses	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		Nine months ended 30 September 2010	Nine months ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	3,859	2,116	2,175	3,918	2,684	1,836	1,886	2,734	1,184	(5,196)
Marine, aviation and transport	2,965	8,057	11,231	6,139	92	-	-	92	6,047	4,387
Motor	750,926	776,493	995,245	969,678	259,061	605,297	844,615	498,379	471,299	383,923
Miscellaneous	150	938	1,765	977	22	45	98	75	902	375
Total	757,900	787,604	1,010,416	980,712	261,859	607,178	846,599	501,280	479,432	383,489

Treaty

Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	757,900	787,604	1,010,416	980,712	261,859	607,178	846,599	501,280	479,432	383,489

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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 30 September 2010	Quarter ended 30 September 2009

(Rupees in thousand)

Direct and facultative

Fire and property damage	146,326	265,464	285,364	126,426	53,831	180,257	103,733	76,524	42,180
Marine, aviation and transport	41,274	19,175	11,575	48,874	41,076	89,950	668	89,282	77,923
Motor	80,201	177,788	183,371	74,618	136,582	211,200	14,688	196,512	204,340
Miscellaneous	34,983	78,019	80,597	32,405	61,993	94,398	47,099	47,299	55,724
Total	302,784	540,446	560,907	282,323	293,482	575,805	166,188	409,617	380,167

Treaty

Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	302,784	540,446	560,907	282,323	293,482	575,805	166,188	409,617	380,167

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Nine months ended 30 September 2010	Nine months ended 30 September 2009

(Rupees in thousand)

Direct and facultative

Fire and property damage	437,128	203,339	285,364	355,103	162,772	517,875	270,342	247,533	198,661
Marine, aviation and transport	141,264	7,197	11,575	136,886	132,148	269,034	1,145	267,889	258,102
Motor	263,052	144,778	183,371	224,459	412,744	637,203	51,266	585,937	651,916
Miscellaneous	123,582	44,570	80,597	87,555	187,436	274,991	115,195	159,796	182,031
Total	965,026	399,884	560,907	804,003	895,100	1,699,103	437,948	1,261,155	1,290,710

Treaty

Proportional	-	-	-	-	-	-	-	-	41
Total	-	-	-	-	-	-	-	-	41
Grand Total	965,026	399,884	560,907	804,003	895,100	1,699,103	437,948	1,261,155	1,290,751

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

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Director

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Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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 30 September 2010	Quarter ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	143,597	262,399	281,486	124,510	53,231	177,741	99,960	77,781	38,923
Marine, aviation and transport	37,525	18,675	9,087	47,113	39,835	86,948	406	86,542	69,823
Motor	44,523	77,764	89,578	32,709	101,280	133,989	354	133,635	150,962
Miscellaneous	34,344	77,252	79,501	32,095	61,722	93,817	46,266	47,551	54,889
Total	259,989	436,090	459,652	236,427	256,068	492,495	146,986	345,509	314,597

Treaty

Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	259,989	436,090	459,652	236,427	256,068	492,495	146,986	345,509	314,597

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Nine months ended 30 September 2010	Nine months ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	429,952	198,639	281,486	347,105	160,778	507,883	258,996	248,887	191,265
Marine, aviation and transport	133,229	4,052	9,087	128,194	128,315	256,509	3,281	253,228	236,960
Motor	137,402	63,952	89,578	111,776	314,051	425,827	1,128	424,699	517,659
Miscellaneous	121,580	44,458	79,501	86,537	186,284	272,821	112,729	160,092	180,666
Total	822,163	311,101	459,652	673,612	789,428	1,463,040	376,134	1,086,906	1,126,550

Treaty

Proportional	-	-	-	-	-	-	-	-	41
Total	-	-	-	-	-	-	-	-	41
Grand Total	822,163	311,101	459,652	673,612	789,428	1,463,040	376,134	1,086,906	1,126,591

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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 30 September 2010	Quarter ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	2,729	3,065	3,878	1,916	600	2,516	3,773	(1,257)	3,257
Marine, aviation and transport	3,749	500	2,488	1,761	1,241	3,002	262	2,740	8,100
Motor	35,678	100,024	93,793	41,909	35,302	77,211	14,334	62,877	53,378
Miscellaneous	639	767	1,096	310	271	581	833	(252)	835
Total	42,795	104,356	101,255	45,896	37,414	83,310	19,202	64,108	65,570

Treaty

Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	42,795	104,356	101,255	45,896	37,414	83,310	19,202	64,108	65,570

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Nine months ended 30 September 2010	Nine months ended 30 September 2009

(Rupees in thousand)

Direct and Facultative

Fire and property damage	7,176	4,700	3,878	7,998	1,994	9,992	11,346	(1,354)	7,396
Marine, aviation and transport	8,035	3,145	2,488	8,692	3,833	12,525	(2,136)	14,661	21,142
Motor	125,650	80,826	93,793	112,683	98,693	211,376	50,138	161,238	134,257
Miscellaneous	2,002	112	1,096	1,018	1,152	2,170	2,466	(296)	1,365
Total	142,863	88,783	101,255	130,391	105,672	236,063	61,814	174,249	164,160

Treaty

Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	142,863	88,783	101,255	130,391	105,672	236,063	61,814	174,249	164,160

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

Nine months ended 30 September 2010	Nine months ended 30 September 2009	Quarter ended 30 September 2010	Quarter ended 30 September 2009
--	--	--	--

(Rupees in thousand)

Income from non-trading investments

Available-for-sale

Return on fixed income securities	2,160	31,427	-	9,531
Return on Term Finance Certificates	18,629	22,014	6,144	7,302
Return on Pakistan Investment Bonds	11,554	9,225	4,080	3,835
Dividend income				
- associated undertakings	205,693	155,948	73,226	54,856
- others	170,767	121,361	57,755	46,052
	376,460	277,309	130,981	100,908
	408,803	339,975	141,205	121,576
Gain/ (Loss) on sale of 'available-for-sale' investments				
- associated undertakings	62,755	145,298	3,881	57,174
- others	29,774	(27,431)	3,345	5,941
	92,529	117,867	7,226	63,115
	501,332	457,842	148,431	184,691
(Charge) / Reversal for impairment in value of 'available-for-sale' investments	(165,341)	1,838,197	(35,823)	1,551,218
Net investment income	335,991	2,296,039	112,608	1,735,909

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

UNCONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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 the 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 Adamjee House, I.I. Chundrigar Road, Karachi.

- 1.1 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

a) Statement of Compliance

This unconsolidated condensed interim financial report of the company for the nine months ended 30 September 2010 has been prepared in accordance with the 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 provisions or directives of Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

The SECP has allowed insurance companies to defer the application of International Accounting Standard - 39 (IAS - 39) 'Financial Instruments: Recognition and Measurement' in respect of "Investment available-for-sale" until suitable amendments have been made in the law. Accordingly, the requirements of IAS - 39, to the extent allowed by SECP, have not been considered in the preparation of this unconsolidated condensed financial information.

b) Basis of presentation

These unconsolidated condensed interim financial information represents separate unconsolidated condensed interim financial information of Adamjee Insurance Company Limited, prepared in accordance with the format prescribed by Insurance Division of SECP in its Circular No. 7 of 2003 dated 27 August, 2003. The consolidated condensed interim financial information of the group is being issued separately.

3. BASIS OF MEASUREMENT

This unconsolidated 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 AND COMPUTATION METHODS

The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the unconsolidated financial statements for the year ended 31 December 2009.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgments and estimates made by the management in the preparation of this unconsolidated 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 2009.

UNCONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

The income tax assessments of the company have been finalized up to and including the tax year 2009. However, the 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 company has made a total provision of Rupees 44.141 million resulting in a shortfall of Rupees 4.064 million. The company filed appeals with the Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal (ITAT) which were decided against the company. Consequently the 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 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 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 company. However, during the period the company received a notice from Additional Commissioner for reassessment of the case. However, the 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 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 company in this respect have been rejected by the Commissioner of Income Tax (Appeals), the ITAT and the Sindh High Court. The 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 favour of the 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 company has not apportioned management and general administration expenses against capital gain and dividend income. The company has filed constitution petition in the High Court of Sindh against the amendment in the assessment order. The company may be liable to pay Rupees 5.881 million in the event of decision against the company, out of which Rupees 2.727 million has been provided by the 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 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 Ordinance in Tax year 2007 creating a demand of Rupees 1.263 million. The company filed an appeal before the Commissioner of Income Tax (Appeals) which has been decided against the company. The company is filing an appeal before the Income Tax Appellate Tribunal.

UNCONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

vii) During the period the 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 company filed a consituitional 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 company, no provision has been made in this unconsolidated condensed interim financial information for the aggregate amount of Rupees 88.201 million (31 December 2009: 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

There were no capital or other commitments as at 30 September 2010 (31 December 2009: Nil).

	Note	30 September 2010	31 December 2009
(Rupees in thousand)			
7. INVESTMENTS			
In related parties			
Available-for-sale			
Marketable securities		6,501,196	6,029,982
Less: Provision for impairment in value of investments		(5,200)	-
		6,495,996	6,029,982
Investment in subsidiary - Adamjee Life Assurance Company Limited		294,065	294,065
		6,790,061	6,324,047
Others			
Available-for-sale			
Marketable securities		3,348,921	3,371,193
Less: Provision for impairment in value of investments		(699,088)	(541,300)
		2,649,833	2,829,893
Fixed income investments		-	504,090
		2,649,833	3,333,983
		9,439,894	9,658,030
8. PREMIUMS DUE BUT UNPAID - Unsecured			
Considered good		3,973,545	3,818,046
Considered doubtful		121,670	119,530
		4,095,215	3,937,576
Less: Provision for doubtful balances	8.1	(121,670)	(119,530)
		3,973,545	3,818,046
8.1 Reconciliation of provision for doubtful balances			
Opening provision		119,530	46,793
Exchange loss		48	90
Charge for the period		7,500	90,864
Written off during the period		(5,408)	(18,217)
Closing provision		121,670	119,530

UNCONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	Note	30 September 2010	31 December 2009
(Rupees in thousand)			
9. AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - Unsecured			
Considered good		858,948	716,962
Considered doubtful		30,000	30,000
		<u>888,948</u>	<u>746,962</u>
Less: Provision for doubtful balances	9.1	(30,000)	(30,000)
		<u>858,948</u>	<u>716,962</u>
9.1 Reconciliation of provision for doubtful balances			
Opening provision		30,000	61,396
Charge for the period		-	50,390
Written off during the period		-	(81,786)
Closing provision		<u>30,000</u>	<u>30,000</u>
10. FIXED ASSETS		30 September 2010	30 September 2009
(Rupees in thousand)			
10.1 The following capital expenditure was incurred during the period:			
Owned			
Building		104,843	-
Furniture and fixtures		13,620	6,222
Motor vehicles		51,990	41,004
Machinery and equipment		22,060	59,032
Computer and related accessories		15,505	3,242
		<u>208,018</u>	<u>109,500</u>
Intangible asset - computer software		3,467	3,347
Leased			
Motor vehicles		-	126,247
		<u>211,485</u>	<u>239,094</u>
10.2 The following are the written down values of fixed assets disposed of during the period:			
Owned			
Furniture and fixtures		179	568
Motor vehicles		15,001	45,185
Machinery and equipment		685	3,351
Computer and related accessories		49	530
Leased			
Motor vehicles		11,514	-
		<u>27,428</u>	<u>49,634</u>

UNCONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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:

	30 September 2010	30 September 2009
	(Rupees in thousand)	
Premium underwritten	715,580	638,528
Premium received	716,061	656,286
Premium ceded	403	14,096
Claims paid	330,772	438,055
Rent paid	12,225	6,967
Dividends received	205,693	153,981
Dividend paid	60,126	36,154
	Number of shares	
Bonus shares received	2,115	3,615
Bonus shares issued	4,008	1,923

12. SEGMENT REPORTING

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:

	30 September 2010						
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Unallocated Corporate Assets/ Liabilities	Total
	(Rupees in thousand)						
OTHER INFORMATION							
Segment assets	6,534,155	692,310	2,945,863	2,299,044	-	-	12,471,372
Unallocated assets	-	-	-	-	-	13,349,052	13,349,052
Total assets	6,534,155	692,310	2,945,863	2,299,044	-	13,349,052	25,809,424
Segment liabilities	6,357,296	552,909	3,851,908	2,541,853	22,962	-	13,326,928
Unallocated liabilities	-	-	-	-	-	1,828,170	1,828,170
Total liabilities	6,357,296	552,909	3,851,908	2,541,853	22,962	1,828,170	15,155,098
Capital expenditure	-	-	-	-	-	211,485	211,485
	31 December 2009						
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Unallocated Corporate Assets/ Liabilities	Total
	(Rupees in thousand)						
OTHER INFORMATION							
Segment assets	3,618,471	688,623	2,707,357	1,387,620	-	-	8,402,071
Unallocated assets	-	-	-	-	-	13,210,307	13,210,307
Total assets	3,618,471	688,623	2,707,357	1,387,620	-	13,210,307	21,612,378
Segment liabilities	3,351,127	514,526	3,789,672	1,571,735	22,962	-	9,250,022
Unallocated liabilities	-	-	-	-	-	1,581,181	1,581,181
Total liabilities	3,351,127	514,526	3,789,672	1,571,735	22,962	1,581,181	10,831,203
Capital expenditure	-	-	-	-	-	138,902	138,902



Consolidated Condensed Interim Financial Statements

***for the nine months ended
30 September 2010 (Unaudited)***



Directors' Report to the Members on Consolidated Financial Statements

For the Nine months ended 30 September 2010

On behalf of the Board, I am pleased to present the consolidated financial statements of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company for the Nine months ended 30 September 2010.

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

	(Rupees in thousand)
Profit before Tax	316,979
Taxation	<u>(102,301)</u>
Profit after Tax	214,678
Profit attributable to minority interest	<u>(5,355)</u>
Profit attributable to ordinary share holders	209,323
Unappropriated profit brought forward	<u>8,522,098</u>
Profit available for appropriation	<u>8,731,421</u>
Appropriation	
Final Dividend for the year ended 31 December 2009	<u>(168,688)</u>
Reserve for issue of bonus shares for the year ended 31 December 2009	<u>(112,459)</u>
Interim Dividend	<u>(123,704)</u>
Profit after appropriation	<u>8,326,570</u>

Earning Per Share

The Nine months consolidated financial statements reflect Rs.1.69 (30 September 2009; Rs.18.67) earning per share for the period under review.

On behalf of the Board of Directors

Karachi: 28 October 2010

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2010

	Note	(Unaudited) 30 September 2010	(Audited) 31 December 2009
————— (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	1,124,586
Retained earnings		8,326,570	8,522,098
Reserves		1,069,110	1,104,707
		<u>9,395,680</u>	<u>9,626,805</u>
Equity attributable to equity holders of the parent		10,632,725	10,751,391
Minority interest		166,093	216,230
Total equity		10,798,818	10,967,621
Balance of statutory funds		103,742	11,499
Underwriting provisions			
Provision for outstanding claims (including IBNR)		6,934,183	3,584,772
Provision for unearned premium		4,893,389	4,405,817
Commission income unearned		337,473	228,439
Total underwriting provisions		<u>12,165,045</u>	<u>8,219,028</u>
Deferred liabilities			
Deferred taxation		74,417	74,270
Staff retirement benefits		18,190	14,298
Creditors and Accruals			
Premiums received in advance		122,313	91,169
Amounts due to other insurers / reinsurers		1,070,685	960,748
Accrued expenses		112,773	156,626
Taxation - provision less payments		11,578	5,455
Other creditors and accruals		1,378,163	1,188,025
		<u>2,695,512</u>	<u>2,402,023</u>
Borrowings			
Liabilities against assets subject to finance lease		119,913	148,911
Other liabilities			
Unclaimed dividends		150,985	25,965
TOTAL LIABILITIES		15,224,062	10,884,495
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		<u>26,126,622</u>	<u>21,863,615</u>

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

	Note	(Unaudited) 30 September 2010	(Audited) 31 December 2009
(Rupees in thousand)			
Cash and bank deposits			
Cash and other equivalents		3,564	61,796
Current and other accounts		909,891	702,913
Deposits maturing within 12 months		1,538,505	1,408,449
		2,451,960	2,173,158
Loans			
To employees		25,592	28,383
Investments			
	7	9,654,549	9,815,444
Current assets - others			
Premiums due but unpaid	8	3,982,760	3,841,755
Amounts due from other insurers/ reinsurers	9	858,948	716,962
Salvage recoveries accrued		106,727	115,753
Premium and claim reserves retained by cedants		24,235	24,235
Accrued investment income		66,240	47,304
Reinsurance recoveries against outstanding claims		5,185,428	1,845,562
Deferred commission expense		560,907	399,884
Prepayments		1,798,893	1,555,207
Sundry receivables		279,349	200,478
		12,863,487	8,747,140
Fixed Assets - Tangible & Intangible			
	10		
Owned			
Land and buildings		273,323	174,660
Furniture and fixtures		47,392	38,843
Motor vehicles		210,744	200,253
Capital work-in-progress		324,213	22,575
Machinery and equipment		53,282	375,731
Computers and related accessories		41,528	54,583
Intangible asset - computer software		18,870	38,269
		969,352	904,914
Leased			
Motor vehicles		161,682	194,576
TOTAL ASSETS		26,126,622	21,863,615

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	General Insurance					Life Insurance			Total	
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Conventional Business	Non-unionized Investment Linked Business	Accident and Health Business	Quarter ended 30 September 2010	Quarter ended 30 September 2009
	(Rupees in thousand)									
Revenue account										
Net premium revenue	270,524	208,949	829,299	309,753	-	20,058	107,904	11	1,746,498	1,614,554
Net claims	(346,817)	(95,474)	(573,908)	(361,972)	-	(2,494)	(59)	-	(1,380,724)	(1,073,146)
Expenses	(53,831)	(41,076)	(136,582)	(61,992)	-	(16,161)	(22,546)	(1,436)	(333,624)	(300,669)
Net commission	(22,692)	(48,207)	(59,929)	14,694	-	(743)	(65,213)	(5)	(182,095)	(99,412)
Net Investment income - statutory fund	-	-	-	-	-	939	873	1	1,813	-
Add: Policyholder's liabilities at beginning of the year	-	-	-	-	-	-	-	-	-	-
Less: Policyholder's liabilities at end of the year	-	-	-	-	-	(10,019)	(48,556)	-	(58,575)	-
Capital contribution from shareholder's fund	-	-	-	-	-	8,419	27,598	1,429	37,446	14,982
Surplus / deficit of policyholder funds	-	-	-	-	-	(3)	(4)	2	(5)	-
Underwriting result	(152,816)	24,192	58,880	(99,517)	-	(4)	(3)	2	(169,266)	156,309
Investment income - other									118,509	1,759,925
Rental income									164	114
Other income									36,966	30,362
									(13,627)	1,946,710
General and administration expenses									(133,250)	(147,964)
Exchange (loss) / gain									(192)	2,644
Finance charge on lease liabilities									(4,632)	(4,452)
Share of profit of associated companies									62,652	-
(Loss) / Profit before tax									(89,049)	1,796,938
Provision for taxation									(11,981)	(49,834)
(Loss) / Profit after tax									(101,030)	1,747,104
Profit attributable to:										
Equity holders of the parent									(101,792)	1,736,779
Minority interest									762	10,325
										Restated
									Rupees	Rupees
									(0.82)	14.04
Earnings per share - basic and diluted										

	General Insurance					Life Insurance			Total	
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Conventional Business	Non-unionized Investment Linked Business	Accident and Health Business	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)									
Revenue account										
Net premium revenue	851,294	699,735	2,522,752	975,830	-	36,376	131,753	198	5,217,938	5,194,155
Net claims	(719,926)	(318,147)	(1,705,513)	(821,399)	(460)	(7,632)	(59)	-	(3,573,136)	(3,340,110)
Expenses	(162,772)	(132,148)	(412,744)	(187,436)	-	(72,380)	(29,962)	(3,174)	(1,000,616)	(911,159)
Net commission	(84,761)	(135,741)	(173,193)	27,640	-	(9,377)	(79,501)	(79)	(455,012)	(413,556)
Net Investment income - statutory fund	-	-	-	-	-	1,873	889	3	2,765	-
Add: Policyholder's liabilities at beginning of the year	-	-	-	-	-	11,498	-	1	11,499	-
Less: Policyholder's liabilities at end of the year	-	-	-	-	-	(19,236)	(59,357)	(139)	(78,732)	-
Capital contribution from shareholder's fund	-	-	-	-	-	83,877	36,248	3,190	123,315	27,986
Surplus / deficit of policyholder funds	-	-	-	-	-	(25,003)	(14)	2	(25,015)	-
Underwriting result	(116,165)	113,699	231,302	(5,365)	(460)	(4)	(3)	2	223,006	557,316
Investment income - other									360,320	2,334,391
Rental income									882	361
Other income									108,187	121,074
									692,395	3,013,142
General and administration expenses									(430,041)	(472,019)
Exchange gain									15	3,554
Finance charge on lease liabilities									(14,855)	(5,302)
Share of profit of associated companies									69,465	-
Profit before tax									316,979	2,539,375
Provision for taxation									(102,301)	(229,704)
Profit after tax									214,678	2,309,671
Profit attributable to:										
Equity holders of the parent									209,323	2,309,287
Minority interest									5,355	384
Profit and loss appropriation account										
Balance at the commencement of the year									8,522,098	6,453,878
Profit after tax for the period									209,323	2,309,287
Final dividend for the year ended 31 December 2009 @15% (Rs.1.5/- per share) (2008:@10%(Re. 1.0/- per share)									(168,688)	(102,235)
Reserve for issue of bonus shares									(112,459)	(102,235)
Interim dividend @10%(Re.1/- per share) (2009 : 1.5/- per share)									(123,704)	(168,688)
Balance unappropriated profit at the end of the period									8,326,570	8,390,007
									Rupees	Restated
									1.69	18.67
Earnings per share - basic and diluted										

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	(Unaudited) Nine months ended 30 September 2010	(Unaudited) Nine months ended 30 September 2009	(Unaudited) Quarter ended 30 September 2010	(Unaudited) Quarter ended 30 September 2009
	(Rupees in thousand)			
Profit for the period	214,678	2,309,671	(101,030)	1,747,104
Other comprehensive income:				
Effect of translation of net investment in foreign branches	32,226	656	10,169	-
Capital contribution to statutory funds	(123,315)	(27,986)	(37,446)	(14,982)
Total comprehensive income for the period	123,589	2,282,341	(128,307)	1,732,122
Comprehensive income attributable to:				
Equity holders of the parent	173,726	2,294,551	(112,218)	1,728,539
Minority interest	(50,137)	(12,210)	(16,089)	3,583

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	Share capital	Capital reserves					Revenue reserves		Equity attributable to equity holders of the parent	Minority 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 2008	1,022,351	-	22,859	115,108	-	3,764	936,500	6,453,878	8,554,460	236,868	8,791,328
Total comprehensive income for the nine months ended 30 September 2009	-	-	-	656	(15,392)	-	-	2,309,287	2,294,551	(12,210)	2,282,341
Final dividend for the year ended 31 December 2008 @ 10% (Rupee 1.0/- per share)	-	-	-	-	-	-	-	(102,235)	(102,235)	-	(102,235)
Transferred to Reserve for Issue of Bonus shares	-	102,235	-	-	-	-	-	(102,235)	-	-	-
Issue of bonus shares for the year ended 31 December 2008	102,235	(102,235)	-	-	-	-	-	-	-	-	-
Interim dividend @15% (Rs. 1.5 per share)	-	-	-	-	-	-	-	(168,688)	(168,688)	-	(168,688)
Balance as at 30 September 2009	1,124,586	-	22,859	115,764	(15,392)	3,764	936,500	8,390,007	10,578,088	224,658	10,802,746
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 nine months ended 30 September 2010	-	-	-	32,226	(67,823)	-	-	209,323	173,726	(50,137)	123,589
Final dividend for the year ended 31 December 2009 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	-	(168,688)	(168,688)	-	(168,688)
Transfer to Reserve for Issue of Bonus shares	-	112,459	-	-	-	-	-	(112,459)	-	-	-
Issue of bonus shares for the year ended 31 December 2009 @ 10 percent (Rupee 1.0/- per share)	112,459	(112,459)	-	-	-	-	-	-	-	-	-
Interim dividend @10% (Re.1 per share)	-	-	-	-	-	-	-	(123,704)	(123,704)	(123,704)	(123,704)
Balance as at 30 September 2010	1,237,045	-	22,859	205,650	(99,663)	3,764	936,500	8,326,570	10,632,725	166,093	10,798,818

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

Nine months ended Nine months ended
30 September 30 September
2010 2009

 (Rupees in thousand)

Operating Cash Flows

a) Underwriting activities

Premiums received	8,649,911	7,538,153
Reinsurance premiums paid	(3,087,325)	(2,272,548)
Claims paid	(4,613,269)	(4,871,660)
Surrenders paid	(98,603)	(31,442)
Reinsurance and other recoveries received	889,367	1,221,089
Commissions paid	(862,409)	(707,049)
Commissions received	546,981	371,640
Other underwriting payments	(916,480)	(558,213)
Net cash flow from underwriting activities	508,173	689,970

b) Other operating activities

Income tax (paid) / refund	(96,691)	37,958
General and management expenses paid	(434,985)	(506,011)
Loans advanced	(24,884)	(33,203)
Loan repayments received	26,263	35,041
Other receipts	10,804	12,059
Net cash used in other operating activities	(519,493)	(454,156)

Total cash flow from all operating activities

(11,320) 235,814

Investment activities

Profit/ return received	119,585	136,553
Return on Pakistan Investment Bonds	9,555	-
Income received on TFCs	14,950	17,951
Dividends received	352,627	263,420
Income received on rent	3,249	-
Payments for investments	(4,273,750)	(4,370,592)
Proceeds from disposal of investments	4,452,180	2,930,330
Fixed capital expenditure	(218,421)	(148,013)
Proceeds from disposal of fixed assets	30,765	52,726
Total cash flow from investing activities	490,740	(1,117,625)

Financing activities

Dividends paid	(167,372)	(104,521)
Payments on finance lease	(33,244)	(10,338)
Total cash used in financing activities	(200,616)	(114,859)

Net cash inflow from all activities

	278,804	(996,670)
Cash at the beginning of the period	2,168,705	2,207,453

Cash at the end of the period

2,447,509 **1,210,783**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)	
Reconciliation to Profit and Loss Account		
Operating cash flows	(11,320)	235,814
Depreciation expense	(145,269)	(113,279)
Provision for gratuity	(3,248)	(3,539)
Other income - bank deposits	95,220	109,475
Profit / Loss on disposal of fixed assets	2,298	3,093
Finance charge on lease rentals	(14,855)	(5,301)
Share of profit of associated companies	69,465	-
Rental income	882	361
Increase / (Decrease) in assets other than cash	4,065,748	(101,497)
(Increase) / Decrease in liabilities other than running finance	(3,798,976)	271,233
	259,945	396,360
Others		
Profit on sale of investments	98,372	117,867
Amortization expense	(12,095)	(8,355)
Capital contribution from shareholders' fund	98,304	-
Increase in unearned premium	(487,572)	(139,842)
Amortisation of income on Government Securities - net	2,160	31,427
Return on Pakistan Investment Bonds	11,554	9,225
Decrease in loans	(1,379)	(1,838)
Income tax paid / (refund)	96,691	(41,342)
(Provision) / reversal for diminution in value of investments	(166,194)	1,838,197
Dividend, investment and other income	398,564	315,662
Other income - TFCs	18,629	22,014
	57,034	2,143,015
Profit before taxation	316,979	2,539,375

Definition of cash

Cash comprises of cash in hand, bank balances excluding Rupees 4.451 million (2009: Rupees 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.

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
	(Rupees in thousand)	
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent	3,564	1,598
Current and other accounts	909,891	606,444
Deposits maturing within 12 months	1,534,054	602,741
Total cash and cash equivalents	2,447,509	1,210,783

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PREMIUMS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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 30 September 2010	Quarter ended September 30 2009

(Rupees in thousand)

General insurance:

Direct and facultative

Fire and property damage	980,944	1,964,759	1,959,888	985,815	602,061	1,381,417	1,268,187	715,291	270,524	213,013
Marine, aviation and transport	256,549	75,005	81,070	250,484	41,316	15,577	15,358	41,535	208,949	225,985
Motor	866,574	1,972,309	1,898,891	939,992	96,128	191,295	176,730	110,693	829,299	841,347
Miscellaneous	483,251	968,193	953,540	497,904	155,587	322,872	290,308	188,151	309,753	328,472
Total	2,587,318	4,980,266	4,893,389	2,674,195	895,092	1,911,161	1,750,583	1,055,670	1,618,525	1,608,817

Treaty

Proportional	-	-	-	-	-	-	-	-	-	-
Total	2,587,318	4,980,266	4,893,389	2,674,195	895,092	1,911,161	1,750,583	1,055,670	1,618,525	1,608,817

Life insurance:

Conventional Business	55,594	-	-	55,594	35,536	-	-	35,536	20,058	5,737
Non-unitized Investment Linked Business	107,904	-	-	107,904	-	-	-	-	107,904	-
Accident and Health Business	11	-	-	11	-	-	-	-	11	-
Total	163,509	-	-	163,509	35,536	-	-	35,536	127,973	5,737
Grand Total	2,750,827	4,980,266	4,893,389	2,837,704	930,628	1,911,161	1,750,583	1,091,206	1,746,498	1,614,554

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Nine months ended 30 September 2010	Nine Months ended September 30 2009

(Rupees in thousand)

General insurance:

Direct and facultative

Fire and property damage	3,167,171	1,685,968	1,959,888	2,893,251	2,173,095	1,137,049	1,268,187	2,041,957	851,294	866,832
Marine, aviation and transport	862,609	42,099	81,070	823,638	134,106	5,155	15,358	123,903	699,735	764,399
Motor	2,844,172	1,900,021	1,898,891	2,845,302	301,872	197,408	176,730	322,550	2,522,752	2,637,070
Miscellaneous	1,571,646	777,729	953,540	1,395,835	568,296	142,017	290,308	420,005	975,830	918,954
Total	8,445,598	4,405,817	4,893,389	7,958,026	3,177,369	1,481,629	1,750,583	2,908,415	5,049,611	5,187,255

Treaty

Proportional	-	-	-	-	-	-	-	-	-	117
Total	8,445,598	4,405,817	4,893,389	7,958,026	3,177,369	1,481,629	1,750,583	2,908,415	5,049,611	5,187,372

Life insurance:

Conventional Business	83,621	-	-	83,621	47,245	-	-	47,245	36,376	6,783
Non-unitized Investment Linked Business	131,753	-	-	131,753	-	-	-	-	131,753	-
Accident and Health Business	198	-	-	198	-	-	-	-	198	-
Total	215,572	-	-	215,572	47,245	-	-	47,245	168,327	6,783
Grand Total	8,661,170	4,405,817	4,893,389	8,173,598	3,224,614	1,481,629	1,750,583	2,955,660	5,217,938	5,194,155

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

Class	Total claims paid	Outstanding claims		Claims expenses	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 30 September 2010	Quarter ended September 30 2009
(Rupees in thousand)										
General insurance:										
Direct and facultative										
Fire and property damage	297,909	1,146,840	3,733,276	2,884,345	129,978	740,781	3,148,331	2,537,528	346,817	152,788
Marine, aviation and transport	91,226	347,472	350,858	94,612	(2,281)	168,572	169,991	(862)	95,474	91,252
Motor	707,865	1,491,513	1,524,816	741,168	106,197	887,982	949,045	167,260	573,908	602,018
Miscellaneous	290,418	615,060	1,297,773	973,131	46,751	460,380	1,024,788	611,159	361,972	226,284
	1,387,418	3,600,885	6,906,723	4,693,256	280,645	2,257,715	5,292,155	3,315,085	1,378,171	1,072,342
Treaty										
Proportional	-	22,962	22,962	-	-	-	-	-	-	-
	-	22,962	22,962	-	-	-	-	-	-	-
Total	1,387,418	3,623,847	6,929,685	4,693,256	280,645	2,257,715	5,292,155	3,315,085	1,378,171	1,072,342
Life insurance:										
Conventional Business	8,253	3,109	4,439	9,583	7,089	-	-	7,089	2,494	804
Non-unitized Investment	-	-	-	-	-	-	-	-	-	-
Linked Business	-	-	59	59	-	-	-	-	59	-
Accident and Health Business	-	-	-	-	-	-	-	-	-	-
Total	8,253	3,109	4,498	9,642	7,089	-	-	7,089	2,553	804
Grand Total	1,395,671	3,626,956	6,934,183	4,702,898	287,734	2,257,715	5,292,155	3,322,174	1,380,724	1,073,146

Class	Total claims paid	Outstanding claims		Claims expenses	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		Nine months ended 30 September 2010	Nine Months ended September 30 2009
(Rupees in thousand)										
General insurance:										
Direct and facultative										
Fire and property damage	1,238,454	1,168,771	3,733,276	3,802,959	644,405	709,703	3,148,331	3,083,033	719,926	472,036
Marine, aviation and transport	318,622	359,826	350,858	309,654	5,389	183,873	169,991	(8,493)	318,147	277,331
Motor	2,155,057	1,471,832	1,524,816	2,208,041	259,090	705,607	949,045	502,528	1,705,513	1,873,669
Miscellaneous	861,263	552,512	1,297,773	1,606,524	122,469	362,132	1,024,788	785,125	821,399	705,628
	4,573,396	3,552,941	6,906,723	7,927,178	1,031,353	1,961,315	5,292,155	4,362,193	3,564,985	3,328,664
Treaty										
Proportional	460	22,962	22,962	460	-	-	-	-	460	10,642
	460	22,962	22,962	460	-	-	-	-	460	10,642
Total	4,573,856	3,575,903	6,929,685	7,927,638	1,031,353	1,961,315	5,292,155	4,362,193	3,565,445	3,339,306
Life insurance:										
Conventional Business	39,414	8,869	4,439	34,984	27,352	-	-	27,352	7,632	804
Non-unitized Investment	-	-	-	-	-	-	-	-	-	-
Linked Business	-	-	59	59	-	-	-	-	59	-
Accident and Health Business	-	-	-	-	-	-	-	-	-	-
Total	39,414	8,869	4,498	35,043	27,352	-	-	27,352	7,691	804
Grand Total	4,613,270	3,584,772	6,934,183	7,962,681	1,058,705	1,961,315	5,292,155	4,389,545	3,573,136	3,340,110

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

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 30 September 2010	Quarter ended September 30 2009

(Rupees in thousand)

General insurance:

Direct and facultative

Fire and property damage	146,325	265,464	285,364	126,425	53,831	180,256	103,733	76,523	44,566
Marine, aviation and transport	41,274	19,176	11,575	48,875	41,076	89,951	668	89,283	79,018
Motor	80,201	177,788	183,371	74,618	136,582	211,200	14,689	196,511	198,222
Miscellaneous	34,983	78,019	80,597	32,405	61,992	94,397	47,099	47,298	58,361
Total	302,783	540,447	560,907	282,323	293,481	575,804	166,189	409,615	380,167

Treaty

Proportional	-	-	-	-	-	-	-	-	-
Total	302,783	540,447	560,907	282,323	293,481	575,804	166,189	409,615	380,167

Life insurance:

Conventional Business	743	-	-	743	16,161	16,904	-	16,904	19,914
Non-unitized Investment Linked Business	65,213	-	-	65,213	22,546	87,759	-	87,759	-
Accident and health business	5	-	-	5	1,436	1,441	-	1,441	-
Total	65,961	-	-	65,961	40,143	106,104	-	106,104	19,914
Grand Total	368,744	540,447	560,907	348,284	333,624	681,908	166,189	515,719	400,081

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Nine months ended 30 September 2010	Nine Months ended September 30 2009

(Rupees in thousand)

General insurance:

Direct and facultative

Fire and property damage	437,128	203,339	285,364	355,103	162,772	517,875	270,342	247,533	198,661
Marine, aviation and transport	141,264	7,197	11,575	136,886	132,148	269,034	1,145	267,889	258,102
Motor	263,052	144,778	183,371	224,459	412,744	637,203	51,266	585,937	651,916
Miscellaneous	123,582	44,570	80,597	87,555	187,436	274,991	115,195	159,796	182,031
Total	965,026	399,884	560,907	804,003	895,100	1,699,103	437,948	1,261,155	1,290,710

Treaty

Proportional	-	-	-	-	-	-	-	-	41
Total	965,026	399,884	560,907	804,003	895,100	1,699,103	437,948	1,261,155	1,290,751

Life insurance:

Conventional Business	9,377	-	-	9,377	72,380	81,757	-	81,757	33,964
Non-unitized Investment Linked Business	79,501	-	-	79,501	29,962	109,463	-	109,463	-
Accident and health business	79	-	-	79	3,174	3,253	-	3,253	-
Total	88,957	-	-	88,957	105,516	194,473	-	194,473	33,964
Grand Total	1,053,983	399,884	560,907	892,960	1,000,616	1,893,576	437,948	1,455,628	1,324,715

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

Nine months ended 30 September 2010	Nine months ended 30 September 2009	Quarter ended 30 September 2010	Quarter ended 30 September 2009
--	--	--	--

(Rupees in thousand)

General insurance:

Income from non-trading investments Available-for-sale

Return on fixed income securities	2,160	31,427	-	9,531
Return on Term Finance Certificates	18,629	22,014	6,144	7,302
Return on Pakistan Investments Bonds	11,554	9,225	4,080	3,835
Dividend income				
- associated undertakings	205,693	155,948	73,226	54,856
- others	170,767	121,361	57,755	46,052
	376,460	277,309	130,981	100,908
	408,803	339,975	141,205	121,576
Gain on sale of 'available-for-sale' investments				
- associated undertakings	62,755	145,298	3,881	57,174
- others	29,774	(27,431)	3,345	5,941
	92,529	117,867	7,226	63,115
	501,332	457,842	148,431	184,691
(Provision) / Reversal for impairment in value of 'available-for-sale' investment	(165,341)	1,838,197	(35,823)	1,551,218
	335,991	2,296,039	112,608	1,735,909

Life insurance:

Share holders' fund				
Appreciation in value of quoted securities	(853)	-	(719)	-
Return on Government Securities	18,707	17,523	5,132	5,203
Return on bank deposit	488	20,829	35	18,813
Dividend income	588	-	70	-
Gain on sale of non trading investments	5,399	-	1,383	-
	24,329	38,352	5,901	24,016

Statutory Funds

Conventional Business

Return on Government Securities	1,058	-	793	-
Investment income on bank deposits	371	-	52	-
Gain on sale of units of open end mutual funds	444	-	94	-
	1,873	-	939	-

Non-unitized Investment Linked Business

Return on Government Securities	530	-	530	-
Investment income on bank deposits	359	-	343	-
Gain on sale of units of open end mutual funds	-	-	-	-
	889	-	873	-

Accident and Health Business

Return on Government Securities	-	-	-	-
Investment income on bank deposits	3	-	1	-
Gain on sale of units of open end mutual funds	-	-	-	-
	3	-	1	-

Net investment income

	363,085	2,334,391	120,322	1,759,925
Net investment income - statutory fund	2,765	-	1,813	-
Net investment income - other	360,320	2,334,391	118,509	1,759,925
	363,085	2,334,391	120,322	1,759,925

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

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

1. THE GROUP AND ITS OPERATIONS

The group consists of:

Holding company

Adamjee Insurance Company Limited

Subsidiary company

Percentage holding of Adamjee Insurance Company Limited

Adamjee Life Assurance Company Limited 55%

Adamjee Insurance Company Limited (holding company)

Adamjee Insurance Company Limited (holding company) is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the 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 Adamjee House, I.I. Chundrigar Road, Karachi.

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.

Adamjee Life Assurance Company Limited (subsidiary company)

Adamjee Life Assurance Company Limited (Subsidiary Company) was incorporated in Pakistan on 04 August 2008 as a public unlisted company under the Companies Ordinance, 1984 and started its operations from 24 April 2009. The registered office of the Company is located at MCB Building, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is located at Third Floor, The Forum, Khayaban-e-Jami, Clifton, Karachi. The Company is an associate of IVM Intersurer B.V. 45% in the share capital of the Company. IVM Intersurer B.V. has nominated Hollard Life Assurance Company Limited (HLA), a subsidiary of IVM Intersurer B.V., to act on its behalf. HLA is South Africa's largest private sector insurance company.

The Company is engaged in life assurance business carrying on non-participating business only. In accordance with the requirements of the Insurance Ordinance, 2000, the Company has established a shareholders' fund and the following statutory funds in respect of its each class of life assurance business:

- Conventional Business
- Accident and Health
- Non-unitized Investment Linked Business

2. BASIS OF PREPARATION

a) Statement of Compliance

This consolidated condensed interim financial report of the company for the six months period ended 30 September 2010 has been prepared in accordance with the 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 provisions or directives of Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

The SECP has allowed insurance companies to defer the application of International Accounting Standard - 39 (IAS - 39) 'Financial Instruments: Recognition and Measurement' in respect of "investment available-for-sale" until suitable amendments have been made in the law. Accordingly, the requirements of IAS - 39, to the extent allowed by SECP, have not been considered in the preparation of this consolidated condensed financial information.

b) Basis of presentation

This 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 30 September 2010. 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.

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 AND COMPUTATION METHODS

The accounting policies and the 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 consolidated financial statements for the year ended 31 December 2009.

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgments and estimates made by the management in the preparation of this consolidated condensed 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, 2009.

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

The income tax assessments of the company have been finalized up to and including the tax year 2009. However, the 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 company has made a total provision of Rupees 44.141 million resulting in a shortfall of Rupees 4.064 million. The company filed appeals with the Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal (ITAT) which were decided against the company. Consequently the 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 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 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 company. However, during the period the company received a notice from additional commissioner for reassessment of the case. However, the 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 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 company in this respect have been rejected by the Commissioner of Income Tax (Appeals), the ITAT and the Sindh High Court. The 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 favour of the 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 company has not apportioned management and general administration expenses against capital gain and dividend income. The company has filed constitution petition in the High Court of Sindh against the amendment in the assessment order. The company may be liable to pay Rupees 5.881 million in the event of decision against the company, out of which Rupees 2.727 million has been provided by the 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 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 Ordinance in Tax year 2007 creating a demand of Rupees 1.263 million. The company filed an appeal before the Commissioner of Income Tax (Appeals) which has been decided against the company. The company is filing an appeal before the Income Tax Appellate Tribunal.
- vii) During the period the 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 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 company, no provision has been made in this unconsolidated condensed interim financial information for the aggregate amount of Rupees 88.201 million (31 December 2009: 88.201 million) as the management is confident that the eventual outcome of the above matters will be in favour of the company.

6.2 Commitments

There were no capital or other commitments as at 30 September 2010 (31 December 2009: Nil).

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

	Note	30 September 2010	31 December 2009
(Rupees in thousand)			
7. INVESTMENTS			
Held to maturity			
1 year treasury bills		56,617	96,523
Available-for-sale In related parties			
Marketable securities		6,685,854	6,223,534
Less: Provision for impairment in value of investments		(5,200)	-
		6,680,654	6,223,534
Others			
Marketable securities		3,437,123	3,530,982
Less: Provision for impairment in value of investments		(699,088)	(541,300)
		2,738,035	2,989,682
Fixed income investments		178,482	504,090
		2,916,517	3,493,772
At fair value through profit or loss			
Marketable securities		761	1,615
		9,654,549	9,815,444
8. PREMIUMS DUE BUT UNPAID - Unsecured			
Considered good		3,982,760	3,841,755
Considered doubtful		121,670	119,530
		4,104,430	3,961,285
Less: Provision for doubtful balances	6.1	(121,670)	(119,530)
		3,982,760	3,841,755
8.1 Reconciliation of provision for doubtful balances			
Opening provision		119,530	46,793
Exchange loss		48	90
Charge for the period		7,500	90,864
Written off during the period		(5,408)	(18,217)
Closing provision		121,670	119,530
9. AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - Unsecured			
Considered good		858,948	716,962
Considered doubtful		30,000	30,000
		888,948	746,962
Less: Provision for doubtful balances	9.1	(30,000)	(30,000)
		858,948	716,962
9.1 Reconciliation of provision for doubtful balances			
Opening provision		30,000	61,396
Charge for the period		-	50,390
Written off during the period		-	(81,786)
Closing provision		30,000	30,000

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

30 September
2010

30 September
2009

(Rupees in thousand)

10. FIXED ASSETS

10.1 The following capital expenditure was incurred during the period:

Building	104,843	-
Furniture and fixtures	13,720	12,367
Motor vehicles	52,646	45,413
Machinery and equipment	22,132	61,157
Computer and related accessories	21,613	6,479
Intangible Assets	3,467	22,597
	<u>218,421</u>	<u>148,013</u>
Leased		
Motor vehicles	-	126,247
	<u>218,421</u>	<u>274,260</u>

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

Furniture and fixtures	179	568
Motor vehicles	16,018	45,185
Machinery and equipment	685	3,351
Computer and related accessories	70	530
	<u>16,952</u>	<u>49,634</u>
Leased		
Motor vehicles	11,514	-
	<u>28,466</u>	<u>49,634</u>

11. TRANSACTIONS WITH RELATED PARTIES

Subsidiary company

Associated undertakings

Claims expense	18,132	3,680
Commission expense in respect of Bancassurance	86,764	-
Technical support fee	10,149	5,548

Holding Company

Premium underwritten	715,580	638,528
Premium received	716,061	656,286
Premium ceded	403	14,096
Claims paid	330,772	438,055
Rent paid	12,225	6,967
Dividend received	205,693	153,981
Dividend paid	60,126	36,154

Number of shares

Bonus shares received	2,115	3,615
Bonus shares issued	4,008	1,923

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

12. SEGMENT REPORTING

For general insurance, each class of business has been identified as reportable segment whereas, for life insurance the statutory funds are treated as reportable segments. Segment wise revenue and results have been disclosed in the profit and loss account. Following is a schedule of segment wise assets and liabilities:

	30 September 2010		
	Segment assets	Segment liabilities	Net assets
	(Rupees in thousand)		
General Insurance			
Fire and Property Damage	6,523,155	6,357,296	165,859
Marine, Aviation and Transport	692,310	552,909	139,401
Motor	2,945,863	3,851,908	(906,045)
Miscellaneous	2,299,044	2,541,853	(242,809)
Treaty	-	22,962	(22,962)
Life Insurance			
Conventional Business	87,631	43,395	44,236
Non-unitized Investment Linked Business	78,612	19,244	59,368
Accident and Health Business	174	35	139
30 September 2010			
	Segment assets	Segment liabilities	Net assets
	Unallocated assets	Unallocated liabilities	
	(Rupees in thousand)		
Unallocated corporate assets / liabilities	13,499,833	1,834,460	11,665,373
Total			10,902,560
Capital expenditure			218,421
31 December, 2009			
	Segment assets	Segment liabilities	Net assets
	(Rupees in thousand)		
General Insurance			
Fire and Property Damage	3,618,471	3,351,127	267,344
Marine, Aviation and Transport	688,623	514,526	174,097
Motor	2,707,357	3,789,672	(1,082,315)
Miscellaneous	1,387,620	1,571,735	(184,115)
Treaty	-	22,962	(22,962)
Life Insurance			
Conventional Business	41,398	41,398	-
Accident and Health Business	9	9	-
	Unallocated assets	Unallocated liabilities	
Unallocated corporate assets / liabilities	13,420,137	1,593,066	11,827,071
Total			10,979,120
Capital expenditure			180,434

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

13. GENERAL

Figures have been rounded off to the nearest thousand of rupees.

14. AUTHORISATION FOR ISSUE

These condensed interim consolidated financial information have been authorized for issue on 28 October 2010 by the Board of Directors of the Company.

Umer Mansha
Chairman

S.M. Jawed
Director

Ibrahim Shamsi
Director

Muhammad Ali Zeb
Managing Director & Chief Executive



UNCONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

13. GENERAL

Figures in these interim financial information have been rounded off to the nearest thousand of rupees.

14. AUTHORISATION FOR ISSUE

This interim financial information has been approved and authorised for issue on 28 October 2010 by the Board of Directors of the Company.



Umer Mansha
Chairman

S.M. Jawed
Director

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Muhammad Ali Zeb
Managing Director & Chief Executive