

ASIA INSURANCE COMPANY LIMITED
BALANCE SHEET AS AT MARCH 31, 2012

Unaudited	Note	2013 Rupees	2012 Rupees	Unaudited	Note	2013 Rupees	2012 Rupees
Share capital and Reserves				Cash and bank deposits			
Authorised share capital 30,000,000 ordinary shares of Rs.10/- each		300,000,000	300,000,000	Cash in hand		-	-
Paid up share capital		300,000,000	300,000,000	Current and other accounts		12,903,496	12,903,496
Retained Earnings		50,262,886	50,262,886	Deposits maturing within 12 months		50,000,000	50,000,000
Reserves		2,500,000	2,500,000			62,903,496	62,903,496
		352,762,886	352,762,886	Investments		179,776,159	179,776,159
Surplus on revaluation of fixed assets		136,060,170	136,060,170	Deferred Tax Assets		1,963,488	1,963,488
Underwriting provisions				Current Assets- Others			
Provision for outstanding claims (including IBNR)		18,489,924	18,489,924	Premiums due but unpaid-unsecured		23,144,565	23,144,565
Provision for unearned premium		29,977,903	27,995,741	Amounts due from other insurers / reinsurers-unsecured		40,835,054	40,835,054
Commission income unearned		1,917,966	1,917,966	Accrued investment income		1,597,899	1,597,899
		50,385,793	48,403,631	Reinsurance recoveries against outstanding claims		3,958,354	3,958,354
Deferred liabilities				Deferred commission expense		5,064,709	4,531,219
Deferred Taxation		-	-	Prepaid reinsurance premium ceded		8,620,450	7,721,827
Creditors and accruals				Sundry receivables		4,417,956	4,417,956
Premiums received in advance		-	-			87,638,987	86,206,874
Amounts due to other insurers / reinsurers		758,574	758,574	Fixed Assets (Tangible)			
Accrued expenses		460,000	460,000	Land - freehold		160,000,000	160,000,000
Taxation - provision less payment		-	-	Building		377,938	377,938
Other creditors and accruals		21,917,003	21,917,003	Furniture and fixtures		640,032	640,032
		23,135,577	23,135,577	Office equipment		1,775,271	1,775,271
Other liabilities				Motor vehicles		19,419,124	19,419,124
Unclaimed Dividend		59,962	59,962	Computer Accessories		261,621	261,621
						182,473,986	182,473,986
TOTAL LIABILITIES		73,581,332	71,599,170	Capital Work in Progress (Building)		47,098,223	47,098,223
TOTAL EQUITY AND LIABILITIES		562,404,388	560,422,226	TOTAL ASSETS		561,854,339	560,422,226
Contingencies and Commitments						(550,049.00)	

The annexed notes form an integral part of these financial statements.

(550,049)

Chairman

Director

Director

Principal Officer/Chief Executive

ASIA INSURANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED MARCH 31, 2013

	Note	Fire & Property	Marine, Aviation and Transport	Motor	Miscellaneous	2013 Aggregate	2012 Aggregate
-----Rupees-----							
Net Premium Revenue		2,986,643	1,689,090	2,056,834	3,006,488	9,739,055	29,300,570
Net Claims		(1,943,334)	(1,109,685)	(2,397,126)	(48,104)	(5,498,249)	(10,136,053)
Expenses		(1,572,148)	(788,768)	(1,535,134)	(555,386)	(4,451,436)	(18,090,987)
Net Commission		(780,052)	(393,004)	(281,002)	(106,523)	(1,560,581)	(4,658,172)
Underwriting results		<u>(1,308,891)</u>	<u>(602,367)</u>	<u>(2,156,428)</u>	<u>2,296,475</u>	<u>(1,771,211)</u>	<u>(3,584,642)</u>
Investment Income						6,866,030	28,903,212
Other Income						9,378	753,290
						<u>6,875,408</u>	<u>29,656,502</u>
General and administration expenses						5,104,197	26,071,860
						<u>(5,043,550)</u>	<u>(18,770,600)</u>
Profit before tax						<u>60,647</u>	<u>7,301,260</u>
Provision for taxation						-	2,878,999
Profit after tax						<u>60,647</u>	<u>10,180,259</u>
Earnings per share (EPS)						<u>0.002</u>	<u>0.339</u>

Appropriations have been reflected in statement of changes in equity.

The annexed notes form an integral part of these financial statements.

Chairman

Director

Director

Principal Officer/Chief Executive

**ASIA INSURANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012	2011
	RUPEES	
Profit after tax for the year	60,647	10,180,259
Other comprehensive income:		
Gain on property revaluation	-	-
Income tax relating to components of other comprehensive income	-	-
Total comprehensive income for the year	60,647	10,180,259

The annexed notes form an integral part of these financial statements.

Chairman

Director

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Principal Officer/Chief Executive

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

	Paid up share capital	Revenue Reserves		Total share capital & reserves	Surplus on revaluation of fixed assets	Total
		Un-appropriated profit	Reserves			
-----R u p e e s-----						
Balance as at January 1, 2011	250,000,000	30,417,763	2,500,000	282,917,763	127,207,970	410,125,733
Issue of right shares- 1 share for every 4 shares held	50,000,000	-	-	50,000,000	-	50,000,000
Net profit/Total Comprehensive income for the year ended December 31, 2011	-	9,664,864	-	9,664,864	8,852,200	18,517,064
Balance as at December 31, 2011	300,000,000	40,082,627	2,500,000	342,582,627	136,060,170	478,642,797
Balance as at January 1, 2012	300,000,000	40,082,627	2,500,000	342,582,627	136,060,170	478,642,797
Issue of right shares- 1 share for every 5 shares held	-	-	-	-	-	-
Net profit/Total Comprehensive income for the year ended December 31, 2012	-	60,647	-	60,647	-	60,647
Balance as at December 31, 2012	300,000,000	40,143,274	2,500,000	342,643,274	136,060,170	478,703,444

The annexed notes form an integral part of these financial statements.

Chairman

Director

Director

Principal Officer/Chief Executive

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Note	2011 Rupees	2010 Rupees
Operating Cash Flows			
a) Underwriting activities			
Premiums received		31,579,725	47,865,183
Reinsurance premiums paid		(5,560,198)	(21,188,545)
Claims paid		(14,928,015)	(17,761,159)
Reinsurance and other recoveries received		9,429,766	6,484,012
Commissions paid		(2,931,917)	(9,177,475)
Commissions received		837,846	4,555,337
Other underwriting receipts		(3,668,576)	5,322,563
Net cash flow from underwriting activities		14,758,631	16,099,916
b) Other operating activities			
Income tax paid		(2,032,547)	(4,028,069)
General management expenses paid		(27,352,612)	(30,455,915)
Other operating payments		(335,000)	(250,000)
Other receipts in respect of operating assets		703,326	1,059,966
Net cash outflow from other operating activities		(29,016,833)	(33,674,018)
Total cash flow from operating activities		(14,258,202)	(17,574,102)
Investment activities			
Profit / return received		6,828,698	26,300,869
Dividends received		37,332	107,401
Payments for investments		(56,557,263)	(35,850,582)
Proceeds from disposal of investments		-	1,485,000
Fixed capital expenditure		(2,391,076)	(10,443,091)
Proceeds from disposal of fixed assets		1,700,000	377,000
Total cash flow from investing activities		(50,382,309)	(18,023,403)
Financing activities			
Share capital received		50,000,000	50,000,000
Total cash flow from financing activities		50,000,000	50,000,000
Net cash inflow/(outflow) from all activities		(14,640,511)	14,402,495
Cash and cash equivalent at the beginning of the year		62,903,496	148,998,262
Cash and cash equivalent at the end of the year	13	48,262,985	163,400,757

RECONCILIATION TO PROFIT AND LOSS ACCOUNT

Note	2011 Rupees	2010 Rupees
Operating cash flows	(14,258,202)	(17,574,102)
Depreciation expense	(2,163,988)	(2,574,603)
Profit/(loss) on disposal of fixed assets	546,396	17,194
Bad debts expense	-	(2,269,075)
Increase / (Decrease) in assets other than cash	1,432,113	(11,883,355)
(Increase) / Decrease in liabilities	(1,982,162)	19,377,588
	(16,425,843)	(14,906,353)
Other Adjustments		
Dividend	37,332	141,006
Interest, rental and other income	6,828,698	24,178,042
Deferred taxation	143,529	(1,740,670)
	7,009,559	22,578,378
Profit after taxation	(9,416,284)	7,672,025

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

Cash and cash equivalents

Cash in Hand	-	-
Current accounts & Other Accounts	12,903,496	12,903,496
Deposit accounts maturing within 12 months	50,000,000	50,000,000
	13 <u>62,903,496</u>	<u>62,903,496</u>

The annexed notes form an integral part of these financial statements.

Chairman

Director

Director

Principal Officer/Chief Executive

ASIA INSURANCE COMPANY LIMITED
WORKING OF STATEMENT OF CASH FLOWS
FOR PERIOD YEAR ENDED DECEMBER 31, 2011

	Ref	2011 Rs.	2010 Rs.
W-1			
<u>Premium Received</u>			
Premium due but unpaid			
Opening balance		23,144,565	
Closing balance		(7,947,632)	
Bad debts		-	
		(7,947,632)	15,196,933
Premium received in advance			
Opening balance		-	
Closing balance		-	0
Provision for unearned premium			
Opening balance		(27,995,741)	
Closing balance		29,977,903	1,982,162
Add: Premium earned for the year			14,400,630
			<u>31,579,725</u>
W-2			
<u>Reinsurance Premium Paid</u>			
Due from other Insurers			
Opening balance		40,835,054	
Closing balance		(40,835,054)	-
Due to other Insurers			
Opening balance		(758,574)	
Closing balance		758,574	0
Premium Ceded			(4,661,575)
Prepaid reinsurance premium ceded			
Opening balance		7,721,827	
Closing balance		(8,620,450)	(898,623)
			<u>(5,560,198)</u>
W-3			
<u>CLAIMS PAID - As per Statement of Claims</u>			
Provision for outstanding claims			
Opening balance		18,489,924	
Closing balance		(18,489,924)	0
Claims expense			14,928,015
			<u>14,928,015</u>

W-4 REINSURANCE RECOVERIES - As per Statement of Claims

Opening balance	3,958,354	
Closing balance	<u>(3,958,354)</u>	-
Reinsurance recoveries against outstanding claims		9,429,766
		<u>9,429,766</u>

W-5 COMMISSION PAID - As per Statement of Expenses

Deferred commission expense		
Opening balance	4,531,219	
Closing balance	<u>(5,064,709)</u>	(533,490)
Net Commission expense		<u>(2,398,427)</u>
		<u>(2,931,917)</u>

W-6 Commission Received

Opening balance	1,917,966	
Closing balance	<u>(1,917,966)</u>	-
Net Commission income		<u>(837,846)</u>
Commission ceded during the year		<u>(837,846)</u>

W-7 Other Operating Payments

W-8 Tax Payments Less Provision

current		
Opening balance	-	
Closing balance	<u>-</u>	-
Deferred		
Opening balance	-	
Closing balance	<u>-</u>	-
Tax Provision		<u>(2,032,547)</u>
		<u>(2,032,547)</u>

W-9 General Management Expenses

Opening balance		(21,917,003)	
FIF		(86,123)	
FED		(952,229)	(22,955,355)
		<hr/>	
Closing balance		21,917,003	
FIF		102,863	
FED		1,238,380	23,258,246
		<hr/>	
Accrued during the year:			
management expenses	18	(15,796,318)	
general and administration expenses	20	(14,358,173)	
Bad debts provision		-	
Depreciation		2,163,988	
Auditors' remuneration		335,000	(27,655,503)
		<hr/>	
			(27,352,612)
			<hr/> <hr/>

W-10 Other Operating Payments**Audit fee**

Opening balance		460,000	
Closing balance		(460,000)	-
		<hr/>	
Admin Expenses			335,000

W-11(a) Other underwriting receipts**sundry receivables**

Opening balance		4,417,956	
Closing balance		(7,783,641)	(3,365,685)
		<hr/>	

FIF

Opening balance		86,123	
Closing balance		(102,863)	(16,740)
		<hr/>	

FED

Opening balance		952,229	
Closing balance		(1,238,380)	(286,151)
		<hr/>	

W-11(b) other income

Less: Gain on sale of fixed assets

	19	1,249,722	
		(546,396)	703,326
		<hr/>	

W-11(c) Interest Accrued -Receipts

Opening balance	1,597,899	
Closing balance	(1,597,899)	-
Interest Accrued		6,828,698
		<u>6,828,698</u>

W-12 <u>DIVIDEND RECEIVED -</u>	37,332	<u>37,332</u>
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W-13 Investment Purchased

Opening balance	56,821,226	
Closing balance	(113,378,489)	
Disposal during the year	-	
Purchased during the year		<u>(56,557,263)</u>

W-14 FIXED CAPITAL EXPENDITURES

Total Additions	(11,243,276)	(11,243,276)
Capital Work-in-progress		
Opening	47,098,223	
Closing	(47,098,223)	0
Less: Rev. for the year		(8,852,200)
Fixed Capital Expenditure		<u>(2,391,076)</u>

W-15 PROCEEDS FROM DISPOSAL OF FIXED ASSETS

Cost	1,920,540	
Accumulated Depreciation	(766,936)	
Gain	546,396	<u>1,700,000</u>

W-16 INCREASE/ DECREASE IN ASSETS OTHER THAN CASH

	2011	2010	Difference
Premium due but unpaid- secured	23,144,565	23,144,565	
Bad debts	-	-	
	23,144,565	23,144,565	-
Amount due from other insurers/ reinsurers- sect	40,835,054	40,835,054	-
Reinsurance recoveries against outstanding claims	3,958,354	3,958,354	-
Deferred commission expense	5,064,709	4,531,219	(533,490)
Prepaid reinsurance premium ceded	8,620,450	7,721,827	(898,623)
Sundry receivables	4,417,956	4,417,956	-
	<u>86,041,088</u>	<u>84,608,975</u>	<u>(1,432,113)</u>

W-17 **INCREASE/ DECREASE IN LIABILITIES**

	2011	2010	Difference
Premium received in advance	-	-	-
Amount due to other insurers/ reinsurers	758,574	758,574	-
Accrued expenses	460,000	460,000	-
Other creditors and accruals	21,917,003	21,917,003	-
Provision for unearned premium	29,977,903	27,995,741	1,982,162
Provision for outstanding claims (including IBN)	18,489,924	18,489,924	-
Commission income unearned	1,917,966	1,917,966	-
Taxation - provision less payment	-	-	-
	<u>73,521,370</u>	<u>71,539,208</u>	<u>1,982,162</u>

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF PREMIUMS
FOR THE YEAR ENDED MARCH 31, 2013

Class of Business	31-Mar-13								31-Dec-12	
	Premiums Written	Unearned Premium Reserve		Premiums Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reins. Expenses	Net Premium Revenue	Net Premium Revenue
		Opening	Closing			Opening	Closing			
-----R u p e e s-----										
Direct & Facultative										
Fire & Property damage	5,685,136	10,706,242	11,353,057	5,038,321	2,586,498	4,535,895	5,070,715	2,051,678	2,986,643	9,623,774
Marine, Aviation and Transport	2,943,732	739,782	1,891,812	1,791,702	196,927	60,901	155,216	102,612	1,689,090	5,296,319
Motor	5,709,437	5,579,367	8,250,720	3,038,084	981,250	-	-	981,250	2,056,834	9,882,303
Miscellaneous	2,044,487	10,970,350	8,482,314	4,532,523	1,795,523	3,125,031	3,394,519	1,526,035	3,006,488	4,498,174
Grand Total	16,382,792	27,995,741	29,977,903	14,400,630	5,560,198	7,721,827	8,620,450	4,661,575	9,739,055	29,300,570
	488,421									
	15,894,371									

The annexed notes form an integral part of these financial statements.

Chairman

Director

Director

Principal Officer/Chief Executive

ASIA INSURANCE COMPANY LIMITED

STATEMENT OF CLAIMS

FOR THE YEAR ENDED MARCH 31, 2013

Class of Business	31-Mar-13								31-Dec-12	
	Claims Paid	Claims Outstanding		Claim Expenses/ (Income)	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue/ (expense)	Net Claims Expense	Net Claims Expense
		Opening	Closing			Opening	Closing			
-----R u p e e s-----										
Direct & Facultative										
Fire & Property damage	208,350	3,316,568	10,662,812	7,554,594	184,910	1,025,253	6,451,603	5,611,260	1,943,334	254,516
Marine, Aviation and Transport	104,932	2,340,455	5,425,303	3,189,780	67,806	922,062	2,934,351	2,080,095	1,109,685	809,500
Motor	1,837,023	12,038,617	13,829,735	3,628,141	231,015	1,863,933	2,863,933	1,231,015	2,397,126	8,879,085
Miscellaneous	130,500	794,284	1,219,284	555,500	104,400	147,106	550,102	507,396	48,104	192,952
Grand Total	2,280,805	18,489,924	31,137,134	14,928,015	588,131	3,958,354	12,799,989	9,429,766	5,498,249	10,136,053

The annexed notes form an integral part of these financial statements.

Chairman

Director

Director

Principal Officer/Chief Executive

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF EXPENSES
FOR THE YEAR ENDED MARCH 31, 2013

Class of Business	31-Mar-13								31-Dec-12
	Commission Paid	Deferred Commission		Net Commission Expense	Other Management Expenses	Underwriting Expenses	Commission from Reinsurers	Net Underwriting Expenses	Net Underwriting Expenses
		Opening	Closing						
-----R u p e e s-----									
Direct and Facultative									
Fire and property damage	1,403,384	2,676,560	2,838,264	1,241,680	1,572,148	2,813,828	461,628	2,352,200	8,585,621
Marine, Aviation and Transport	704,098	184,946	472,953	416,091	788,768	1,204,859	23,087	1,181,772	3,313,183
Motor	548,137	557,936	825,071	281,002	1,535,134	1,816,136	-	1,816,136	5,005,970
Miscellaneous	276,298	1,111,777	928,421	459,654	555,386	1,015,040	353,131	661,909	5,844,385
Grand Total	2,931,917	4,531,219	5,064,709	2,398,427	4,451,436	6,849,863	837,846	6,012,017	22,749,159

The annexed notes form an integral part of these financial statements.

Chairman

Director

Director

Principal Officer/Chief Executive

ASIA INSURANCE COMPANY LIMITED

STATEMENT OF INVESTMENT INCOME FOR THE YEAR ENDED DECEMBER 31, 2012

	31-Dec-12	31-Dec-11
	Rupees	
Income from Trading Investments:		
Gain/(Loss) on trading	1,064,252	(35,105)
Income from Non Trading Investments:		
<u>Held to Maturity</u>		
Return on Government Securities	772,565	3,285,260
Return on Fixed Income -Deposits	1,289,682	14,347,619
	2,062,247	17,632,879
<u>Available for Sale</u>		
Dividend Income	37,332	141,006
Gain/(Loss) on revaluation of trading Investments	3,988,865	6,978,859
(Provision)/Reversal of provision for impairment in Investments 'Available for Sale'	-	(398,591)
Expenses Related to Investment	(286,666)	
Net Investment Income	6,866,030	24,319,048

The annexed notes form an integral part of these financial statements.

Chairman

Director

Director

Principal Officer/Chief Executive

ASIA INSURANCE COMPANY LIMITED
NET COMMISSION FOR PERIOD ENDED
AS ON 31-03-2013

	Fire	Marine	Motor	Misc.	Total
COMMISSION EXPENSE					
Direct	1,403,384	704,098	548,137	276,298	2,931,917
Accepted	-	-	-	-	-
	<u>1,403,384</u>	<u>704,098</u>	<u>548,137</u>	<u>276,298</u>	<u>2,931,917</u>
Commission deferred					
Opening	2,676,560	184,946	557,936	1,111,777	4,531,219
Closing	2,838,264	472,953	825,071	928,421	5,064,709
	<u>(161,704)</u>	<u>(288,007)</u>	<u>(267,135)</u>	<u>183,356</u>	<u>(533,490)</u>
Net commission expense	<u>1,241,680</u>	<u>416,091</u>	<u>281,002</u>	<u>459,654</u>	<u>2,398,427</u>
COMMISSION INCOME					
Ceded commission	581,962	44,309		330,764	957,035
Commission deferred	-	-		-	-
Opening	1,020,577	13,702	-	883,687	1,917,966
Closing	1,140,911	34,924		861,320	2,037,155
	<u>461,628</u>	<u>23,087</u>	<u>-</u>	<u>353,131</u>	<u>837,846</u>
Net commission income	<u>461,628</u>	<u>23,087</u>	<u>-</u>	<u>353,131</u>	<u>837,846</u>
Net commission expense/(income)	<u>780,052</u>	<u>393,004</u>	<u>281,002</u>	<u>106,523</u>	<u>1,560,581</u>
	<u>780,052</u>	<u>393,004</u>	<u>281,002</u>	<u>106,523</u>	<u>1,560,581</u>

ASIA INSURANCE COMPANY LIMITED

Notes to the Financial Statements for the Year Ended December 31, 2011

1 STATUS AND NATURE OF BUSINESS

Asia Insurance Company Limited was incorporated in Pakistan as a Public Limited Company on December 6, 1979 and is engaged in General Insurance business since 1980. Its registered office is situated at 456-K Model Town, Lahore. Shares of the Company are quoted on Karachi and Lahore Stock Exchanges.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the requirements of S.R.O. 938, dated 12th December 2002, issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules 2002 [SEC (Insurance)

3 STATEMENT OF COMPLIANCE

- 3.1** These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

SECP has allowed insurance companies to defer the application of International Accounting Standard-39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of Investments available-for-sale until suitable amendments have been made in the laws. Accordingly, the requirements of IAS-39, to the extent allowed by the SECP, have not been considered in the preparation of these financial statements.

- 3.2 Initial application of a standard, amendment or an interpretation to an existing standard and forthcoming requirements**

Standards and interpretations that become effective but not relevant to the company:

Amendments to IFRS-7 "Financial Instruments: Disclosure", become effective resulting in increased disclosure.

The following standards (revised or amended) and interpretations became effective for the current financial year but are either not relevant or do not have any material effect on the financial statements of the company:

- IFRS-1 First time adoption of International Reporting Standards
- IFRS-3 Business Combination
- IAS-1 Presentation of Financial Statements
- IAS-27 Consolidated and Separate Financial Statements
- IAS-34 Intermim Financial Reporting
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14 The Limit on a Defined Benefit Asset, Mimimum Funding Requirements and their Interaction

3.3 Standards, Interpretations and amendments to published approved Accounting Standards that are not yet effective.

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than increased disclosures in certain cases:

- Revised IFRS 1 - First time adoption of International Reporting Standards (applicable for annual periods beginning on or after 1 July 2011)
- Revised IFRS 7 - Financial Instruments: Disclosures (applicable for annual periods beginning on or after 1 January 2013 and 2015)
- Revised IFRS 9 - Financial Instruments: Classification and Measurement (applicable for annual periods beginning on or after 1 January 2015)
- Revised IFRS 10 - Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2013)
- Revised IFRS 11 - Joint Agreements (applicable for annual periods beginning on or after 1 January 2013)
- Revised IFRS 12 - Disclosure of Interests in Other Entities (applicable for annual periods beginning on or after 1 January 2013)
- Revised IFRS 13 - Fair Value Measurement (applicable for annual periods beginning on or after 1 January 2013)
- Amended IAS 1 - Presentation of Financial Statements (effective for annual periods beginning on or after 1 July 2012)
- Amended IAS 12 - Income Taxes (effective for annual periods beginning on or after 1 January 2012)
- Amended IAS 19 - Employee Benefits (effective for annual periods beginning on or after 1 January 2013)
- Amended IAS 27 - Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 January 2013)

- Amended IAS 28 - Investment in Associates (effective for annual periods beginning on or after 1 January 2013)
- Amended IAS 32 - Financial Instruments: Presentation (effective for annual periods beginning on or after 1 January 2014)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective for annual periods beginning on or after 1 January 2013)

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation except for land which is shown at revalued amount and certain investments which are stated at fair value. The financial statements, except for cash flow information, have been prepared under the accrual basis of accounting.

4.1 Use of Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) Provision for outstanding claims including incurred but not reported (IBNR). (Note 5.6)
- b) Classification of investments. (Note 5.10)
- c) Useful lives and Residual value of Fixed Assets. (Note 5.13)
- d) Premium Deficiency Reserve (Note 5.4)
- e) Provision for taxation and deferred tax. (Note 5.7)

Other areas involving estimates and judgments are disclosed in respective notes to the financial statements.

4.2 Functional Currency

These financial statements are presented in Pak Rupees which is company's functional currency, unless otherwise stated.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. The Company enters into fire and property damage, marine, motor, health, burglary, cash in transit, engineering losses and other insurance contracts with group companies, corporate clients and individuals residing or located in Pakistan

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedent) for losses on one or more contracts issued by the cedents are reinsurance contracts. The Company enters into reinsurance contracts with both foreign and local reinsurers. The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

The Company neither issues investment contracts nor does it issue insurance contracts with discretionary participation features.

5.2 Underwriting results

Underwriting result is calculated by deducting from Gross Premium of each class of business, reinsurance cost incurred, claims, commission, allocable expenses of management and reserve for unexpired premium.

5.3 Provision for un-earned premium

Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage.

The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. The liability is calculated by applying 1/24 method in accordance with the provisions of S.R.O. 938 of SEC (Insurance) Rules 2002.

5.4 Premium deficiency reserve

Premium deficiency reserve is to be maintained where the unearned premium for any class of business is not sufficient to cover the net liability expected to be incurred after the balance sheet date in respect of the policies in that class of business, to comply with the requirements of the S.R.O. 938 issued by the SECP in December 2002. Any movement in the reserve is to be charged to the profit and loss account.

The management considers that unearned premium reserve for all classes of business as at the year end is adequate to meet the net expected future liability after reinsurance, from claims and other expenses, expected to be incurred after balance sheet date in respect of policies in those classes of business in force at the balance sheet date. Hence, no reserve for the same has been made in these financial statements.

5.5 Commission

Commission income receivable from reinsurers is taken to profit and loss account in accordance with the pattern of recognition of the reinsurance premium to which they relate.

The company uses 1/24th method to calculate provision for unearned commission income, to comply with the relevant provisions of S.R.O. 938 of SEC (Insurance) Rules 2002.

5.6 Provision for outstanding claims (including IBNR)

The liability in respect of outstanding claims is based on the certified statements received from the branches and represents the best estimate of the claims intimated or assessed before the end of the accounting year.

Outstanding claims comprise the estimated cost of claims incurred but not settled at the balance sheet date, whether reported or not. Provisions for reported claims not paid as at the balance sheet date are made on the basis of individual case estimates. Provision for incurred but not reported (IBNR) is based on the management's best estimates which takes into account past trends, expected future patterns of reporting of claims and the claims actually reported subsequent to the balance sheet date.

Reinsurance recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

As a general policy of the company, being followed consistently over the years, no provision of claims has been made where the quantum of loss is unknown.

5.7 Taxation

5.7.1 Current

Provision for taxation is based on taxable income at current rates of taxation after taking into account rebates or tax credits available, if any for the year.

5.7.2 Deferred

The company accounts for deferred taxation, if any, on all temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts using the balance sheet liability method.

The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent if it is no longer probable that the related tax benefits will be realized.

5.8 Cash and cash equivalents

Cash and cash equivalents include cash, cheques in hand, balances with banks on current and deposit accounts and deposits maturing within twelve months.

5.9 Loans & advances/other receivables

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

5.10 Investments

5.10.1 Recognition

All investments are initially recognised at cost, being the fair value of the consideration given and include transaction costs, except for held for trading investments in which case transaction costs are charged to profit and loss account. These are recognised and classified into the following categories:

- Held to Maturity
- Available for Sale
- Investment at fair value through profit and loss-held for trading

All purchases and sales of financial assets are accounted for at settlement date.

5.10.2 Measurement

5.10.2.1 Held to maturity

Investment with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequent to initial recognition at cost, these investments are measured at amortized cost, less provision for impairment in value, if any. Amortized cost is calculated taking into account any discount or premium on acquisition, which is deferred and included in the income for the period on a straight line basis, over the term of the investments.

5.10.2.2 Available for sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates etc. are classified as available for sale and are stated at cost.

Subsequent to initial recognition at cost these are stated at the lower of cost or market value (market value being taken as lower if the fall is other than temporary) in accordance with the requirements of S.R.O. 938 issued by SECP on aggregate portfolio basis at the balance sheet date. The company uses latest stock exchange quotations in an active market to determine the market value of its listed investments whereas, impairment of investments in unlisted companies is computed to net assets of the investee on the basis of the latest available audited financial statements.

5.10.2.3 Investment at fair value through profit and loss-held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the profit and loss account.

5.11 Amount due to/from other insurers/reinsurers

Amounts due to/from other insurers/reinsurers are carried at cost which is the fair value of the consideration to be received/paid in the future for the services. However, an assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

5.12 Investment properties

Investment property is held for earning rentals and capital appreciation. Investment property is accounted for under the cost model in accordance with the approved International Accounting Standards (IAS) 40, "Investment Property" and S.R.O 938 issued by the Securities and Exchange Commission of Pakistan.

Depreciation policy, subsequent capital expenditure and gain or losses on disposal are accounted for in the same manner as tangible fixed assets.

5.13 Fixed assets

5.13.1 Owned

Fixed assets are stated at cost except land and which is valued at revalued amount less accumulated depreciation calculated on reducing balance method using the rates given in note 18 and impairment losses, if any. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact of depreciation is significant.

Depreciation on additions to tangible fixed assets is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month of disposal.

Gains and losses on disposal of fixed assets are included in income currently. Normal repairs and maintenance is charged to income currently.

5.13.2 Assets subject to finance lease

The company accounts for fixed assets acquired under finance leases by recording the assets and the related liability. These amounts are determined on the basis of discounted value of minimum lease payments or fair value whichever is lower. Financial charges are allocated to the lease term in a manner so as to provide a constant periodic rate of interest on the outstanding liability. Depreciation is charged to income applying the rates stated in fixed assets schedule.

5.13.3 Capital work in progress

Capital work in progress is stated at cost accumulated upto the balance sheet date.

5.13.4 Intangible

Software development costs are capitalized only to the extent that future economic benefits are expected to flow to the entity. Intangible assets with finite useful lives are stated at cost less accumulated amortization and impairment losses, if any. Intangible assets with indefinite useful lives are stated at cost less impairment losses, if any.

5.14 Financial Instruments

Financial assets and financial liabilities within the scope of IAS 39 are recognized at the time when entity becomes a party to the contractual provisions of the instrument and de-recognized when the entity loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the balance sheet include cash and bank deposits, investments, accrued investment income, sundry receivables, accrued expenses, sundry creditors and unclaimed dividend. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

5.16 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on transactions are recognized in the profit and loss account. All non monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

5.17 Revenue recognition

5.17.1 Premium

Premium receivable/received under a policy are recognized at the time of issuance of policy. Similarly reinsurance premium is recorded at the time of reinsurance is ceded.

Premium written under a policy is recognized as income over the period of insurance from the date of issuance of the policy to which it relates to its expiry. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. This liability is calculated by applying 1/24 method as specified in the SEC (Insurance) Rules, 2002.

Receivables under insurance contracts are recognized when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company utilizes the provision for doubtful debts to reduce the carrying amount of the receivables accordingly and recognizes that impairment loss in profit & loss account.

5.17.2 Claims

Claims are considered to be incurred at the time when claims are lodged with the company. However, claims incurred but not reported at year end are determined from subsequent to year end.

General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

5.17.3 Dividend income and bonus shares

Dividend income and entitlement of bonus shares are recognized when the right to receive such dividend and bonus share is established.

5.17.4 Acquisition cost

Commission due on Direct, Facultative and Treaty business and on Reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue.

5.18 Expenses of management

Expenses of management are allocated to Revenue Account on the basis of Gross Direct Premium.

5.19 Staff retirement benefits

The company operates a funded Provident Fund Scheme for its employees and contributions are made monthly equal to employees contribution @ 8.33% of basic salary and cost of living allowance.

5.20 Segment reporting

Primary segments

The company's operating business are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services and serves different markets. The company accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002.

The fire insurance segment provides cover against damages by fire, riot and strike, explosion, earthquake, burglary, atmospheric damage, flood, electric fluctuation and impact.

Marine insurance segment provides cover cargo risk, war risk and damages occurring in sea water, on Board, at ports and during inland transit.

Motor insurance provides indemnity against third party loss and other comprehensive car coverage of motor vehicles.

Miscellaneous insurance provides cover against burglary, loss of cash in safe, cash in transit, personal accident, money, engineering losses and other coverage.

Financing investment and income taxes are managed on an overall basis and are therefore, not allocated to any segment. The accounting policies of operating segment are the same as those described in the summary of significant accounting policies.

Assets, liabilities and capital expenditure that are directly attributable to segments have been assigned to them. Those assets and liabilities which can not be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

5.21 Dividend

Dividend distribution to the company's shareholders is recognized as liability in the period in which the dividends are approved.

5.22 Figures

The correspondence figures are reclassified/rearranged whenever necessary for better presentation and to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangements/reclassifications. The figures are rounded off to the nearest rupee.

6 PAID UP SHARE CAPITAL

Issued, Subscribed and Paid up capital

2011	2010		2011	2010
No. of Shares			Rupees	
		Opening Balance:		
25,000,000	20,000,000	Ordinary Share of Rs. 10/- each fully paid in cash	250,000,000	200,000,000
		Additions:		
		Right Issue during the year of 1 ordinary share for every 5 ordinary shares held (2010: 1 ordinary share for every 4 ordinary shares held) fully paid in Cash		
5,000,000	5,000,000		50,000,000	50,000,000
30,000,000	25,000,000		300,000,000	250,000,000

7 RESERVES

General Reserves	2,500,000	2,500,000
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It represents distributable profits transferred and utilizable at the discretion of the board of directors.

8 SURPLUS ON REVALUATION OF FIXED ASSETS	136,060,170	127,207,970
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Land and building are revalued periodically. The revaluation surplus of an asset is adjusted in the year in which disposal of the respective asset is made. The balance surplus represents the land located at 19-C and D, Block-L, Gulberg III, Lahore which was previously revalued in December 2005, by an independent valuer M/s Surval which resulted in net surplus of Rs. 27,207,970/- and was further revalued in August 06, 2008 by an independent valuer M/s AIM Associates Limited, Lahore which resulted in net surplus of Rs 100,000,000. The said plot is revalued on July 18, 2011 by an independent valuer M/s Navco (Private) Limited, Lahore. The valuation of land has been made on the basis of fair market value. The valuation resulted in net surplus of Rs. 8,852,200/- The aforementioned surplus amounts have been credited to surplus on revaluation of fixed assets account to comply with the requirements of Section 235 of the Companies Ordinance, 1984.

9 PROVISION FOR OUTSTANDING CLAIMS (INCLUDING IBNR)	13,875,084	15,748,464
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Outstanding claims which were not substantiated for several years amounting to Rs. Nil (2010: Rs. 5,876,935/-) were adjusted by crediting claim expense for the year with the approval of Board of Directors.

	Note	2011 Rupees	2010 Rupees
10 DEFERRED TAXATION			
Net deferred tax liability arrived at as under:			
Taxable temporary difference			
Accelerated depreciation	10.1	<u>1,266,645</u>	<u>1,410,174</u>
10.1	Deferred tax expense/(income) recognized in profit and loss account has been arrived at as under:		
Opening deferred tax liability/(asset)		1,410,174	(330,496)
Charge/(Income) for the year		<u>(143,529)</u>	<u>1,740,670</u>
Net deferred tax liability as at December 31		<u>1,266,645</u>	<u>1,410,174</u>
11 OTHER CREDITORS AND ACCRUALS			
Federal Excise duty payable		1,238,380	952,229
Federal insurance fee payable		102,863	86,123
Tax deducted at source		313,650	82,353
EOBI payable		13,440	14,280
Staff Provident Fund		93,807	107,098
Outstanding agency commissions		6,622,515	4,034,165
Workers' welfare fund		110,397	184,550
Reciepts from Foreign reinsurer- Net	11.1	7,133,952	-
Others	11.2	<u>2,712,994</u>	<u>1,392,091</u>
		<u>18,341,998</u>	<u>6,852,889</u>

11.1 It represents reciepts from foreign reinsurers against settlement of treaty agreement during the year and adjustment of recievable balances from reinsurers.

11.2 This includes rent payable to chief executive amounting to Rs. 2,232,000/- (2010: Rs. 1,368,000/-)

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 Suits for recovery of approximate Rs.44.378 million (2010: Rs. 5.191 million) have been lodged but are not accepted by the company and the cases are pending adjudication before different courts. In managements opinion such claims are untenable and accordingly management has not provided any liability in respect thereof.

12.1.2 Guarantee issued by bank on behalf of the company Rs. Nil (2010: Rs. Nil).

12.2 Commitments

Commitments in respect of capital expenditure Rs. Nil (2010: Rs Nil).

13 CASH AND BANK DEPOSITS

Cash in hand - 6,750,108

Current and other accounts:

PLS savings accounts	50,417,383	2,401,428
Current accounts	11,948,110	2,035,928
	62,365,493	4,437,356

Deposits maturing within 12 months-
Term Deposit Receipts 97,510,229 152,213,293

<u>159,875,722</u>	<u>163,400,757</u>
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14 INVESTMENTS

Available for sale:

Marketable securities - Book value	14.1	6,303,474	6,303,474
Less: Impairment in value of investments		(1,160,289)	(761,698)
		5,143,185	5,541,776

Held for trading:

Investments in Mutual Funds - Fair value 82,628,804 26,097,950

Held to Maturity:

Defence Saving Certificates	525,000	100,000
Pakistan Investment Bonds (10 years)	25,081,500	25,081,500
	25,606,500	25,181,500

<u>113,378,489</u>	<u>56,821,226</u>
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14.2 Company has deposited following securities with State Bank of Pakistan against statutory deposits under the Insurance Ordinance, 2000.

Pakistan Investment Bonds	25,081,500	25,081,500
Cash Deposit (included in sundry receivables)	115,000	115,000
Pakistan Income Fund	5,165,582	-
	<u>30,362,082</u>	<u>25,196,500</u>

	Note	2011 Rupees	2010 Rupees
15	PREMIUMS DUE BUT UNPAID		
	-Unsecured but considered good by the management	<u>7,947,632</u>	<u>6,637,622</u>
16	SUNDRY RECEIVABLES		
	Security deposits	414,235	602,708
	Income tax deducted at source	2,412,605	-
	Income tax refunds due	402,745	402,745
	Agents balances	25,000	291,437
	Advance for branches imprest	3,713,809	4,136,082
	Advance office rent	96,000	35,936
	Others	<u>719,247</u>	<u>833,335</u>
		<u>7,783,641</u>	<u>6,302,243</u>
18	MANAGEMENT EXPENSES		
	Salaries, wages and benefits	7,256,325	6,605,701
	Rent, rates, taxes and electricity	2,372,733	1,975,528
	Communications	881,636	854,588
	Printing & stationery	459,841	520,389
	Travelling and conveyance	719,290	539,094
	Repairs and maintenance	1,697,606	1,729,033
	Advertisement	121,390	134,608
	Market development charges	1,100,100	1,920,225
	Others	<u>1,187,397</u>	<u>1,153,204</u>
		<u>15,796,318</u>	<u>15,432,370</u>
19	OTHER INCOME		
	Income from financial assets:		
	Profit on PLS saving accounts	693,237	1,033,043
	Income from non financial assets:		
	Profit on sale of fixed assets	546,396	17,194
	Miscellaneous	<u>10,089</u>	<u>26,923</u>
		<u>1,249,722</u>	<u>1,077,160</u>

	Note	2011 Rupees	2010 Rupees
20 GENERAL AND ADMINISTRATION EXPENSES			
Directors' remuneration		888,000	780,000
Salaries and other benefits		8,167,765	7,744,993
Rent, rates and taxes		864,000	864,000
Company's contribution to Provident Fund		555,303	542,124
Fee and subscription		971,886	892,027
Auditors' remuneration	20.1	335,000	250,000
Legal & professional charges		251,834	717,465
Penalty imposed by SECP		-	200,000
Bad debt expense		-	2,269,075
Zakat on defence saving certificates		-	182,762
Workers' welfare fund		110,397	184,550
Staff training		50,000	-
Exchange loss		-	41,629
Depreciation	17	2,163,988	2,574,603
		<u>14,358,173</u>	<u>17,243,228</u>

20.1 Auditors' remuneration

Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants

Audit fee
Certification Charges

Amin Mudassar and Co. Chartered Accountants

Audit fee
Taxation Services

Total	335,000	250,000
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21 PROVISION FOR TAXATION

Current:

For the year	2,046,199	2,968,623
Prior year	129,877	(127,717)
	2,176,076	2,840,906

Deferred	(143,529)	1,740,670
	<u>2,032,547</u>	<u>4,581,576</u>

21.1 Relationship between tax expense & accounting profit

Profit for the year before taxation	60,647	7,301,260
Tax at the applicable rate of 35% (2010: 35%)	21,226	2,555,441
Tax effect of expenses that are admissible/inadmissible in determining taxable profit	296,426	262,513
Tax effect of exempt income	(2,290,807)	(523,508)
Tax effect of write down of deferred tax asset	(143,529)	1,805,379
Tax effect of adjustments in respect of income tax of prior year	129,877	(127,717)
Tax expense for the current year	<u>(1,986,807)</u>	<u>3,972,108</u>

21.2 The income tax assessments of the company are complete upto tax year 2011 (financial year ended December 31, 2010).

	Note	2011 Rupees	2010 Rupees
22 EARNINGS PER SHARE (EPS)			

Basic & Diluted

Earnings per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year as follows:

Profit after tax	60,647	4,461,020
Weighted average number of ordinary shares in issue during the period	27,622,188	25,501,396
Earnings per share	0.002	0.175

No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

23 REMUNERATION OF DIRECTORS & EXECUTIVES

	Executives		Directors	
	2011	2010	2011	2010
Rupees				
Managerial remuneration	2,168,004	1,620,000	528,000	440,000
House rent and utility allowance	1,713,996	1,380,000	360,000	340,000
	<u>3,882,000</u>	<u>3,000,000</u>	<u>888,000</u>	<u>780,000</u>
Number of Persons	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>

In addition, executive and director are also provided with free use of company's maintained car for office purpose only.

24 RELATED PARTY TRANSACTIONS

Balances with related parties have been disclosed in the relevant balance sheet note, if any. Transactions with related parties are as follows:

Relation Transactions

Key Management Personnel:

Chief Executive/Directors

Commission paid	1,015,206	-
Office Rent	864,000	864,000

Remuneration to directors and executives is disclosed in note 24 to the financial statements.

Amount payable to Chief Executive is shown in note 11.

Retirement Benefit Plan:

Contribution to Provident Fund	555,303	542,124
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ASIA INSURANCE COMPANY LIMITED
WORKING OF DEFERRED TAX
YEAR ENDED December 31, 2011

PARTICULARS	Accounting Base	Tax Base	Difference	Deferred Tax @ 35%
YEAR ENDED December 31, 2010				
Owned assets as per accounts	171,037,719			
Less: Freehold land	<u>(160,000,000)</u>			
	11,037,719	7,418,733	3,618,986	<u>1,266,645</u>
				1,266,645
Opening deferred tax liability				<u>(1,410,174)</u>
Deferred tax (income)/expense				<u><u>(143,529)</u></u>

Asia Insurance Co. Ltd

Numerical reconciliation between average effective tax rate and the applicable tax rate

	2011		
	Rs.	Rs.	Rate %
Profit before tax	60,647		
	<hr/>		
	60,647		
Applicable tax @ 35% on profit before tax		21,226	35.00
Tax effect of expenses that are admissible/inadmissible	410,082	296,426	488.77
Tax effect of exempt income	(6,545,163)	(2,290,807)	#####
Deferred tax effect		(143,529)	(236.66)
Prior year's tax effect		129,877	214.15
		<hr/>	
		(1,986,807)	#####
		<hr/>	

14.1 AVAILABLE FOR SALE

Marketable Securities

No. of shares/units		Face value of Shares/ Units	Company's name	Book Value (Rupees)	
2011	2010			2011	2010
9,900	9,000	10	Askari Bank Limited	401,160	401,160
720	720	10	Attock Petroleum Ltd.	28,950	28,950
7,250	7,250	10	B.R.R. 2nd Modaraba	101,100	101,100
3,375	3,375	10	Bank Al-Falah Ltd.	70,300	70,300
5,000	5,000	10	Bank of Punjab	311,250	311,250
5,625	5,625	10	Brothers Textiles Ltd.	82,200	82,200
50,400	50,400	5	First Habib Modaraba	316,250	316,250
5,843	5,843	10	First IBL Modaraba	107,300	107,300
693	693	10	General Tyres and Rubber Co. Ltd.	3,448	3,448
798	726	10	Habib Bank Limited	117,500	117,500
5,000	5,000	10	Haseeb Waqas Sugar Mills Ltd.	116,250	116,250
210	210	10	Islamic Investment Bank Ltd.	5,000	5,000
5,350	5,350	10	Khalid Siraj Textiles Ltd.	80,300	80,300
500	500	10	Kot Adu Power Co. Ltd.	15,000	15,000
1,000	1,000	10	Lucky Cement	111,650	111,650
1,331	1,210	10	MCB Bank Limited	297,259	297,259
5,379	5,379	10	National Bank of Pakistan Ltd.	59,479	59,479
6,500	6,500	10	Pakistan International Airlines	70,000	70,000
871	792	10	Pakistan Petroleum Ltd.	27,500	27,500
200	200	10	Suhail Jute Mills Ltd.	1,820	1,820
3,937	3,750	10	Sui Southern Gas Pipe Line Ltd.	78,450	78,450
15,000	15,000	10	Sulman Noman Enterprises Ltd.	182,750	182,750
1,000	1,000	10	Tawakkal Polyester Ind. Ltd.	27,000	27,000
272	272	10	The Bank of Khayber Ltd.	15,000	15,000
6,185	6,185	10	World Call Broad Band Ltd.	50,000	50,000
118,583	106,012	10	N.I.T. Units	3,626,558	3,626,558
				6,303,474	6,303,474

The market value of quoted securities as at December 31, 2011 is Rs.5,143,185/- (2010: Rs. 5,541,776/-).

17 FIXED ASSETS (Tangible)

PARTICULARS	2011									
	COST/REVALUATION				DEPRECIATION					W.D.V.
	As at January 01, 2011	Additions / Adjustment	(Deletions)	As at December 31, 2011	Rate %	As at January 01, 2011	(Deletions)	For the year	As at December 31, 2011	As at December 31, 2011
OWNED										
Land - Free hold										
Cost	23,939,830	-	-	23,939,830	-	-	-	-	-	23,939,830
Revaluation	127,207,970	8,852,200	-	136,060,170	-	-	-	-	-	136,060,170
	151,147,800	8,852,200	-	160,000,000	-	-	-	-	-	160,000,000
Building - on freehold land	564,200	-	-	564,200	10	97,610	-	46,659	144,269	419,931
Furniture & Fixtures	1,161,178	78,380	-	1,239,558	10	506,775	-	71,781	578,556	661,002
Office Equipment	2,880,488	184,296	-	3,064,784	10	1,143,340	-	184,685	1,328,025	1,736,759
Vehicles	16,810,422	2,054,293	(1,920,540)	16,944,175	20	7,998,436	(766,936)	1,756,282	8,987,782	7,956,393
Computer & Accessories	422,458	74,107	-	496,565	30	128,350	-	104,581	232,931	263,634
	<u>172,986,546</u>	<u>11,243,276</u>	<u>(1,920,540)</u>	<u>182,309,282</u>		<u>9,874,511</u>	<u>(766,936)</u>	<u>2,163,988</u>	<u>#####</u>	<u>171,037,719</u>

18.1 FIXED ASSETS (Tangible) - Schedule for comparative figures

PARTICULARS	2010									
	COST/REVALUATION				DEPRECIATION					W.D.V.
	As at January 01, 2010	Additions / Adjustment	(Deletions)	As at December 31, 2010	Rate %	As at January 01, 2010	(Deletions)	For the year	As at December 31, 2010	As at December 31, 2010
OWNED										
Land - Free hold										
Cost	23,939,830	-	-	23,939,830	-	-	-	-	-	23,939,830
Revaluation	127,207,970	-	-	127,207,970	-	-	-	-	-	127,207,970
	151,147,800	-	-	151,147,800	-	-	-	-	-	151,147,800
Building - on freehold land	564,200	-	-	564,200	10	45,767	-	51,843	97,610	466,590
Furniture & Fixtures	1,105,778	62,400	(7,000)	1,161,178	10	436,468	(1,611)	71,918	506,775	654,403
Office Equipment	2,311,395	586,393	(17,300)	2,880,488	10	960,498	(4,697)	187,539	1,143,340	1,737,148
Vehicles	17,523,477	558,100	(1,271,155)	16,810,422	20	6,771,576	(929,341)	2,156,201	7,998,436	8,811,986
Computer & Accessories	238,134	184,324	-	422,458	30	21,248	-	107,102	128,350	294,108
	<u>172,890,784</u>	<u>1,391,217</u>	<u>(1,295,455)</u>	<u>172,986,546</u>		<u>8,235,557</u>	<u>(935,649)</u>	<u>2,574,603</u>	<u>9,874,511</u>	<u>163,112,035</u>

18.2 Detail of disposal during the year

Particulars	Cost	Accumulated depreciation	Book Value	Claim Received	Gain	Mode of disposal	Insurance company
-----Rupees-----							
Vehicles:							
1 Car Honda Civic LEB-09-5497.	1,920,540	766,936	1,153,604	1,700,000	546,396	Insurance Claim	Asia Insurance Company Limited
	<u>1,920,540</u>	<u>766,936</u>	<u>1,153,604</u>	<u>1,700,000</u>	<u>546,396</u>		

25 SEGMENT REPORTING

Particulars	Fire Insurance		Marine Aviation and Transport		Motor		Miscellaneous		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue										
Premium earned	5,038,321	19,288,568	1,791,702	8,258,870	3,038,084	13,888,585	4,532,523	5,098,113	14,400,630	46,534,136
Segment results	(1,308,891)	2,505,145	(602,367)	2,745,787	(2,156,428)	(1,490,266)	2,296,475	339,955	(1,771,211)	4,100,621
Investment income									6,866,030	28,903,212
Other income									9,378	753,290
General and administrative expense									(5,043,550)	(18,770,600)
									1,831,858	10,885,902
Profit before tax									60,647	14,986,523
Provision for tax									-	2,878,999
Net profit									60,647	17,865,522
Other information										
Segment assets	33,746,900	21,337,266	9,505,140	6,839,690	13,598,273	15,332,344	#####	6,103,007	75,263,750	49,612,307
Unallocated assets									486,590,589	510,809,919
Total assets									561,854,339	560,422,226
Segment liabilities	31,094,267	17,508,760	10,175,875	3,532,338	26,862,736	17,421,583	#####	5,284,443	85,850,086	43,747,124
Unallocated liabilities									(12,268,754)	27,852,046
Total liabilities									73,581,332	71,599,170
Capital Expenditure	836,637	4,328,661	297,450	1,853,649	504,278	3,117,263	752,472	1,143,518	2,390,837	10,443,091
Depreciation	757,179	1,067,173	269,200	456,992	456,385	768,519	681,007	281,919	2,163,771	2,574,603

Particulars		2011				
		Fire	Marine	Motor	Miscellaneous	Total
Premium earned	(Statement of Premium)	5,038,321	1,791,702	3,038,084	4,532,523	14,400,630
Segment results	(P & L Account)	(1,308,891)	(602,367)	(2,156,428)	2,296,475	(1,771,211)
Revenue in % of total		34.99	12.44	21.09	31.47	99.99
Segment assets						
Premium due but unpaid/re-insurers	(Actual)	5,098,133	862,739	1,297,156	689,604	7,947,632
Amount due from other insurers/re-insurers	(On the Basis of Revenue)	14,288,185	5,079,881	8,612,113	12,850,791	40,830,970
Reinsurance recoveries against outstanding claims	(Actual)	6,451,603	2,934,351	2,863,933	550,102	12,799,989
Deferred commission expenses ceded	(Actual)	2,838,264	472,953	825,071	928,421	5,064,709
Prepaid reinsurance premium ceded	(Actual)	5,070,715	155,216	-	3,394,519	8,620,450
		33,746,900	9,505,140	13,598,273	18,413,437	75,263,750
Unallocated assets						486,590,589
						561,854,339
Segment liabilities						
Provision for outstanding claims (including IBNR)	(Actual)	10,662,812	5,425,303	13,829,735	1,219,284	31,137,134
Provision for unearned premium	(Actual)	11,353,057	1,891,812	8,250,720	8,482,314	29,977,903
Commission income unearned	(Actual)	1,140,911	34,924	-	861,320	2,037,155
Premium received in advance	(Actual)	3,303	2,994	2	18,286	24,585
Amount due to other insurers	(On the Basis of Revenue)	265,425	94,367	159,983	238,723	758,498
Creditors & accruals	(On the Basis of Revenue)	7,668,759	2,726,475	4,622,296	6,897,281	21,914,811
		31,094,267	10,175,875	26,862,736	17,717,208	85,850,086
Unallocated liabilities						(12,268,754)
						73,581,332
Fixed Capital Expenditure	(On the Basis of Revenue)	836,637	297,450	504,278	752,472	2,390,837
Depreciation	(On the Basis of Revenue)	757,179	269,200	456,385	681,007	2,163,771

		2010				
		Fire	Marine	Motor	Miscellaneous	Total
Premium earned	(Statement of Premiums)	19,288,568	8,258,870	13,888,585	5,098,113	46,534,136
Segment results	(P & L Account)	2,505,145	2,745,787	(1,490,266)	339,955	4,100,621
Revenue in % of total		41.45	17.75	29.85	10.95	100.00
Segment assets						
Premium due but unpaid/re-insurers	(Actual)	2,399,266	1,188,909	2,837,150	212,297	6,637,622
Amount due from other insurers/re-insurers	(On the Basis of Revenue)	10,608,013	4,542,635	7,639,305	2,802,358	25,592,311
Reinsurance recoveries against outstanding claims	(Actual)	3,443,227	657,723	2,026,251	932,128	7,059,329
Deferred commission expenses ceded	(Actual)	1,849,567	363,779	1,309,465	377,459	3,900,270
Prepaid reinsurance premium ceded	(Actual)	3,037,193	86,644	1,520,173	1,778,765	6,422,775
		21,337,266	6,839,690	15,332,344	6,103,007	49,612,307
Unallocated assets						510,809,919
						560,422,226
Segment liabilities						
Provision for outstanding claims (including IBNR)	(Actual)	6,288,999	1,541,078	6,491,677	1,426,710	15,748,464
Provision for unearned premium	(Actual)	6,738,194	298,359	8,242,862	2,396,205	17,675,620
Commission income unearned	(Actual)	750,311	95,077	-	475,828	1,321,216
Premium received in advance	(Actual)	-	-	-	-	-
Amount due to other insurers	(On the Basis of Revenue)	890,734	381,436	641,457	235,308	2,148,935
Creditors & accruals	(On the Basis of Revenue)	2,840,522	1,216,388	2,045,587	750,392	6,852,889
		17,508,760	3,532,338	17,421,583	5,284,443	43,747,124
Unallocated liabilities						27,852,046
						71,599,170
Fixed Capital Expenditure	(On the Basis of Revenue)	4,328,661	1,853,649	3,117,263	1,143,518	10,443,091
Depreciation	(On the Basis of Revenue)	1,067,173	456,992	768,519	281,919	2,574,603

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. Overall risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risks without any material change from previous period in the manner described in notes below. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework and is also responsible for development of the Company's risk management policies.

26.1 Credit risk and concentration of credit risk

Credit risk is the risk that arises from the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in diverse industries and by continually assessing the credit worthiness of industries/counterparties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the company's exposure to credit risk through monitoring of client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	Category of financial assets	2011 Rupees	2010 Rupees
Current and other accounts	Loans & Receivables	12,903,496	12,903,496
Deposits maturing within 12 months	Loans & Receivables	50,000,000	50,000,000
Investments:	Available for Sale	5,143,185	5,541,776
	Held for Trading-Fair value through Profit & Loss Account	82,628,804	26,097,950
	Held to Maturity	25,606,500	25,181,500
Premiums due but unpaid	Loans & Receivables	23,144,565	23,144,565
Amounts due from other insurers / reinsurers	Loans & Receivables	40,835,054	40,835,054
Reinsurance recoveries against outstanding claims	Loans & Receivables	3,958,354	3,958,354
Accrued investment income	Loans & Receivables	1,597,899	1,597,899
Sundry receivables	Loans & Receivables	3,571,087	1,727,480
		<u>249,388,944</u>	<u>190,988,074</u>

The company did not hold any collateral against the above during the year. General provision is made for receivables according to the company's policy. This impairment provision is utilized to write off a financial asset when it is determined that company cannot recover the balance due.

The credit quality of company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency	2011 Rupees	2010 Rupees
	Short term	Long term			
JS Bank Limited	A1	A	PACRA	20,122,846	-
Faysal Bank Limited (Royal Bank of Scotland)	A1+	AA	PACRA	-	315
Habib Bank Limited	A1+	AA+	JCR-VIS	51,497	9,639
KASB Bank Limited	A3	BBB	PACRA	14	12,649
HSBC Limited			PACRA	33,476	19,527
United Bank Limited	A1+	AA+	JCR-VIS	35,465	34,969
The Bank of Punjab	A1+	AA-	PACRA	-	1,451
Summit Bank Limited (Atlas Bank Limited)	A-2	A	JCR-VIS	4,787,032	25,920
Silk Bank Limited (Saudi Pak Bank Limited)	A-2	A-	JCR-VIS	71,123	2,407,001
NIB Bank Limited	A1+	AA-	PACRA	200,055	200,055
Faysal Bank Limited	A1+	AA	PACRA	25,485,981	1,657,005
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	11,578,004	68,825
				<u>62,365,493</u>	<u>4,437,356</u>

Age analysis of Premiums due but unpaid, amount due from other insurers/reinsurers, reinsurance recoveries against outstanding claims and sundry receivables (financial assets) is as under:

	2011 Rupees	2010 Rupees
Upto 1 year	49,034,694	39,979,994
1-2 years	2,697,902	620,073
Over 2 years	-	416,675
	<u>51,732,596</u>	<u>41,016,742</u>

The credit quality of amount due from other insurers/ reinsurers and reinsurance recoveries against outstanding claims can be assessed with reference to external credit ratings as follows:

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	2011 Rupees	2010 Rupees
A or above (including PRCL)	37,932,236	1,612,073	39,544,309	32,120,692
BBB	412,881	256,687	669,568	467,305
Others	-	-	-	63,643
Total	<u>38,345,117</u>	<u>1,868,760</u>	<u>40,213,877</u>	<u>32,651,640</u>

26.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The company finances its operations through equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

On the balance sheet date, company has cash and bank balance of Rs. 62,365,454/- (2010: Rs. 11,187,464/-).

The following are the contractual maturities of financial liabilities on an undiscounted cash flow basis:

	Category of financial liability	Carrying Amount	Contractual Cash Flows	Up to One Year	More Than One Year
Financial liabilities: 2011					
Provision for outstanding claims (including IBNR)	At amortised cost	18,489,924	18,489,924	18,489,924	-
Amount due to other insurers / reinsurers	At amortised cost	758,574	758,574	758,574	-
Accrued expenses	At amortised cost	460,000	460,000	460,000	-
Unclaimed dividend	At amortised cost	59,962	59,962	59,962	-
Other creditors and accruals	At amortised cost	18,341,998	18,341,998	18,341,998	-
		<u>38,110,458</u>	<u>38,110,458</u>	<u>38,110,458</u>	<u>-</u>

	Category of financial liability	Carrying Amount	Contractual Cash Flows	Up to One Year	More Than One Year
Financial liabilities: 2010					
Provision for outstanding claims (including IBNR)	At amortised cost	18,489,924	18,489,924	18,489,924	-
Amount due to other insurers / reinsurers	At amortised cost	758,574	758,574	758,574	-
Accrued expenses	At amortised cost	460,000	460,000	460,000	-
Unclaimed dividend	At amortised cost	59,962	59,962	59,962	-
Other creditors and accruals	At amortised cost	6,852,889	6,852,889	6,852,889	-
		<u>26,621,349</u>	<u>26,621,349</u>	<u>26,621,349</u>	<u>-</u>

26.3 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risks associated with the Company's business activities are interest/mark up rate risk and price risk. The Company is not exposed to material currency risk.

a) Interest/mark up rate risk

Interest/mark up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest/mark up rates. Sensitivity to interest/mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The company manages these mismatches through risk management strategies.

At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

Financial assets

	2011	2010	2011	2010
	Effective interest rate (in %)		Rupees	Rupees
Saving accounts	4% to 6%	4% to 6%	50,417,383	2,401,428
Deposits maturing within 12 months - Fixed rate	10.69% to 13%	10% to 15%	97,510,229	50,000,000
Investments				
- Interest bearing - Fixed rate	12%	12%	25,606,500	25,181,500
			<u>173,534,112</u>	<u>77,582,928</u>

Sensitivity analysis

For cash flow sensitivity analysis of variable rate instruments a hypothetical change of 100 basis points in interest rates at the reporting date would have decreased/(increased) profit for the year by the amounts shown below.

2011 Rupees	2010 Rupees
504,174	24,014

Cash flow sensitivity - Variable rate financial assets

It is assumed, for the purpose of sensitivity analysis, that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details. The analysis assumes that all other variables remain constant.

b) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs 5,143,185/- (2010: 5,541,776/-) at the balance sheet date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable. Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. Company manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are based on quoted market prices as of the balance sheet date and available for sale equity instruments which are stated at lower of cost or market value (market value being taken as lower if fall is other than temporary) in accordance with the requirements of the S.R.O. 938 issued by the Securities and Exchange Commission of Pakistan (SECP), dated December 12, 2002.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The table below summarizes company's equity price risk as of December 31, 2011 and 2010 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios, results could be worse because of the nature of equity markets.

Had all equity investments been measured at fair values as required by IAS 39 "Financial Instruments: Recognition and Measurement", the impact of hypothetical change would be as follows:

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase/(decrease) in profit / (loss) before tax
31-Dec-11	5,143,185	10% increase	5,657,504	514,319	514,319
		10% decrease	4,628,867	(514,319)	(514,319)
31-Dec-10	5,541,776	10% increase	6,095,954	554,178	554,178
		10% decrease	4,987,598	(554,178)	(554,178)

26.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for equity and debt instruments whose fair values have been disclosed in their respective notes to these financial statements. Fair value is determined on the basis of objective evidence at each reporting date. The company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in active market for identical instrument.

Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs.

	Level-1	Level-2	Level-3	Total
Rupees				
As at 31 December 2011				
At fair value through profit and loss account-Held for trading	82,628,804	-	-	82,628,804
As at 31 December 2010				
At fair value through profit and loss account-Held for trading	26,097,950	-	-	26,097,950

26.5 Insurance risk

The company accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policy holder, within a geographical location or to types of commercial business. The company minimizes its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

Geographical concentration of insurance risk

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the commercial/industrial/residential occupation of the insurers. Details regarding the fire separation/segregation with respect to the manufacturing processes, storage, utilities etc are extracted from the layout plan of the insured facility. Such details form part of the reports which are made available to the underwriters/reinsurance personnel for their evaluation. Reference is made to the standard construction specifications as laid down by IAP (Insurance Association of Pakistan) for instance, the presence of Perfect Party Walls, Double Fire Proof Iron Doors, physical separation between the buildings within an insured's premises. It is basically that the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

Address look up and geocoding is the essential field of the policy data interphase of IT systems. It provides instant location which is dependent on data collection provided under the policy schedule. All critical underwriting information is punched into the IT system/application through which a number of MIS reports can be generated to assess the concentration of risk.

For Marine risk, complete underwriting details, besides sums insured and premiums, like vessel identification, voyage input (sea/air/inland transit), sailing dates, origin and destination of the shipments, per carry limits etc. are fed into the IT system. The reinsurance module of the IT system is designed to satisfy the requirements as laid down in the proportional treaty agreement. Shipment declarations are also endorsed on the policies. Respective reinsurance cessions are automatically made upon the posting of policy documents.

Reinsurance arrangements

Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non proportional reinsurance arrangements are in place to protect the net account in case of a major catastrophe. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, any loss over and above the said limit would be recovered from the non proportional treaty which is very much in line with the risk management philosophy of the Company.

In compliance with the regulatory requirement, the reinsurance agreements are duly submitted with Securities and Exchange Commission of Pakistan on an annual basis.

The concentration of risk by type of contracts is summarized below by reference to liabilities.

	Gross sum insured		Reinsurance		Net	
	2011	2010	2011	2010	2011	2010
Fire	14,623,972,780	10,562,628,119	6,608,695,533	4,647,556,000	8,015,277,247	5,915,072,119
Marine	4,911,924,531	3,680,209,800	839,654,348	1,030,458,744	4,072,270,183	2,649,751,056
Motor	844,043,559	752,325,348	-	-	844,043,559	752,325,348
Miscellaneous	6,496,397,971	1,682,914,889	2,456,487,346	1,245,357,017	4,039,910,625	437,557,872
	<u>26,876,338,841</u>	<u>16,678,078,156</u>	<u>9,904,837,227</u>	<u>6,923,371,761</u>	<u>16,971,501,614</u>	<u>9,754,706,395</u>

Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The sensitivity analysis is performed on the same basis as that of last year. The company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The company considers that the liability for insurance claims recognised in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

As the company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of reinsurance.

	Pre tax Profit		Shareholders' equity	
	2011	2010	2011	2010
	Rupees			
10% decrease in Loss				
Fire	194,333	107,284	126,316	69,735
Marine	110,969	(21,354)	72,130	(13,880)
Motor	239,713	656,408	155,813	426,665
Miscellaneous	4,810	5,013	3,127	3,258
	<u>549,825</u>	<u>747,351</u>	<u>357,386</u>	<u>485,778</u>

10% increase in loss would have the same but opposite impact on above analysis.

Claims development tables

The following table shows the development of fire claims over a period of time. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments. For other classes of business the uncertainty about the amount and timings of claims payment is usually resolved within year. Moreover, claims with significant uncertainties are not outstanding as at December 31, 2011.

Analysis on gross basis

Accident year	2008	2009	2010	2011	Total
	Rupees				
Estimate of ultimate claims cost:					
At end of accident year	8,300,165	28,278,520	7,504,553	9,037,192	53,120,430
One year later	8,300,165	28,278,250	7,504,553	-	44,082,968
Two years later	8,600,165	28,278,250	-	-	36,878,415
Three years later	8,600,165	-	-	-	8,600,165
Estimate of cumulative claims	8,300,165	28,278,520	7,504,553	9,037,192	53,120,430
Cumulative payments to date	(6,749,350)	(27,681,951)	(6,850,474)	(8,291,444)	(49,573,219)
Liability recognised in the balance sheet	<u>1,550,815</u>	<u>596,569</u>	<u>654,079</u>	<u>745,748</u>	<u>3,547,211</u>

27 CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for share holders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. The company's overall strategy remains unchanged from 2010. The company has not obtained long term finance and short term borrowings, therefore gearing ratio of the company is not applicable. In accordance with Circular No. 03 of 2007 of Securities and Exchange Commission of Pakistan (SECP), minimum paid up capital requirement to be complied with by Insurance Companies at the end of each year are as follows:

	2009	2010	2011
	(Rupees in Thousands)		
Minimum paid up capital	200,000	250,000	300,000

The company currently meets the externally imposed capital limit.

28 EVENTS AFTER BALANCE SHEET DATE

There is no event causing adjustment to or disclosure in financial statements.

29 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorised for issue by the Board of Directors of the company on _____ 2012.

Chairman

Director

Director

Principal Officer/Chief Executive

Asia Insurance Company Limited.**Bank Balances**

Name of Banks		Rupees
JS BANK		
253884	20,122,846	
		20,122,846
Habib Bank Limited		
4058-72	1,756	
4099-31	7,919	
2294-70001150-03	41,822	
		51,497
KASB Bank Limited		
0022-122384-0001	8	
022122383-121	6	
		14
HSBC		
002-02-254641-093	17,506	
002-0254641-001	15,970	
		33,476
United Bank Limited		
37300298	5,051	
12000180	30,414	
		35,465
Bank Alfalah Limited		
Atlas Bank Limited		
4276-0540990100	4,739,478	
4276-0557770100	47,554	
		4,787,032
Saudi Pak Bank Limited		
11041126201	3,360	
11002328401	32,628	
0046-025002328402	35,135	
		71,123
NIB Bank Limited		
014079-0010	200,055	
		200,055
Faysal Bank Limited		
2330060000305	103,359	
015-053-0005816	2,695,235	
2331490000267	22,687,387	
		25,485,981
Standard Chartered bank Limited		
01-0700344-01	11,566,081	
01-0704890-01	11,923	
		11,578,004
		62,365,493

ASIA INSURANCE COMPANY LIMITED

Underwriting Results

FOR THE YEAR ENDED DECEMBER 31, 2010

	Fire & Property	Marine, Aviation and Transport	Motor	Miscellaneous	2010
	-----Rupees-----				
Net Premium Revenue	14,032,403	2,798,729	13,272,055	984,047	31,087,234
Net Claims	(6,024,728)	(218,351)	(3,803,783)	(904,685)	(10,951,547)
Expenses	17 (7,579,081)	(1,284,481)	(5,298,834)	(1,269,974)	(15,432,370)
Net Commission	(1,274,009)	(284,783)	(716,321)	1,146,006	(1,129,107)
Underwriting results	(845,415)	1,011,114	3,453,117	(44,606)	3,574,210

ASIA INSURANCE COMPANY LIMITED
Working Of Weighted Average No. Of Shares and Earning Per Share
Year Ended : 31 December 2011

Particulars	Working No.	Actual	Weighted Average No. Of Shares		
			2011	2010	2009
Balance as on 01 January 2009		16,000,000	-	16,000,000	16,000,000
Issue for Value (2,666,667*12/365)	Working-1	2,666,667	-	87,671	-
		18,666,667	-	16,087,671	16,000,000
Issue For No Value 2009 (16,087,671/18,666,667*1,333,333) 2008 (16,000,000/18,666,667*1,333,333)	Working-1	1,333,333	-	1,149,119	1,142,857
Balance as on 31 December 2010		20,000,000	-	17,236,790	17,142,857
Balance as on 01 January 2010		20,000,000	20,000,000	17,236,790	
Issue for Value (3,333,333*96/365)	Working-2	3,333,333	876,712	-	
		23,333,333	20,876,712	17,236,790	
Issue For No Value 2010 (20,876,712/23,333,333*1,666,667) 2009 (17,236,791/23,333,333*1,666,667)	Working-2	1,666,667	1,491,194	1,231,200	
Balance as on 31 December 2011		25,000,000	22,367,906	18,467,990	
Profit for the year			60,647	10,180,259	
Earning per share-Basic			0.003	0.551	

2010

Working-1

Right Issue
(4,000,000*10) 40,000,000

Share Issue For Value
(40,000,000/15)

Rs. 15/ is market value per share.

2,666,667
1,333,333

Share Issue For No Value
(4,000,000-2,666,667)

Total Right Issue

4,000,000

2011

Working-2

Right Issue
(5,000,000*10) 50,000,000

Share Issue For Value
(50,000,000/15)

Rs. 15/ is market value per share.

3,333,333
1,666,667

Share Issue For No Value

(5,000,000-3,333,333)

Total Right Issue

5,000,000

ASIA INSURANCE COMPANY LIMITED

Grouping of Accounts

Year Ended 31-12-2011

Code	Particulars	Based on new trial	
		2011	
		Debit	Credit
		Rs	Rs

BALANCE SHEET PORTION

SHARE CAPITAL & RESERVES

01-00-00-00	Paid up Share Capital		300,000,000
01-04-01-01	Reserves		143,493,807
01-03-00-00	Retained Earnings/ Un appropriated Profit (Opening)		30,417,764
	Profit for the year		30,417,764

SURPLUS ON REVALUATION OF FIXED ASSETS

01-04-01-01	Surplus on revaluation		137,207,970
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UNDERWRITING PROVISIONS

PROVISION FOR O/S CLAIMS (INCLUDING IBNR)

		New	
02-01-01-00-002	O/S Claims Fire	-	62,888,999
02-01-01-00-004	O/S Claims Marine	-	1,541,078
02-01-01-00-003	O/S Claims Motor	-	6,491,677
02-01-01-00-006	O/S claims Misc.	-	1,426,710
		-	72,348,464

PROVISION FOR UN EARNED PREMIUM

		New	
02-03-01-00-002	U/E Premium -Fire	-	6,738,194
02-03-01-00-004	U/E Premium -Marime	-	298,359
02-03-01-00-003	U/E Premium -Motor	-	8,242,862
02-03-01-00-006	U/E Premium -Misc	-	2,396,205
		-	17,675,620

COMMISSION INCOME UNEARNED

		New	
02-02-01-00-002	U/E Commission -Fire	-	750,311
02-02-01-00-004	U/E Commission -Marine	-	95,077
02-02-01-00-006	U/E Commission -Misc	-	475,828
		-	1,321,216

DEFERRED LIABILITIES

03-00-00-00	Deferred Taxation	-	1,410,174
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PREMIUM RECEIVED IN ADVANCE

Fire	-
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AMOUNT DUE TO OTHER INSURERS/REINSURERS

05-01-07-00	Co Insurance A/c Reliance Insurance	116,462
05-01-21-00	PICIC Insurance	97,518
05-01-25-00	Askari Insurance	318,283
05-01-45-00	Capital Insurance Co	157,191
14-01-07-00	Reliance Insurance Co.	-
14-01-19-00	Century Insurance Co.	-
14-01-35-00	New Hampshire insurance Co.	-
04-01-01-00	Re Insurers A/c Egypt Re-Ins. Co. Egypt	10,397
04-01-09-00	Korian Re-Ins Co,	9,370
04-05-00-00	Local PRC	3,501,767
		4,210,988

AMOUNT DUE FROM OTHER INSURERS/REINSURERS

04-01-08-00	Re Insurers A/c P.I.C (Karachi) Tokyo Marine/Fire Ins. Co. Japan	-
04-01-03-00	Sumitomo Marine/Fire Ins. Co. Japan	-
04-01-02-00	Hannovar RE-Ins (HR Srevice)	-
04-01-05-00	Marsh Ltd- J.B. Boda & Co. (Brokers)	-
04-06-00-00	PRCL Retrocession Account	1,718,398
	E.F.U general Insurance Co. Raja Insurance Co.	
	Best Re	(1,034,852)
04-01-10-01-001	Fire	492,306
04-01-10-01-003	Motor	43,312
04-01-10-01-004	Marine	35,912
04-01-10-01-003	Misc	549,946
	Leuban Re	(752,619)
04-01-10-01-001	Fire	358,041
04-01-10-01-003	Motor	31,500
04-01-10-01-004	Marine	26,116
04-01-10-01-006	Misc	399,962
	Arab Re	(445,831)
04-01-10-01-001	Fire	223,776
04-01-10-01-003	Motor	15,750
04-01-10-01-004	Marine	16,323
04-01-10-01-006	Misc	221,482
	Trust Re	(376,310)
04-01-10-01-001	Fire	179,020
04-01-10-01-003	Motor	15,750
04-01-10-01-004	Marine	13,058
04-01-10-01-006	Misc	199,982
	Co Insurance A/c	
14-01-01-00	Adamjee Insurance Co.	1,746,470
14-01-02-00	EFU Insurance Co.	9,630,055
14-01-03-00	New Jublee Insurance Co.	1,111,902
14-01-04-00	Premier Insurance Co.	3,024,121
14-01-06-00	Habib Insurance Co.	10,920
14-01-07-00	Reliance Insurance Co.	114,710
14-01-08-00	International General Insurance Co.	11,484
14-01-09-00	Universal Insurance Co.	412,881

14-01-10-00	Alpha Insurance Co.	-	
14-01-11-00	Shaheen Insurance Co.	1,146	
14-01-12-00	Crescent Insurance Co.	-	
14-01-13-00	Security General Insurance Co.	60,140	
14-01-21-00	PICIC Insurance Co.	243,379	
14-01-23-00	Pakistan General Insurance Co.	-	
14-01-24-00	United Insurance Co.	-	
14-01-25-00	Askri General Insurance Co.	9,181,047	
14-01-28-00	Silver Star Insurance Co.	3,843	
05-01-28-00	Silver Star Insurance Co.		-
14-01-31-00	Eastwest Insurance Co.	-	
05-01-31-00	East west Insurance Co.	-	-
14-01-40-00	UBL Insurance Co.	534,059	
14-01-42-00	Al Falah Insurance Co.	14,523	
	Local Faculatlative account		
14-04-01-02	Habib Insurance Company	212,542	
14-04-01-03	Security General Insurance Co.	7,193,537	
14-04-01-04	Shaheen Insurance Co.	197,055	
14-04-01-08	PICIC Insurance	2,287,010	
14-04-01-13	NJI	635,895	
		35,099,610	

Taxation Payable- Provision less Payments

		-
	For the Year	-
	Prior years' tax refunds adjustment	-
	Prior years' excess provision adjusted	-
		-

Advance Income Tax

17-02-01-00	Utilities	76,629	
17-02-02-00	Investments	1,953,891	
17-02-03-00	Dividends	14,142	
17-02-04-00	Advance tax	329,702	
17-02-05-00	Cash withdrawl	34,240	
17-02-07-00	Others	4,000	
			(2,412,604)

ACCRUED EXPENSES

06-03-15-00	Accrued Expenses (Audit Fee)	330,000
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OTHER CREDITORS

O/S COMMISSION

06-03-12-01-001	O/S Agency Comission - Health	47,740
06-03-12-01-002	O/S Agency Comission - Fire	1,175,143
06-03-12-01-004	O/S Agency Comission - Marine	144,487
06-03-12-01-003	O/S Agency Comission - Motor	509,083
06-03-12-01-005	O/S Agency Comission - Engineering	26,112
06-03-12-01-007	O/S Agency Comission - Bond	57,980
06-03-12-01-006	O/S Agency Comission - Misc	61,040
05-03-00-00	Co Insurance Commission Payable	2,995,623
05-04-00-00	Co Insurance Commission Payable	1,605,307
		6,622,515
06-03-05-01	F.F Duty	1,238,380
06-03-05-01	F.I.Duty	102,863
06-03-03-00	Employees Retirement Benefits (Staff Provident Fund)	-

Tax Deducted At Source		
06-03-04-01	Tax Deducted at Source	
06-03-04-01	Tax Deducted at Source Employees	52,915
06-03-04-01	Tax Deducted at Source Supplies	57,479
06-03-04-01	Tax Deducted at Source Services	6,117
06-03-04-01	Tax Deducted at Source Others	450
06-03-04-01	Tax Deducted at Source Commission	195,838
06-03-04-01	Tax Deducted at Source Rent	2,320
06-03-04-01	Tax Deducted at Source Misc	104
06-03-04-01	Tax Deducted at Source 15% Surcharge on Commission Tax	2,865
06-03-04-01	Tax Deducted at Source 15% Surcharge on Supplies	25
06-03-04-01	Tax Deducted at Source 15% Surcharge Salaries	1,867
06-03-04-01	Zakat Deducted at Source	305,876

Misc. Payable		
Salary Payable		
06-03-06-01	EOBI Payable - Employer contribution	11,200
06-03-06-01	EOBI Payable - Employee contribution	2,240

OTHER LIABILITIES

06-03-01-01	Accrued rent	2,232,000
06-03-01-01	Accrued expenses (Misc Payable)	111,761
06-03-01-01	Directors' Remuneration	67,496
06-03-01-01	Retention money on Labour Contract	182,937
06-03-01-01	Unpresented Cheques	118,800
		2,726,434

10,996,068

07-00-00-00	Unclaimed Dividend	59,962
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10-01-01-01	Cash Imprest H.O	-
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BANKS

Current Accounts

10-02-01-01	H.B.L A/C # 4058-72	1,754
10-02-01-01	H.B.L A/C # 4099-31	7,882
10-02-01-01	H.S.B.C A/C # 002-0254641-001	15,970
10-02-01-08	K.A.S.B A/C # 0022-122384-0001	8
10-02-01-01	N.I.B A/C # 14079-0010	200,055
10-02-01-01	Saudi Pak A/C # 011041126201	3,360
10-02-01-01	S.C. Bank A/C # 01-0700344-01	11,566,081
10-02-01-01	S.C. Bank A/C # 010-704890-01	11,923
10-02-01-01	U.B.L A/C # 37300298	5,051
10-02-01-01	Silk Bank A/C # 0046-011002328401	32,628
10-02-01-01	Faysal Bank A/C # 23300600000305	103,359

11,948,071

Savings Accounts

10-02-01-01	H.B.L A/C # 0094-70001150-03	41,822
10-02-01-01	J.S Bank Isb A/C# 253884	20,122,846
10-02-01-01	Atlas Bank A/C # 42760540990100	4,739,478
10-02-01-08	K.A.S.B A/C # 0022-122383-0121	6
10-02-01-01	H.S.B.C A/C # 002-0254641-093	17,506

10-02-01-01	U.B.L A/C # 12000180	30,414
10-02-01-01	Atlas Bank A/C # 0557770100	47,554
10-02-01-01	Faysal Bank A/C # 23314900267	22,687,387
10-02-01-01	Faysal Bank A/C # 0150-053-0005816	2,695,235
10-02-01-01	Silk Bank A/C # 46-025002328402	35,135

50,417,383

62,365,454

DEPOSIT MATURING WITHING 12 MONTHS

Fixed & Call Deposit-Term deposit certificate of Investment

11-15-01-02	TDC- Atlas Bank	21,300,000
11-15-01-02	TDC-Silk Bank	13,000,000
11-15-01-02	TDC-Faysal Bank	28,000,000
11-15-01-02	TDC-HBL bank	35,210,229
		97,510,229

INVESTMENTS

Held to maturity

11-05-01-01-002	Defence Saving Certificates	525,000
11-05-01-01-001	P.I Bond with State Bank	25,081,500

Held for trading

11-05-02-00	Ordinary Shares of Listed Companies	1,764,860
11-05-01-01-003	NIT Units	3,071,303

Available for sale

11-05-03-01	Arif Habib Growth Fund	23,130,423
11-05-03-01	Adjustment Plan PIF	5,165,582
11-05-03-01	ABL Cash Fund	23,296,932
11-05-03-01	HBL Money Market Fund	8,291,505
11-05-03-01	Faysal saving Growth	6,219,154
11-05-03-01	NAFA Govt Securities	8,252,672
11-05-03-01	MCB Cash Management	8,272,536

87,464,967

13-00-00-00	PREMIUM DUE BUT UNPAID - UNSECURED	7,947,632
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Premium due but Unpaid - Fire
Premium due but Unpaid - Marine
Premium due but Unpaid - Motor
Premium due but Unpaid - Misc

ACCRUED INVESTMENT INCOME

ACCRUED INVESTMENT INCOME		
15-01-01-01	Accrued Investment Income - HTM- DSCs	176,956
15-01-01-01	Accrued Investment Income on P.I.B	1,025,753
Accrued Investment Income - TDRs		
15-01-01-05	Atlas Bank Limited	165,586
15-01-01-05	Silk Bank Limited	79,068
15-01-01-05	Faysal Bank Limited	90,206
15-01-01-05	HBL Bank Limited	454,164
		1,991,733

REINSURANCE RECOVERIES AGAINST OUTSTANDING CLAIMS

New		
Reins. Recov. Agaist O/S Claims (F)	-	3,443,227
Reins. Recov. Agaist O/S Claims (M)	-	657,723
Reins. Recov. Agaist O/S Claims (M)	-	2,026,251
Reins. Recov. Agaist O/S Claims (M)	-	932,128
	-	7,059,329

DEFERRED COMISSION EXPENSE

New		
Fire	-	1,849,568
Marine	-	363,779
Motor	-	1,309,464
Misc	-	377,459
	-	3,900,270

PREPAID INSURANCE PREMIUM CEDED

Prepaid Insurance Premium Ceded

New		
Fire	-	3,037,193
Marine	-	86,644
Motor	-	1,520,173
Misc	-	1,778,765
	-	6,422,775

SUNDRY RECEIVABLES

IMPREST FOR BRANCHES

Imprest for Branch- HO	-
Imprest for Branch- Afzal Ashraf	-
Imprest for Branch- Abid Ali	-
Imprest for Branch- Ramz Ullah	-
Imprest for Branch- M. Rafi	-
Imprest for Branch- M. Alam Kaxmi	-
Imprest for Branch- Shahid Iqbal mgl	-
Imprest for Branch- Aamir Manzoor	-
Imprest for Branch- Ijaz Janjua	-
Imprest for Branch- Ibad Ali Malik	-
Imprest for Branch- M Akram ch.	-
Imprest for Branch- Shabbir A Butt	-
Imprest for Branch- RaoNisar Ahmad	-
Imprest for Branch- M. Muneef	365,694
Imprest for Branch- EFU Main Skt.	-
Imprest for Branch- EFU Main Isd.	-
Imprest for Branch- Head Office	-
Imprest for Branch- Ch Naeem Multan	-
Imprest for Branch- Comm. Jhang Branch	-
Imprest for Branch- Comm. Zoraiz	-

	Imprest for Branch- EFU Guj	-
	Imprest for Branch- Ch Naeem Multan	-
	Imprest for Branch- Ch Naeem Multan	-
		365,694
	Security Deposit	
17-14-03-01	Sundry Security Deposits	115,000
17-14-03-01	Sundry Security Deposits-2009	299,235
		414,235
	I.Tax Refund Due	
17-14-03-01	Income Tax Paid For 2000	-
17-14-03-01	Determined income Tax Refund	402,745
		402,745
	Prepaid Insurance Premium Motor	
	Advance for Office Rent	
	Pre Paid Rent	-
17-01-01-02	Eden Centre	-
17-01-01-06	Multan	-
17-01-01-11	Okara	-
17-01-01-12	Sialkot	-
17-14-03-01	Sundry Receivables 2009	25,000
	Sundry Receivable (Agent Balances)	
	Miscellaneous	
	Computer Software (Cranium)	-
17-01-01-01	Pre paid Expenses (Advance for Expenses)	-
17-01-01-01	Pre paid Expenses (Advance for Expenses at project Mr. Tanveer)	-
17-01-01-04	Pre Paid Other Expenses	-
	Advance Salary to Staff	-
	Advance for Claims	-
	Advance Against Commission	-
17-14-02-02	Eden Centre	-
17-14-02-06	Multan	-
	CDC Deposit Account	-
	CDC Annual Fee	-
	Advance Income Tax	-
12-01-01-00	Advances to staff	-
	Loan to Staff	
17-01-05-01	Karamat Ullah	-
17-01-05-01	Shafi	-
17-01-05-01	Khalid-Office Boy	-
17-01-05-01	Mahmood Akhtar	-
17-01-05-01	Naeem Bhatti	-
17-01-05-01	Advances for Expenses- Ali Muneen Shamsi	-
17-01-05-01	FED Input	-
17-01-05-01	Prepaid Intrest on PIB	-
		-
	FIXED ASSETS	
20-01-04-00	Land - Free Hold	161,147,800
20-01-05-01	Building - On Freehold Land	564,200
20-01-02-00	Furniture & Fixture	1,239,558
20-01-03-00	Office Equipment	3,064,784
20-01-01-00	Motor Vehicles	16,939,575
20-01-05-01	Computer Accessories	496,565
		183,452,482
	PROVISION FOR DEPRECIATION	

08-01-01-01	Furniture	
08-01-01-01	Office Equipment	
08-01-01-01	Building	
08-01-01-01	Motor Vehicle	
08-01-01-01	Computer Accessories	
NET BALANACE TRANSFERRED TO F. ASSETS		-

CAPITAL WORK IN PROCESS (BUILDING)

20-02-01-01	Land Fee	2,607,442
20-02-01-01	Consultancy Fee	1,231,880
20-02-01-01	Legal & Professional Charges	1,424,080
20-02-01-01	Commercilization Charges	130,000
20-02-01-01	Labour	20,245
20-02-01-01	Cement-HO	48,400
20-02-01-01	Cement Bags-2010	2,636,601
20-02-01-01	Crush-2010	2,309,402
20-02-01-01	Cartage-2010	26,057
20-02-01-01	Iron Sheets-2010	11,622,070
20-02-01-01	Wooden Pillots-2010	4,400
20-02-01-01	Labouring Bill	1,475,748
20-02-01-01	Sand-2010	861,905
20-02-01-01	Salary Mr. shahzad	60,000
20-02-01-01	Salary Mr. Toor Project Manager	420,000
20-02-01-01	Salary Project Incharge	117,000
20-02-01-01	Digging Charges	576,954
20-02-01-01	Security Deposits agaist Rent	30,000
20-02-01-01	Rent expenses at site	195,000
20-02-01-01	Misc	520,885
20-02-01-01	Salary Watchman	681,269
20-02-01-01	Advance Salary of Watchman	6,852
20-02-01-01	Advance to contractor Majeed	496,683
20-02-01-01	Mobalization Amount to Majeed	519,200
20-02-01-01	Mobalization Amount to Plumber	114,144
20-02-01-01	Electrical Material Charges	87,138
20-02-01-01	Bricks	171,523
20-02-01-01	Senitory Hardware	220,723
20-02-01-01	Gas Cylinder	1,220
20-02-01-01	Phootocopies	32,076
20-02-01-01	Motrcycle Repair	29,830
20-02-01-01	Electricity	39,324
20-02-01-01	Generator Petrol	1,193
20-02-01-01	Travelling Expenses	1,515
20-02-01-01	Petrol Mr Toor	83,719
20-02-01-01	Petrol Mr Amir	33,500
20-02-01-01	Geneeral Repair and Maintenance	9,902
20-02-01-01	Entertainment	70,602
20-02-01-01	printing annd stationary	1,434
20-02-01-01	Gulberg Town Mulba Fee	20,000
20-02-01-01	Plumber Wages Charges	74,063
20-02-01-01	Mobile Telephone	1,200
20-02-01-01	Advertismnt	3,000
20-02-01-01	Car repairs	23,195

GROUPING PROFIT & LOSS ACCOUNT

29,041,374

REVENUE ACCOUNT

	Premium earned		
	Premium On Direct		
70-02-01-00	Direct		24,299,965
70-02-02-00	Other Lead		20,062,986
72-02-03-00	Faculative		7,713,909
	Premium On Re-Insurance Accepted	-	
			52,076,860

	Commission Expense		
	Commission Of Direct		
55-02-01-00	Direct		
55-02-04-00	Faculative	1,307,242	
55-03-00-00	Direct all Parties	4,585,278	
55-04-00-00	Co Insurance All Parties	3,493,076	
	Commisson On Re-Insurance Accepted		-
		9,385,596	

	Claim Expense		
	Losses Of Direct		
55-01-01-01	Direct	6,297,425	
55-01-02-01	Our Lead		
55-01-03-01	Other Lead	11,136,429	
55-01-04-01	Salvage recovery		3,486,134
	Losses On Re-Insurance Accepted		-
		13,947,720	

Reinsurance expenses
Premium On Treaty (I/S)
Premium On Treaty (O/S)

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Commission from Reinsurers
Commission On Treaty (I/S)
Commission On Treaty (O/S)

	-
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Reinsurance recoveries
Loss On Treaty (I/S)
Loss On Treaty (O/S)

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70-01-01-01	RISK INSPECTION FEE (Admin Surcharge)		517,776
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Fire
Marine
Motor
Misc.

FIRE REVENUE ACCOUNT

Premium earned
Premium On Direct
Premium On Re-Insurance Accepted
Commission Expense
Commission Of Direct
Commisson On Re-Insurance Accepted
Claim Expense
Losses Of Direct
Losses On Re-Insurance Accepted
Reinsurance expenses
Premium On Treaty (I/S)

Premium On Treaty (O/S)
Commission from Reinsurers
Commission On Treaty (I/S)
Commission On Treaty (O/S)
Reinsurance recoveries
Loss On Treaty (I/S)
Loss On Treaty (O/S)

MARINE REVENUE ACCOUNT

Premium earned
Premium On Direct
Premium On Re-Insurance Accepted
Commission Expense
Commission Of Direct
Commission On Re-Insurance Accepted
Claim Expense
Losses Of Direct
Losses On Re-Insurance Accepted
Reinsurance expenses
Premium On Treaty (I/S)
Premium On Treaty (O/S)
Commission from Reinsurers
Commission On Treaty (I/S)
Commission On Treaty (O/S)
Reinsurance recoveries
Loss On Treaty (I/S)
Loss On Treaty (O/S)

MOTOR REVENUE ACCOUNT

Premium earned
Premium On Direct
Premium On Re-Insurance Accepted
Commission Expense
Commission Of Direct
Commission On Re-Insurance Accepted
Claim Expense
Losses Of Direct
Losses On Re-Insurance Accepted
Reinsurance expenses
Premium On Treaty (I/S)
Premium On Treaty (O/S)
Reinsurance recoveries
Loss On Treaty (I/S)
Loss On Treaty (O/S)

MISCELLANEOUS REVENUE ACCOUNT

Premium earned
Premium On Direct
Commission Expense
Commission Of Direct
Claim Expense
Losses Of Direct
Reinsurance expenses
Premium On Treaty (I/S)

Premium On Treaty (O/S)
Commission from Reinsurers
 Commission On Treaty (I/S)
 Commission On Treaty (O/S)
Reinsurance recoveries
 Loss On Treaty (I/S)
 Loss On Treaty (O/S)

EXPENSES

	Management Expenses	
	1 salaries wages and benefits	
	Salaries (Staff)	
51-01-01-00	Staff Salaries	
	HO	8,167,763
	Other Br.	5,170,162
	Bonus	
51-01-09-00	Staff welfare Expenses	23,289
51-01-11-00	E.O.B.I	139,650
51-01-08-00	Group Life Insurance	112,700
51-01-06-00	Leave Encashment	37,082
51-01-51-00	Full & Final Settlement	238,258
51-01-04-00	Staff Petrol	1,535,184
		15,424,088
	2 Rent rates and taxes	
51-01-12-00	Office Rent	2,190,861
51-01-29-00	Rent Rates & Taxes	929
51-01-45-00	Sui Gas Bills	28,303
	Property Tax	
	Vehicle Registration Fee	
	Vehicle Token Tax	
51-02-48-01	Cartage Charges	30,300
51-02-51-01	Tracker Expenses	25,000
	Electricity Charges	
51-01-43-00	Electricity Charges	957,806
	Utilities	
51-01-44-00	Water Bill Expenses	33,834
		3,267,033
	3 Communication	
51-01-15-00	Postage & Courier	152,163
	Telephone Expenses	
51-01-13-00	Telephone Charges	712,353
	Mobile Charges	
51-01-14-00	Internet Expenses	17,120
		881,636
	4 Printing and Stationery	
51-01-16-00	Printing & Stationery	459,841
	5 Travelling & Conveyance	
	Traveling & Conveyance	
51-01-17-00	Staff Travelling	161,030
51-01-18-00	Executive Expenses	453,305
	Transportation Charges	
51-01-19-00	Entertainment	543,895
		1,158,230

	6 Repair & Maintenance	
	Office Cleaning & Maintenance	
51-01-22-00	Vehicle Repair & Maintenance	1,004,170
51-01-23-00	Equipment-Maintenance	70,465
51-01-24-00	Repair & Maintenance-General	620,571
51-01-26-00	Office Renovation	-
	Vehicle Service Charges	
	Vehicle (Repair)	
	Petrol, Oil & Lubricant	
	Repairs	
	Computer Hardware	
		1,695,206
	7 Advertisement	
51-01-32-00	Advertisement	121,390
	8 Others	
51-01-39-00	Books/ News Paper	30,440
70-01-01-01	Service Charges	
	Fire	
	Marine	
	Motor	
	Misc.	
	Head Office	
51-01-31-00	Inspection Charges	62,972
51-01-36-01	Petrol Expenses - Khawaja Sohail Iftikhar	1,209,221
51-01-38-00	Miscellaneous expenses	-
	Bank Charges	
51-01-34-00	Current A/C	-
51-01-35-00	Deposit A/C	38,105
		1,340,738
	Grand total	
	Less: Admin Surcharge (Risk inspection fee)	
	Total Management expenses	24,348,162
	General and Administrative Expenses	
51-01-48-00	Director Remuneration	888,000
	Fee and subscription	
	IAP Subscription	
	Fee & Subtraction - CDC	
	Fee & Subtraction - Corplink	
	Fee & Subtraction - Others	
	Subscription fees	
51-01-41-01	Penalty to SECP	
51-01-41-01	Listing Fee & Charges	971,886
		971,886
51-01-05-00	Company Contribution to Provident Fund	555,303
51-01-28-00	Auditor Remuneration	335,000
51-01-27-00	Legal & Professional Charges	251,834
	Depreciation	

51-01-20-01	Building	
51-01-20-01	Motor Vehicle	1,756,282
51-01-20-01	Office Equipment	184,685
51-01-20-01	Furniture	71,781
51-01-20-01	Computer Accessories	104,581
		2,117,329

Business Promotion Expenses

- Business Promotion - HO
- Business Promotion - KHI 2
- Business Promotion - GUT
- Business Promotion - B/PUR
- Business Promotion - EDC
- Business Promotion - JRB
- Business Promotion - MUL
- Business Promotion - JHG
- Business Promotion - RWP
- Business Promotion - FSD
- Business Promotion - R.Y.Khan
- Business Promotion - PSH

51-01-36-01	Zakat	
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51-01-36-01	Market Development Charges	
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Bad Debts

51-01-36-01	Fire	
51-01-36-01	Marine	
51-01-36-01	Motor	
51-01-36-01	Misc	
51-01-36-01	Others	

Interest on Loan

Total General and Administrative Expenses

INVESTMENT INCOME

Financial Assets

- Interest Income
- Less: Profit on Pls Accounts

70-20-02-00	Profit on investment HTM Govt. Securities FDS	
76-26-04-00	HTM TFCs	
70-26-06-01	HTM Term Deposits	
	Atlas Bank Limited	
	Silk Bank Limited	
	Faysal Bank Limited	
	My Bank Limited	
	KASB Bank	
70-26-01-00	Dividend Income	
70-61-04-01	Gain on Investment AFS Faysal Saving Growth fund	
70-61-04-01	NIT Units	

70-61-04-01	Ordinary Shares		
70-61-04-01	Arif Habib Fund		
70-61-04-01	UBL Liquidity Fund		

OTHER INCOME

	Financial Assets		
70-26-07-01	Profit on Pls Accounts		
70-26-07-02	Profit on Pls Accounts		
70-26-07-08	Profit on Pls Accounts		
70-26-07-12	Profit on Pls Accounts		

	Non financial Assets		
70-61-01-00	Profit on Sale of Fixed Assets		
70-61-01-01	Misc. Income		
15-01-47-01	Insurance Stamps		

70-61-02-01	Exchange Gain/Loss		
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Income Taxes

			768,243,891
G. TOTAL		601,845,859	
	Diff	(166,398,032)	

ASIA INSURANCE COMPANY LIMITED
WORKING OF EPS
FOR PERIOD YEAR ENDED DECEMBER 31, 2010

Particulars	2010	2009
Profit After Tax	60,647	4,886,411
Weighted Average Number of Shares	21,303,380	16,219,178
Earning Per Share (Rs)		
=Profit after tax/Weighted average number of shares	0.003	0.301

Working of Weighted Average Number of Shares			
Particulars	Number of Shares		
	2010	2009	
Shares Previously Issued :	20,000,000	16,000,000	
Shares issued during the year			
	2010	2009	
Number of Shares issued on 07 Sep 2010 (2009:12 Dec. 09)	5,000,000	4,000,000	
Weighted Average Number of Days = 95/365 (2009=20/365)	0.260	0.055	
Weighted Average Number of Shares = 5,000,000*0.260 (2009=4,000,000*0.055)		1,301,370	219,178
Bonus Fraction			
Total		21,303,380	16,219,178

**CLASSIFIED SUMMARY OF ASSETS IN PAKISTAN
FINANCIAL YEAR ENDED DECEMBER 31, 2010**

Current Year		Prior Year		Valuation Basis
Cost of book Value	Market/Realizable Value	Cost of book Value	Market/Realizable Value	

CLASSES OF ASSETS

Current and other accounts	4,686,222	4,686,222	Actual
Deposit maturing within 12 months	#####	123,730,726	Actual
Investments	6,303,474	4,771,135	Market Value
Loans (secured)	-	-	Realizable Value
Premium due but unpaid	17,795,878	17,795,878	Realized Value
Amounts due from other insurer/reinsurers	18,198,319	18,198,319	Realized Value
Accrued investment income	8,410,592	8,410,592	Realized Value
Taxation payments	-	-	Actual
Sundry receivables	13,062,601	13,062,601	Realized Value
Land and building	#####	100,000,000	Market Value
Furniture, fixtures and office equipments	1,656,261	1,656,261	Book Value
Motor vehicle	7,347,556	7,347,556	Market Value
Lease vehicles	-	-	Market Value
Work in progress - Building	3,798,263	3,798,263	Book Value
		#####	303,457,553

ALLOCATION OF MANAGEMENT EXPENSES
TO REVENUE ACCOUNT FOR THE YEAR ENDED
DECEMBER 31. 2011

2011

PARTICULARS	PREMIUM	MANAGEMENT EXPENSES
FIRE	5,685,136	5,481,619
MARINE	2,943,732	2,838,352
MOTOR	5,709,437	5,505,050
MISC	2,044,487	1,971,299
Total	16,382,792	15,796,320

2010

ASIA INSURANCE COMPANY LTD.

ALLOCATION OF MANAGEMENT EXPENSES TO REVENUE ACCOUNT FOR PERIOD ENDED FOR IST QTR 2013

PARTICULARS	PREMIUM	MANAGEMENT EXPENSES
FIRE	5,613,537	1,572,147.82
MARINE	2,816,390	788,768.54
MOTOR	5,481,374	1,535,133.76
MISC	1,983,070	555,385.88
	15,894,371	4,451,436

ASIA INSURANCE COMPANY LTD.

ALLOCATION OF MANAGEMENT EXPENSES TO REVENUE ACCOUNT FOR THE YEAR ENDED UPTO DEC-2012

PARTICULARS	PREMIUM	MANAGEMENT EXPENSES
FIRE	17,630,309	6,141,892.92
MARINE	5,956,886	2,075,207.87
MOTOR	11,144,086	3,882,279.26
MISC	17,198,913	5,991,606.95
Total	51,930,194	18,090,987.00