

ASIA INSURANCE COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2014

Note	Unaudited Mar-31, 2014 Rupees	Audited Dec-31, 2013 Rupees	Note	Unaudited Mar-31, 2014 Rupees	Audited Dec-31, 2013 Rupees
Share capital and Reserves			Cash and bank deposits		
	300,000,000	300,000,000			
Authorised share capital 30,000,000 ordinary shares of Rs.10/- each			Cash in hand	155,412	486,765
			Current and other accounts	13,420,901	28,674,994
Paid up share capital	300,000,000	300,000,000	Deposits maturing within 12 months	14,000,000	20,000,000
Retained Earnings	71,897,051	69,804,358		27,576,314	49,161,759
Reserves	2,500,000	2,500,000	Investments	211,513,673	217,249,110
	374,397,051	372,304,358	Deferred tax Asset	2,668,400	2,497,209
Surplus on revaluation of fixed assets	136,060,170	136,060,170			
			Current Assets- Others		
Underwriting provisions			Premiums due but unpaid-unsecured	20,464,637	14,557,722
Provision for outstanding claims (including IBNR)	44,420,654	41,101,656	Amounts due from other insurers / reinsurers-unsecured	105,654,822	66,061,072
Provision for unearned premium	102,246,953	83,404,343	Accrued investment income	828,744	1,569,672
Commission income unearned	3,922,420	4,479,013	Reinsurance recoveries against outstanding claims	15,974,355	20,614,787
	150,590,026	128,985,012	Deferred commission expense	19,989,634	14,918,278
			Prepaid reinsurance premium ceded	16,845,558	19,166,762
Long term financing	3,827,991	-	Sundry receivables	26,599,994	16,403,932
				206,357,744	153,292,225
Creditors and Accruals			Fixed Assets (Tangible)		
Premiums received in advance	1,545,643	1,383,355	Land - freehold	160,000,000	160,000,000
Amounts due to other insurers / reinsurers	3,125,368	3,354,766	Building	331,640	340,144
Accrued expenses	490,000	490,000	Furniture and fixtures	888,035	893,353
Current maturity of long term financing	1,438,617	-	Office equipment	3,000,399	3,058,414
Other creditors and accruals	28,360,483	24,048,885	Motor vehicles	30,745,701	26,773,624
	34,960,111	29,277,006	Computers and Accessories	1,542,169	1,625,035
				196,507,944	192,690,570
Other liabilities			Capital Work in Progress (Building)	55,271,237	51,795,635
Unclaimed Dividend	59,962	59,962			
TOTAL LIABILITIES	189,438,091	158,321,980	TOTAL ASSETS	699,895,312	666,686,508
TOTAL EQUITY AND LIABILITIES	699,895,312	666,686,508			
Contingencies and Commitments					

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

Chairman

Director

Director

Principal Officer/Chief Executive

ASIA INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014

	Note	Fire & Property	Marine, Aviation and Transport	Motor	Credit and Suretyship	Miscellaneous	31-Mar-14 Aggregate	31-Mar-13 Aggregate	
		-----Rupees-----							
Net Premium Revenue		7,198,106	4,575,148	15,261,381	5,998,818	1,964,668	34,998,121	9,739,055	
Net Claims		405,045	(1,680,975)	(7,162,576)	(7,146,702)	(1,507,039)	(17,092,247)	(5,498,249)	
Expenses		(3,808,854)	(1,170,817)	(3,138,514)	(1,573,613)	(945,592)	(10,637,390)	(4,433,135)	
Net Commission		(1,448,400)	(1,089,583)	(698,145)	(253,782)	743,241	(2,746,669)	(52,810)	
Underwriting results		<u>2,345,897</u>	<u>633,773</u>	<u>4,262,146</u>	<u>(2,975,279)</u>	<u>255,278</u>	<u>4,521,815</u>	<u>(245,139)</u>	
Investment Income							5,108,057	6,866,030	
Other Income							2,834	9,378	
							<u>5,110,891</u>	<u>6,875,408</u>	
General and administration expenses							9,632,706	6,630,269	
							(6,719,272)	(5,616,535)	
Profit before tax							<u>2,913,434</u>	<u>1,013,734</u>	
Provision for tax - Deferred							171,191	1,163,104	
Provision for tax - Current							(991,931)	(153,043)	
Profit after tax							<u>2,092,693</u>	<u>2,023,795</u>	
Earnings per share (EPS)							<u>0.070</u>	<u>0.067</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

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014**

	Note	31-Mar-14 Rupees	31-Mar-13 Rupees
Operating Cash Flows			
a) Underwriting activities			
Premiums received		61,797,190	14,351,788
Reinsurance premiums paid		(51,203,030)	(5,190,557)
Claims paid		(13,762,668)	(2,280,805)
Reinsurance and other recoveries received		4,629,851	588,131
Commissions paid		(10,804,471)	(2,931,917)
Commissions received		2,429,853	2,464,806
Other underwriting receipts/(payments)		(9,749,002)	(3,225,811)
Net cash flow from underwriting activities		(16,662,277)	3,775,635
b) Other operating activities			
Income tax paid		(40,532)	-
General management expenses paid		(12,377,480)	(6,341,735)
Other operating payments		-	(45,000)
Other receipts in respect of operating assets		2,834	9,387
Net cash flow from other operating activities		(12,415,178)	(6,377,348)
Total cash flow from operating activities		(29,077,455)	(2,601,713)
Investment activities			
Profit / return received		5,807,985	7,612,689
Dividends received		41,000	37,332
Payments for investments		(93,388,553)	(7,906,307)
Proceeds from disposal of investments		99,123,990	-
Fixed capital expenditure		(9,120,762)	(848,773)
Proceeds from disposal of fixed assets		-	(952)
Total cash flow from investing activities		2,463,660	(1,106,011)
Financing activities			
Financing obtained during the period		5,266,608	-
Financial charges paid		(74,367)	-
Repayment during the period		(163,892)	-
Total cash flow from financing activities		5,028,349	-
Net cash inflow/(outflow) from all activities		(21,585,445)	(3,707,724)
Cash and cash equivalents at the beginning of the year		49,161,759	62,903,496
Cash and cash equivalents at the end of the year	12	27,576,314	59,195,772

	Note	31-Mar-14 Rupees	31-Mar-13 Rupees
RECONCILIATION TO PROFIT AND LOSS ACCOUNT			
Operating cash flows		(29,077,455)	(2,601,713)
Depreciation expense		(1,827,786)	(1,061,590)
Profit/(loss) on disposal of fixed assets		-	-
Increase / (Decrease) in assets other than cash		53,806,447	17,155,605
(Increase) / Decrease in liabilities		(25,849,502)	(19,514,266)
Dividend		41,000	37,332
Interest, rental and other income		4,828,798	6,845,323
Deferred taxation		171,191	1,163,104
Profit after taxation		2,092,693	2,023,795

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

Cash and cash equivalents

Cash in Hand		155,412	347,281
Current accounts & Other Accounts		13,420,901	8,848,491
Deposits maturing within 12 months		14,000,000	50,000,000
	12	<u>27,576,314</u>	<u>59,195,772</u>

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

Chairman

Director

Director

Principal Officer/Chief Executive

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014**

	Paid up share capital	Retained Earnings/Un-appropriated profit	Revenue reserves	Total share capital & reserves	Surplus on revaluation of fixed assets	Total
	-----R u p e e s-----					
Balance as at January 1, 2013	300,000,000	50,262,886	2,500,000	352,762,886	136,060,170	488,823,056
Net profit/Total Comprehensive income for the year ended December 31, 2012	-	19,541,472	-	19,541,472	-	19,541,472
Balance as at December 31, 2013	300,000,000	69,804,358	2,500,000	372,304,358	136,060,170	508,364,528
Balance as at January 1, 2014	300,000,000	69,804,358	2,500,000	372,304,358	136,060,170	508,364,528
Net profit/Total Comprehensive income for the year ended December 31, 2013	-	2,092,693	-	2,092,693	-	2,092,693
Balance as at March 31, 2014	300,000,000	71,897,051	2,500,000	374,397,051	136,060,170	510,457,221

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Chairman

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Principal Officer/Chief Executive

**CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014**

Class of Business	31-Mar-14								31-Mar-13	
	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	24,184,213	19,901,666	33,095,061	10,990,818	3,946,369	8,672,393	8,826,049	3,792,713	7,198,106	2,986,643
Marine, Aviation and Transport	7,434,068	4,694,493	3,663,437	8,465,124	4,132,545	1,971,687	2,214,256	3,889,976	4,575,148	1,689,090
Motor	19,927,908	30,257,946	33,486,973	16,698,881	1,437,500	-	-	1,437,500	15,261,381	2,056,834
Credit and Suretyship	9,991,615	20,659,727	21,860,052	8,791,290	-	7,157,470	4,364,999	2,792,471	5,998,818	-
Miscellaneous	6,004,013	7,890,511	10,141,430	3,753,094	1,863,468	1,365,212	1,440,254	1,788,426	1,964,668	3,006,488
Grand Total	67,541,817	83,404,343	102,246,953	48,699,207	11,379,882	19,166,762	16,845,558	13,701,086	34,998,121	9,739,055

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**CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014**

Class of Business	31-Mar-14								31-Mar-13	
	Claims Paid	Claims Outstanding		Claim Expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net Claims Expense	Net Claims Expense
		Opening	Closing			Opening	Closing			
-----R u p e e s-----										
Direct & Facultative										
Fire & Property damage	37,420	6,058,546	7,624,895	1,603,769	725,969	3,920,540	5,203,385	2,008,814	(405,045)	1,943,334
Marine, Aviation and Transport	4,411,017	9,340,165	9,462,853	4,533,705	2,749,818	7,503,174	7,606,086	2,852,730	1,680,975	1,109,685
Motor	841,843	14,520,107	20,840,840	7,162,576	-	2,344,930	2,344,930	-	7,162,576	2,397,126
Credit and Suretyship	7,816,298	6,695,965	-	1,120,333	-	6,026,369	-	(6,026,369)	7,146,702	-
Miscellaneous	656,090	4,486,873	6,492,066	2,661,283	1,154,064	819,774	819,954	1,154,244	1,507,039	48,104
Grand Total	13,762,668	41,101,656	44,420,654	17,081,666	4,629,851	20,614,787	15,974,355	(10,581)	17,092,247	5,498,249

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

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Principal Officer/Chief Executive

**CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)
FOR THE YEAR ENDED MARCH 31, 2013**

Class of Business	31-Mar-14								31-Mar-13
	Commission Paid	Deferred Commission		Net Commission Expense	Other Management Expenses	Underwriting Expenses /(income)	Commission from Reinsurers	Net Underwriting Expenses	Net Underwriting Expenses
		Opening	Closing						
-----R u p e e s-----									
Direct and Facultative									
Fire and property damage	5,994,809	5,379,100	8,981,422	2,392,487	3,808,854	6,201,340	944,087	5,257,253	1,795,469
Marine, Aviation and Transport	1,794,883	1,173,618	915,855	2,052,646	1,170,817	3,223,463	963,063	2,260,399	1,320,077
Motor	1,980,033	3,741,158	5,023,046	698,145	3,138,514	3,836,659	-	3,836,659	1,809,824
Credit and Suretyship	448,497	3,740,094	3,934,809	253,782	1,573,613	1,827,395	-	1,827,395	-
Miscellaneous	586,249	884,308	1,134,502	336,055	945,592	1,281,648	1,079,296	202,352	(439,425)
Grand Total	10,804,471	14,918,278	19,989,634	5,733,115	10,637,390	16,370,504	2,986,446	13,384,058	4,485,945

Note: Commission from reinsurers is arrived at taking impact of opening and closing unearned commission.

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

Chairman

Director

Director

Principal Officer/Chief Executive

**CONDENSED INTERIM STATEMENT OF INVESTMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014**

	31-Mar-14	31-Mar-13
	Rupees	
Income from Investments at Fair value through Profit and Loss:		
Gain/(Loss) on Investments at Fair value through Profit and Loss	4,465,834	-
Dividend income	41,000	-
	4,506,834	-
Income from Non Trading Investments:		
<u>Held to Maturity</u>		
Return on Government Securities	793,125	3,250
Return on Fixed Income -Deposits	412,750	2,058,997
	1,205,875	2,062,247
<u>Available for Sale</u>		
Dividend Income	-	37,332
Gain/(Loss) on sale of non trading investments 'Available for Sale'	-	1,064,252
Gain/(Loss) on revaluation of trading Investments	(335,360)	3,988,865
Investment related expenses	(269,292)	(286,666)
Net Investment Income	5,108,057	6,866,030

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

Chairman

Director

Director

Principal Officer/Chief Executive

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED MARCH 31, 2014**

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

This unaudited condensed interim financial information has been prepared in accordance with the requirements of SRO 938 issued by SECP and the Insurance Ordinance, 2000. However limited scope review has been performed by the statutory auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance, and are being circulated to the shareholders as required under section 245 of the Companies Ordinance, 1984.

3 STATEMENT OF COMPLIANCE

This condensed interim financial information of the company for the three months period ended March-30, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2013.

4.2 Previous period's figures have been re-arranged / reclassified where necessary to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangement.

4.3 Figures in the condensed interim financial information have been rounded off to the nearest rupee.

5 PAID UP SHARE CAPITAL

Issued, Subscribed and Paid up capital

Unaudited Mar 31, 2014	Audited Dec 31, 2013		Unaudited Mar 31, 2014	Audited Dec 31, 2013
No. of Shares			Rupees	
30,000,000	30,000,000	Opening Balance: Ordinary Shares of Rs. 10/- each fully paid in cash	300,000,000	300,000,000
-	-	Additions: Nil (2012: 1 ordinary share for every 5 ordinary shares held) fully paid in cash	-	-
<u>30,000,000</u>	<u>30,000,000</u>		<u>300,000,000</u>	<u>300,000,000</u>

- 6 During the current quarter the company obtained long-term financing from Burj Bank Ltd to purchase motor vehicles.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Suits for recovery of approximate Rs.12.690 million (2012: Rs. 6.430 million) have been lodged but are not accepted by the company and the cases are pending adjudication before different courts. As per company's legal advisor, most of these cases are at preliminary stage. In managements' opinion, such claims are untenable and accordingly management has not provided any liability in respect thereof.

- 7.1.1 The company has filed suit for recovery of Rs 6.827 million (2012: Rs. 6.919 million) against insurer/reinsurer for amount due. The management of the company on the basis of the facts of the case and advice of the legal advisor believe that they have strong case and has not, therefore, made provision in the financial statements against the aforesaid claim.

- 7.1.2 Guarantee issued by bank on behalf of the company Rs. Nil (2013: Rs. Nil).

7.2 Commitments

Commitments in respect of capital expenditure Rs. Nil (2013: Rs Nil).

	Note	Unaudited Mar 31, 2014 (Rupees)	Audited Dec 31, 2013 (Rupees)
8 <u>INVESTMENTS</u>			
Available for sale:			
Marketable Securities - Book Value		1,797,294	2,276,639
Less: Impairment in value of investments		-	(479,345)
		1,797,294	1,797,294
Fair value through Profit & Loss - Held for trading:			
Investments in Mutual Funds - Fair value		146,969,762	156,395,989
Investments in Ordinary Shares		36,636,990	32,946,200
		183,606,752	189,342,189
Held to Maturity:			
Defence Saving Certificates (DSCs)		525,000	525,000
Pakistan Investment Bonds (10 years)		25,584,627	25,584,627
		26,109,627	26,109,627
		<u>211,513,673</u>	<u>217,249,110</u>
9 <u>FIXED ASSETS - Tangible</u>			
OWNED ASSETS:			
Opening Book Value		192,690,570	182,473,986
Additions during the period	9.1	5,645,160	16,291,066
		-	-
		<u>198,335,730</u>	<u>198,765,052</u>
Book value of fixed assets disposed off during the period		-	-
Depreciation charged during the period		(1,827,786)	(6,074,482)
Closing Book value		<u>196,507,944</u>	<u>192,690,570</u>

		31-03-2014		31-12-2013	
9.1	Particulars	Additions	Disposals	Additions	Disposals
Rupees					
	Furniture & Fixtures	17,300	-	330,540	-
	Office Equipment	18,600	-	1,524,952	-
	Vehicles	5,568,710	-	12,828,634	-
	Computers and accessories	40,550	-	1,606,940	-
		<u>5,645,160</u>	<u>-</u>	<u>16,291,066</u>	<u>-</u>

10 TRANSACTIONS WITH RELATED PARTIES

	Three Months ended 31 March 2014 Rupees	Three Months ended 31 March 2013 Rupees
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Transactions with related parties are as below:

<u>Relation</u>	<u>Transactions</u>
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Key Management Personnel:

Chief Executive/Directors

Commission paid	576,130	-
Office Rent	288,000	-
Remuneration paid	234,000	234,000

Amount payable to Chief Executive is shown in note 10.

Retirement Benefit Plan:

Contribution to Provident Fund	135,639	132,196
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11 EVENTS AFTER BALANCE SHEET DATE

There are no events after balance sheet date causing any adjustment or disclosure in the condensed interim financial information.

12 DATE OF AUTHORIZATION

This condensed interim financial information has been authorised for issue by the board of Directors on May 14, 2014.

Chairman

Director Director

Principal Officer/Chief executive