



Half Year Report
June 2012

VISION

The Vision of askari general insurance company limited is to be amongst the leading insurance companies of the country with the clear perception of upholding the principles of corporate governance and making agico a profitable and growth oriented insurance company while creating insurance awareness and culture.

MISSION

To become a leading insurance company by providing client friendly services through highly motivated team of dedicated professionals and ensuring progressive return to the shareholders.

Contents

Corporate Information	02
Branch Network	03
Directors' Report	04
Auditors' Report	05
Balance Sheet	06
Profit and Loss Account	08
Statement of Comprehensive Income	09
Statement of Changes in Equity	09
Statement of Cash Flows	10
Statement of Premiums	12
Statement of Claims	13
Statement of Expenses	14
Statement of Investment Income	15
Notes to the Financial Statements	16

Corporate Information

Chairman

Lt Gen Tahir Mahmood (Retd)

Directors

Maj Gen Mukhtar Ahmed (Retd)

Brig Tariq Sher (Retd)

Brig Irfan Azam (Retd)

Syed Suhail Ahmad Rizvi

Mr. Abdul Hai Mahmood Bhaimia

Mr. Farrukh Iqbal Khan

Mr. Khawaja Muhammad Iqbal

President & Chief Executive

Mr. Abdul Waheed

Company Secretary

Mr. Suleman Khalid

Chief Financial Officer

Mr. Jamil Ahmed

Head of Internal Audit

Mr. Sajid Aziz Satti

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Legal Advisor

Hassan Kaunain Nafees

Bankers

Askari Bank Ltd.

Habib Bank Ltd.

Standard Chartered Bank
(Pakistan) Ltd.

Summit Bank Ltd.

Soneri Bank Ltd.

Silk Bank Ltd.

Faysal Bank Ltd.

JS Bank Ltd.

Registrar & Share Transfer Office

THK Associates (Private) Limited

Ground Floor, State Life Building No.3

Dr. Zia ud Din Ahmad Road,

Karachi-75530, P. O. Box 8533

UAN: +92-21-111-000-322

Fax: +92-21-35655595

Registered Office / Head Office

4th Floor, AWT Plaza, The Mall,

Rawalpindi, Pakistan

Tel: 051-9272425-7

Fax: 051-9272424

Website: www.agico.com.pk

Branch Network

1. **Head Office (051)**
(Underwriting /Claims Dept., askari health)
276-A, Peshawar Road, Rawalpindi Cantt.
Ph: 5125053-4, 5125017, 5125019
Fax: 5125056, 5124918
email: agicoho@agico.com.pk
2. **Rawalpindi-II (051)**
2nd Floor, National Business Centre, Murree Road, Shamsabad, Rawalpindi
Ph: 9290479-489, Fax: 9290499
email: agicorwp@agico.com.pk
3. **Rawalpindi-III (051)**
1st Floor, Sam Plaza, Bank Road, Saddar Rawalpindi.
Ph: 9373661-3, Fax: 9273660
email: agicorwp3@agico.com.pk
4. **Islamabad - 1 (051)**
11-West Jinnah Avenue, Blue Area, Islamabad
Ph: 2270471-3, Fax: 2279566
email: agicoisb@agico.com.pk
5. **Islamabad - 2 (051)**
11-West Jinnah Avenue, Blue Area, Islamabad
Ph: 2270471-3, Fax: 2279566
email: agicoisb@agico.com.pk
6. **Jhelum (0544)**
1st Floor , Soldier Plaza, Civil Lines, Jhelum.
Ph: 9270339 Fax: 9270374
email: agicojlm@agico.com.pk
7. **Faisalabad-I (041)**
2nd Floor, Platinum Centre, Kotwali Road, Faisalabad
Ph: 2412302-5 Fax: 2412301
email: agicofsd@agico.com.pk
8. **Faisalabad-II (041)**
Office # 13-16, 1st Floor, Kohinoor One Plaza, Jaranwala Road, Faisalabad
Ph: 8501862-4 Fax: 8501861
email: agicofsd2@agico.com.pk
9. **Faisalabad-III (041)**
Ground Floor, Mian Arif Plaza Lahore Road, Khurrianwala, Faisalabad
Ph: 4361049-50 Fax: 4361051
email: agicofsd3@agico.com.pk
10. **Sargodha (0483)**
39, Rehman Trade Centre, 2nd Floor, University Road, Sargodha
Ph: 768561-67 Fax: 768579
email: agicosgd@agico.com.pk
11. **Gujranwala (055)**
1st Floor, Al-Azhar Plaza, Opp. Iqbal High School, Ghalla Mandi, GT Road Gujranwala
Ph: 3856324 Fax: 3856325
email: agicogrw@agico.com.pk
12. **Sialkot (052)**
1st Floor, Oberoi Cooperative Building, Paris Road, Sialkot
Ph: 4582381 Fax: 4582382
email: agicoslt@agico.com.pk
13. **Lahore-I (0423)**
914-C, Shouk Chowk, Faisal Town, Mulana Shoukat Ali Road, Lahore
Ph: 5161545-7 Fax: 5160222
email: agicolhr@agico.com.pk
14. **Lahore-II (0423)**
Office # 106, 1st Floor, Lateef Centre, Ichra, 100 Ferozpur Road, Lahore
Ph: 7502327-9 Fax: 7502330
email: agicolhr3@agico.com.pk
15. **Multan (061)**
Golden Heights, Nusrat Road, Multan
Ph: 4547842 Fax: 4547862
email: agicormtn@agico.com.pk
16. **Bahawalpur (0622)**
2nd Floor, Shahab Plaza, Chowk One Unit, Bahawalpur
Ph: 2284201 Fax: 2284203
email: agicobwp@agico.com.pk
17. **Peshawar (091)**
6th Floor, State Life Building, The Mall, Peshawar Cantt
Ph: 5284768 Fax: 5284769
email: agicopsc@agico.com.pk
18. **Abbottabad (0992)**
Room # 10 & 11, 2nd Floor, Silk Plaza, Mansehra Road, Abbottabad.
Ph: 342439 Fax: 342440
email: agicoabt@agico.com.pk
19. **Hyderabad (022)**
1st Floor, Gul Centre, Thandi Sarak, Hyderabad
Ph: 2729689 Fax: 2783976
email: agicohyd@agico.com.pk
20. **Karachi-I (0213)**
Office No G-167, Mezzanine Floor, Marium Square, Block - 3 Main Khalid Bin Waleed Road, Karachi.
Ph: 4306701-6 Fax: 4306709
email: agicokch@agico.com.pk
21. **Karachi-II (0213)**
3rd Floor, AWT Plaza, i.i Chundrigar Road, Karachi
Ph: 2273513-5 Fax: 2214332
email: agicokch2@agico.com.pk

Directors' Report to the Shareholders

The Directors are pleased to present before you the un-audited financial statements of the Company for the half year ended June 30th, 2012.

Business Overview

Your Company has managed to improve both in terms of underwriting results and overall profitability. As compared to the corresponding period last year, underwriting profits and net profit after tax for the half year are higher by 29% and 18% respectively. The Earnings per share (EPS) has also improved by 7%.

Operational Results

The key comparative financial figures for the half year ended 30th June 2012 and 2011 are as follows:

	(Rupees in Millions) 30th June	
	2012	2011
Gross premium written	610	615
Net premium revenue	339	296
Underwriting Profit	82	63
Investment and other income/(loss)	36	34
Profit after Tax	36	31
Total assets	1,595	1,552
Total equity	469	398
Earnings per Share (Rs)	1.12	1.05

As evident from the above comparison, your Company has improved notably in overall profitability, both at underwriting stage and at the Profit after tax. Better management measures resulted in Rs. 82 million underwriting profit as compared to Rs. 63 million in the corresponding period.

Future Outlook

We are confident that with the sustained efforts, the Company will be able to secure quality business to ensure growth.

Acknowledgements

We would like to take this opportunity to thank our Regulators and the Insurance Association of Pakistan for their continuous support and guidance, our valued reinsurers and other stakeholders for posing trust and confidence in us.

The Directors also place on record their appreciation for the hard work and devotion of the employees towards the improved performance of the Company.

For and on behalf of the Board



Lt Gen Tahir Mahmood (Retd.)
Chairman

Rawalpindi
29 August 2012



KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building No. 5
Jinnah Avenue, Blue Area
Islamabad, Pakistan

Telephone + 92 (51) 282 3558
+ 92 (51) 282 5956
Fax + 92 (51) 282 2671
Internet www.kpmg.com.pk

Introduction

We have reviewed the accompanying:

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of comprehensive income;
- iv. condensed interim statement of changes in equity;
- v. condensed interim statement of cash flows;
- vi. condensed interim statement of premiums;
- vii. condensed interim statement of claims;
- viii. condensed interim statement of expenses;
- ix. condensed interim statement of investment income;

and the notes to the financial information of askari general insurance company limited ("the Company") as at 30 June 2012 and for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months' period ended 30 June 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarter ended 30 June 2012 and 30 June 2011 in the interim financial information have not been reviewed and we do not express a conclusion on them.

The condensed interim financial information and financial statements of the Company for the six months' period ended 30 June 2011 and year ended 31 December 2011 were reviewed and audited by another auditor whose reports dated 23 August 2011 and 19 March 2012 respectively, expressed an unqualified conclusion and opinion thereon.

Islamabad
KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Rehan Chughtai

29 August 2012

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Condensed Interim Balance Sheet (Unaudited) As at 30 June 2012

	Note	Unaudited 30 June 2012 Rupees	Audited 31 December 2011 Rupees
Share Capital and Reserves			
Authorized share capital 50,000,000 (2011: 50,000,000) ordinary shares of Rs. 10 each		500,000,000	500,000,000
Paid up share capital		323,620,030	308,209,560
Retained earnings		70,314,686	49,340,154
Reserves		74,657,681	74,657,681
		468,592,397	432,207,395
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		237,223,654	302,759,126
Provision for unearned premium		536,052,015	465,342,298
Commission income unearned		44,170,679	42,276,839
Total underwriting provisions		817,446,348	810,378,263
Deferred Liability-Staff Compensated Absences		10,920,023	9,177,635
Creditors and Accruals			
Premium received in advance		20,263,140	10,777,989
Amounts due to other insurers/reinsurers		102,883,412	134,462,020
Accrued expenses		10,996,660	2,567,171
Taxation - provision less payments		10,061,755	3,494,987
Other creditors and accruals	8	139,651,442	129,344,292
		283,856,409	280,646,459
Other Liabilities			
Unclaimed dividend		830,102	830,102
Others		13,394,488	11,740,231
		14,224,590	12,570,333
TOTAL LIABILITIES		1,126,447,370	1,112,772,690
TOTAL EQUITY AND LIABILITIES		1,595,039,767	1,544,980,085

CONTINGENCIES AND COMMITMENTS

13

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Abdul Waheed
President & Chief Executive



Syed Suhail Ahmad Rizvi
Director

	Note	Unaudited 30 June 2012 Rupees	Audited 31 December 2011 Rupees
Cash and Bank Deposits			
Cash and other equivalents		724,529	667,991
Current and other accounts		148,321,588	129,898,296
		149,046,117	130,566,287
Advances to Employees		1,012,972	1,189,796
Investments	9	485,140,186	503,413,264
Investment Property	10	50,325,833	50,980,833
Deferred Taxation		7,557,542	3,282,478
Current Assets - Others			
Premium due but unpaid - unsecured, considered good		295,601,058	275,456,804
Amounts due from other insurers/ reinsurers - unsecured, considered good		114,319,416	92,175,130
Salvage recoveries accrued		11,678,666	21,342,101
Accrued investment income		2,810,826	3,191,959
Reinsurance recoveries against outstanding claims - unsecured, considered good		121,422,508	156,721,326
Deferred commission expense		36,436,349	32,408,835
Prepayments		214,993,399	196,233,562
Sundry receivables		28,029,990	30,028,168
		825,292,212	807,557,885
Fixed Assets			
Tangible and Intangible			
Furniture and fixtures	11	7,465,819	7,853,410
Computer and office equipment		10,803,051	12,401,473
Motor vehicles		4,514,970	5,003,102
Tracking devices		29,606,469	2,533,065
Leasehold improvements		6,260,301	7,118,543
Software license		7,141,593	8,243,746
Capital work in progress		10,872,702	4,836,203
		76,664,905	47,989,542
TOTAL ASSETS		1,595,039,767	1,544,980,085



Maj Gen Mukhtar Ahmed (Retd)
Director

(7)



Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Profit & Loss Account (Unaudited) For the period ended 30 June 2012

	Quarter ended 30 June				2012 Aggregate	2011 Aggregate
	Fire and Property	Marine, Aviation and Transport	Motor	Accident and Health		
Revenue Account				Rupees		
Net premium revenue	9,942,787	11,323,422	107,464,724	19,692,887	158,835,977	151,904,215
Net claims	(8,737,045)	60,707	(55,407,159)	(14,113,193)	(84,534,316)	(83,329,343)
Expenses	(2,439,883)	(2,671,515)	(38,438,973)	(4,898,696)	(51,050,505)	(40,642,607)
Net commission	7,848,516	3,996,083	(5,758,461)	5,633,139	15,796,933	2,509,443
Underwriting Results	6,614,375	12,708,697	7,860,131	6,314,137	39,048,089	30,441,708
Investment income					13,347,742	14,605,059
Rental income					350,280	-
Other income					1,384,497	3,422,387
Profit on bank deposits					1,317,557	1,012,912
Share of profit in associate					899,396	1,073,420
General and administration expenses					(37,311,863)	(32,972,459)
Profit before tax					(20,012,391)	(12,858,681)
Provision for tax					19,035,698	17,583,027
Profit after tax					(2,692,917)	(3,229,423)
Earnings per share - basic and diluted (Note 15)					16,342,781	14,353,604
					0.50	0.49

Half year ended 30 June

	Half year ended 30 June				2012 Aggregate	2011 Aggregate
	Fire and Property	Marine, Aviation and Transport	Motor	Accident and Health		
Revenue Account				Rupees		
Net premium revenue	19,545,515	17,672,308	237,776,657	41,546,598	338,994,437	295,728,615
Net claims	(16,572,296)	(3,926,318)	(126,399,700)	(32,138,048)	(189,550,154)	(166,593,043)
Expenses	(4,355,323)	(3,937,917)	(70,386,672)	(9,257,820)	(92,941,009)	(74,228,013)
Net commission	12,665,113	6,022,369	(11,756,029)	11,752,545	25,134,021	8,155,991
Underwriting Results	11,283,009	15,830,442	29,234,256	11,903,275	81,637,295	63,063,550
Investment income					28,148,103	26,016,572
Rental income					700,560	-
Other income					1,764,743	4,301,334
Profit on bank deposits					2,784,365	2,048,287
Share of profit in associate					2,389,395	1,800,391
General and administration expenses					(74,770,194)	(59,481,924)
Profit before tax					(38,983,028)	(25,315,340)
Provision for taxation					42,654,267	37,748,210
Profit after tax					(6,269,265)	(6,941,742)
Profit and loss appropriation account					36,385,002	30,806,468
Balance at commencement of the period					49,340,154	37,396,866
Profit after tax for the period					(6,269,265)	(6,941,742)
Bonus shares issued					36,385,002	30,806,468
Balance of unappropriated profit at end of the period					(15,410,470)	(25,471,860)
Earnings per share - basic and diluted (Note 15)					70,314,686	42,731,474
					1.12	1.05

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Abdul Waheed

President & Chief Executive



Syed Suhail Ahmad Rizvi

Director



Maj Gen Mukhtar Ahmed (Retd)

Director



Lt Gen Tahir Mahmood (Retd)

Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the period ended 30 June 2012

	Quarter ended 30 June		Half year ended 30 June	
	2012	2011	2012	2011
Profit after tax	16,342,781	14,353,604	36,385,002	30,806,468
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	16,342,781	14,353,604	36,385,002	30,806,468

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Changes in Equity (Unaudited)

For the period ended 30 June 2012

	Share Capital issued, subscribed and paid up	Reserves		Total reserves	Retained earnings	Deposit against issue of shares	Total equity
		Share premium	General reserve				
Balance as at 01 January 2011	203,774,920	4,657,681	70,000,000	74,657,681	37,396,866	3,380	315,832,847
Total comprehensive profit for the period	-	-	-	-	30,806,468	-	30,806,468
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	30,806,468	-	30,806,468
Transactions with owners recorded directly in equity							
Issuance of right shares	50,943,730	-	-	-	-	-	50,940,350
Issuance of bonus shares	25,471,860	-	-	-	(25,471,860)	(3,380)	50,940,350
	76,415,590	-	-	-	(25,471,860)	(3,380)	50,940,350
Balance as at 30 June 2011	280,190,510	4,657,681	70,000,000	74,657,681	42,731,474	-	397,579,665
Balance as at 01 January 2012	308,209,560	4,657,681	70,000,000	74,657,681	49,340,154	-	432,207,395
Total comprehensive income for the period	-	-	-	-	36,385,002	-	36,385,002
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	36,385,002	-	36,385,002
Transactions with owners recorded directly in equity							
Issuance of bonus shares	15,410,470	-	-	-	-	-	-
	-	-	-	-	(15,410,470)	-	-
Balance as at 30 June 2012	323,620,030	4,657,681	70,000,000	74,657,681	70,314,686	-	468,592,397

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



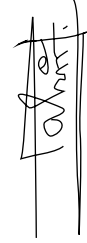
Abdul Waheed
President & Chief Executive



Syed Suhail Ahmad Rizvi
Director



Maj Gen Mukhtar Ahmed (Retd)
Director



Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Cash Flows

For the period ended 30 June 2012

	2012 Rupees	2011 Rupees
Operating Cash Flows		
a) Underwriting activities:		
Premium received	586,854,351	509,925,870
Reinsurance premium paid	(146,548,553)	(144,267,145)
Claims paid	(349,034,227)	(284,218,923)
Reinsurance and other recoveries received	37,886,457	19,825,617
Commission paid	(26,537,457)	(39,986,514)
Commission received	32,354,376	23,130,106
Other underwriting payments (management expenses)	(84,950,872)	(71,839,134)
Net cash flow from underwriting activities	50,024,075	12,569,877
b) Other operating activities:		
Income tax paid	(3,977,562)	(3,786,149)
General management expenses paid	(56,734,725)	(54,531,868)
Net operating receipts	15,006,435	4,738,861
Advances to employees	176,824	20,569
Net cash used in other operating activities	(45,529,028)	(53,558,587)
Total cash flow from / (used in) all operating activities	4,495,047	(40,988,710)
Investment activities:		
Profit/return received	9,251,724	9,770,472
Dividends received	667,477	677,789
Payments for investments	(73,433,160)	(137,490,042)
Proceeds from disposal of investments	97,072,208	59,954,219
Redemption of term finance certificates	18,417,820	6,128,980
Fixed capital expenditure	(37,991,286)	(7,975,688)
Proceeds from disposal of fixed assets	-	4,216,646
Total cash flow generated from/(used in) investing activities	13,984,783	(64,717,624)
Financing activities		
Proceeds against issue of shares	-	50,940,350
Total cash used in financing activities	-	50,940,350
Net cash generated from/(used in) all activities	18,479,830	(54,765,984)
Cash at beginning of the period	130,566,287	91,251,429
Cash at end of the period	149,046,117	36,485,445

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Abdul Waheed
President & Chief Executive



Syed Suhail Ahmad Rizvi
Director

Condensed Interim Statement of Cash Flows For the period ended 30 June 2012

	2012 Rupees	2011 Rupees
Reconciliation to Profit and Loss Account:		
Operating cash flows	4,495,047	(40,988,710)
Depreciation expense	(9,970,924)	(6,493,641)
Increase in assets other than cash	17,938,631	1,991,369
Increase in liabilities other than running finance	(7,107,912)	63,203,868
Un-realized gain on investments, held for trading	20,748,502	(13,616,074)
Dividend income	667,477	1,792,237
Investment income	6,178,233	20,556,670
Reversal of provision for impairment in investment-net	15,988	8,472,896
Profit on bank deposits	2,784,365	2,048,287
Share of profit in associated company	2,389,395	1,800,391
Income tax provision	(6,269,265)	(6,941,742)
Gain/ (loss) on trading	537,903	(4,805,232)
Tax paid	3,977,562	3,786,149
Profit after taxation	36,385,002	30,806,468

Definition of cash :

Cash comprises of cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

	2012 Rupees	2011 Rupees
Cash for the purpose of the statement of cash flows consist of:		
Cash and other equivalents		
Cash in hand	573,313	545,313
Stamp in hand	151,216	65,011
	724,529	610,324
Current and other accounts		
On current accounts	24,430,473	9,692,877
On deposit accounts	123,891,115	26,182,244
	148,321,588	35,875,121
	149,046,117	36,485,445

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Maj Gen Mukhtar Ahmed (Retd)
Director



Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Premiums (Unaudited)

For the period ended 30 June 2012

Business Underwritten inside Pakistan Class of Business	Premiums written		Unearned premium reserve		Premiums earned		Reinsurance ceded		Prepaid reinsurance premium ceded		Reinsurance expense		Net premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	2012 Net premium revenue	2011 Net premium revenue		
Quarter ended 30 June														
Rupees														
Direct and facultative														
Fire and property damage	55,248,316	71,256,572	86,209,737	40,295,151	45,307,561	54,515,051	69,470,248	30,352,364	9,942,787	9,323,003				
Marine, aviation and transport	43,439,704	17,097,723	29,266,420	31,271,007	33,150,299	11,115,505	24,318,219	19,947,585	11,323,422	9,240,463				
Motor	142,320,170	230,412,106	262,789,920	109,942,356	1,717,021	5,659,243	4,898,632	2,477,632	107,464,724	105,136,749				
Accident and health	31,761,450	109,555,586	91,916,405	49,400,631	18,981,405	67,136,168	56,409,829	29,707,744	19,692,887	18,842,476				
Miscellaneous	45,163,896	47,987,950	65,869,533	27,282,313	29,246,334	30,789,795	43,165,973	16,870,156	10,412,157	9,361,524				
Total	317,933,536	476,309,937	536,052,015	258,191,458	128,402,620	169,215,762	198,262,901	99,355,481	158,835,977	151,904,215				
Half year ended 30 June														
Rupees														
Direct and facultative														
Fire and property damage	90,503,431	76,970,527	86,209,737	81,264,221	69,605,874	61,583,080	69,470,248	61,718,706	19,545,515	18,682,532				
Marine, aviation and transport	70,478,334	14,632,145	29,266,420	55,844,059	50,813,492	11,676,478	24,318,219	38,171,751	17,672,308	15,519,770				
Motor	297,031,255	208,616,338	262,789,920	242,857,673	4,930,145	5,049,503	4,898,632	5,081,016	237,776,657	208,083,041				
Accident and health	80,366,742	115,546,722	91,916,405	103,997,059	48,066,573	70,793,717	56,409,829	62,450,461	41,546,598	38,777,624				
Miscellaneous	71,528,465	49,576,566	65,869,533	55,235,498	43,773,034	32,175,078	43,165,973	32,782,139	22,453,359	14,665,648				
Total	609,908,227	465,342,298	536,052,015	539,198,510	217,189,118	181,277,856	198,262,901	200,204,073	338,994,437	295,728,615				

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Abdul Waheed
President & Chief Executive



Syed Suhail Ahmad Rizvi
Director



Maj Gen Mukhtar Ahmed (Retd)
Director



Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Claims (Unaudited)

For the period ended 30 June 2012

Class of Business	Quarter ended 30 June										2012	2011			
	Business Underwritten inside Pakistan	Claims paid		Outstanding claims		Claims expense		Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		Net claims expense	
		Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	2012	2011
Direct and facultative															
Rupees															
Fire and property damage	33,075,049	44,815,043	54,601,408	44,815,043	23,288,684	23,288,684	22,860,935	45,003,643	36,694,347	14,551,639	14,551,639	8,737,045	792,367	8,737,045	792,367
Marine, aviation and transport	13,875,776	38,118,293	38,118,293	23,119,416	(1,123,101)	9,258,591	24,324,965	14,003,980	14,003,980	(1,062,394)	(1,062,394)	(60,707)	5,730,682	(60,707)	5,730,682
Motor	68,780,875	90,542,367	90,542,367	80,373,511	58,612,019	1,550,754	9,926,566	11,580,672	11,580,672	3,204,860	3,204,860	55,407,159	64,044,318	55,407,159	64,044,318
Accident and health	36,088,146	50,455,922	50,455,922	52,052,402	37,684,626	21,290,936	34,060,418	36,340,915	36,340,915	23,571,433	23,571,433	14,113,193	11,902,607	14,113,193	11,902,607
Miscellaneous	5,473,289	27,343,802	27,343,802	36,863,282	14,992,769	4,236,074	18,383,525	22,802,594	22,802,594	8,655,143	8,655,143	6,337,626	859,369	6,337,626	859,369
Total	157,293,135	237,223,654	237,223,654	237,223,654	133,454,997	59,197,290	131,699,117	121,422,508	121,422,508	48,920,681	48,920,681	84,534,316	83,329,343	84,534,316	83,329,343
Half year ended 30 June															
Rupees															
Fire and property damage	72,893,519	71,719,776	71,719,776	44,815,043	45,988,786	52,147,590	59,425,447	36,694,347	29,416,490	8,143,802	8,143,802	16,572,296	8,143,802	16,572,296	8,143,802
Marine, aviation and transport	26,705,327	42,686,690	42,686,690	23,119,416	7,138,053	16,351,460	27,143,705	14,003,980	3,211,735	7,368,091	7,368,091	3,926,318	7,368,091	3,926,318	7,368,091
Motor	150,463,400	98,000,478	98,000,478	80,373,511	132,836,433	5,137,711	10,281,650	11,580,672	6,436,733	122,975,458	122,975,458	126,399,700	122,975,458	126,399,700	122,975,458
Accident and health	85,176,447	62,500,708	62,500,708	52,052,402	74,728,141	45,980,029	39,730,851	36,340,915	42,590,093	26,211,345	26,211,345	32,138,048	26,211,345	32,138,048	26,211,345
Miscellaneous	13,795,534	27,851,474	27,851,474	36,863,282	22,807,342	9,630,629	20,139,673	22,802,594	12,293,550	1,894,347	1,894,347	10,513,792	1,894,347	10,513,792	1,894,347
Total	349,034,227	302,759,126	302,759,126	237,223,654	283,498,755	129,247,419	156,721,326	121,422,508	93,948,601	166,593,043	166,593,043	189,550,154	166,593,043	189,550,154	166,593,043

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.




Abdul Waheed
President & Chief Executive



Syed Suhail Ahmad Rizvi
Director



Maj Gen Mukhtar Ahmed (Retd)
Director



Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Expenses (Unaudited)

For the period ended 30 June 2012

Class of Business	Commission		Deferred commission		Net commission		Other		Underwriting		Commission		2012		2011		
	Paid or payable	Opening	Closing	Opening	expense	management	expenses	reinsurer**	expenses	from	reinsurer**	Net	Net	underwriting	underwriting	expense	
Quarter ended 30 June																	
Rupees																	
Direct and facultative																	
Fire and property damage	8,207,089	10,750,449	13,171,991	5,785,547	2,439,883	8,225,430	13,634,063							(5,408,633)		996,238	
Marine, aviation and transport	4,322,760	1,977,107	2,233,725	4,066,142	2,671,515	6,737,657	8,062,225							(1,324,568)		1,366,125	
Motor	5,833,172	11,805,841	11,694,084	5,944,929	38,438,973	44,383,902	186,468							44,197,434		35,537,222	
Accident and health	1,889,003	3,479,842	3,575,047	1,793,798	4,898,696	6,692,494	7,426,937							(734,443)		(1,369,945)	
Miscellaneous	3,929,664	3,981,908	5,761,502	2,150,070	2,601,438	4,751,508	6,227,726							(1,476,218)		1,603,524	
Total	24,181,688	31,995,147	36,436,349	19,740,486	51,050,505	70,790,991	35,537,419							35,253,572		38,133,164	
Half year ended 30 June																	
Rupees																	
Direct and facultative																	
Fire and property damage	13,709,877	11,029,290	13,171,991	11,567,176	4,355,323	15,922,499	24,232,289							(8,309,790)		1,009,030	
Marine, aviation and transport	8,879,210	1,681,581	2,233,725	8,327,066	3,937,917	12,264,983	14,349,435							(2,084,452)		1,370,871	
Motor	12,110,765	11,750,366	11,694,084	12,167,047	70,386,672	82,553,719	411,018							82,142,701		67,184,639	
Accident and health	3,280,118	4,155,002	3,575,047	3,860,073	9,257,820	13,117,893	15,612,618							(2,494,725)		(3,932,960)	
Miscellaneous	6,282,547	3,792,596	5,761,502	4,313,641	5,003,277	9,316,918	10,763,664							(1,446,746)		440,442	
Total	44,262,517	32,408,835	36,436,349	40,235,003	92,941,009	133,176,012	65,369,024							67,806,988		66,072,022	

* Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission. The annexed notes 1 to 17 form an integral part of this condensed interim financial information.




Abdul Waheed
President & Chief Executive



Syed Suhail Ahmad Rizvi
Director



Maj Gen Mukhtar Ahmed (Retd)
Director



Lt Gen Tahir Mahmood (Retd)
Chairman

	Quarter ended 30 June		Half year ended 30 June	
	2012	2011	2012	2011
	Rupees			
Income from trading investments				
(Loss)/ gain on trading	(383,131)	(4,176,131)	537,903	(4,805,232)
Dividend income	244,136	336,740	667,477	677,789
	(138,995)	(3,839,391)	1,205,380	(4,127,443)
Income from non-trading investments				
Return on government securities	871,116	682,481	1,650,226	1,205,598
Return on other fixed income securities	2,145,472	3,476,361	4,528,007	6,363,818
	3,016,588	4,158,842	6,178,233	7,569,416
Available for sale investments				
Dividend income	-	10,858,559	-	19,878,882
Gain on sale of investments	-	547,609	-	903,480
	-	11,406,168	-	20,782,362
Unrealized gain on re-measurement of investments held for trading				
	10,454,161	2,879,440	20,748,502	1,792,237
Reversal of impairment in available for sale investment				
	2,015,988	-	2,015,988	-
Impairment in loans and receivable				
	(2,000,000)	-	(2,000,000)	-
Net investment income	13,347,742	14,605,059	28,148,103	26,016,572

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Abdul Waheed
President & Chief Executive



Syed Suhail Ahmad Rizvi
Director



Maj Gen Mukhtar Ahmed (Retd)
Director



Lt Gen Tahir Mahmood (Retd)
Chairman

1 THE COMPANY AND ITS BUSINESS

askari general insurance company limited (“the Company”) was incorporated under the Companies Ordinance, 1984 as a public limited company on 12 April 1995. The Company is engaged in non-life insurance business comprising of fire, marine, motor, health and miscellaneous. The Company commenced its commercial operations on 15 October 1995. Shares of the Company are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The registered office and principal place of business of the Company is located at AWT Plaza, Rawalpindi. The Company has 20 branches in Pakistan. Army Welfare Trust (AWT) directly and indirectly holds a significant portion of the Company’s equity.

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the six months period ended 30 June 2012 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 and Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 and Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

This condensed interim financial information is unaudited but subject to review by the auditors and is being submitted to the shareholders in accordance with the listing regulations of Karachi, Lahore and Islamabad Stock Exchange and Section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of International Accounting Standard - 34 - “ Interim Financial Reporting” and in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan (SECP) vide its circular No.7 of 2003 dated 27 August 2003.

This condensed interim financial information do not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2011. Comparative balance sheet is extracted from annual audited financial statements for the year ended 31 December 2011 whereas comparative for condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income are stated from unaudited condensed interim financial information for the half year ended 30 June 2011.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments which are carried at their fair values and obligations under certain employee benefits which are measured at their present values.

4 ACCOUNTING POLICIES AND COMPUTATION METHOD

The accounting policies and 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 31 December 2011.

5 FINANCIAL AND INSURANCE RISK MANAGEMENT

Financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements as at and for the year ended 31 December 2011.

6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2011

7 PREMIUM DEFICIENCY RESERVE

During the period, management has reviewed the results of each class of business and considers that no additional reserve is required to be created as unearned premium reserve for each class of business as at the period end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of the policies in force at the balance sheet date.

		Unaudited 30 June 2012	Audited 31 December 2011
	Note	Rupees	
8 OTHER CREDITORS AND ACCRUALS			
Agents' commission payable		49,034,018	38,446,409
Security deposit against bond insurance		52,355,739	52,404,434
Staff gratuity fund payable		3,620	-
Staff provident fund payable		8,745	703,541
Tax deducted at source		431,686	1,419,566
Federal excise duty/ Federal insurance fee		17,081,397	14,967,987
Workers' welfare fund		2,753,318	2,753,318
Due to associated company - unsecured		9,760,678	14,319,160
Payable against tracker devices and monitoring expenses		8,222,241	4,329,877
		139,651,442	129,344,292
9 INVESTMENTS			
These represent the following:			
Held to maturity - Government securities	9.1	34,705,229	34,613,222
Held to maturity - Term Finance Certificate - Quoted	9.1	64,984,820	83,402,640
		99,690,049	118,015,862
Loans and receivables- Certificates of investments		19,417,032	18,161,328
Provision for impairment		(13,128,415)	(11,128,415)
		6,288,617	7,032,913
Investments at fair value through profit and loss - Held for trading (equity securities)		327,990,249	310,949,441
Available for sale - Quoted	9.2	9,491,925	9,491,925
Provision for impairment in the value of investments		(9,241)	(2,025,229)
		9,482,684	7,466,696
Investment in units of associate - equity method		41,688,587	59,948,352
		485,140,186	503,413,264

- 9.1 Government Securities include Pakistan Investment Bonds (PIBs) of Rs. 34.71 million (31 December 2011: Rs. 34.61 million) with market value of Rs. 33.32 million as at 30 June 2012 (31 December 2011: Rs 32.88 million). PIBs are kept with the State Bank of Pakistan to comply with the requirements of the Section 29(2) of the Insurance Ordinance, 2000. Market value of Term Finance Certificates as at 30 June 2012 was Rs. 64.18 million (31 December 2011: Rs. 81.51 million).
- 9.2 At 30 June 2012, the fair value of available-for-sale securities was Rs. 9.68 million (31 December 2011: Rs. 8.27 million). As per the Company's accounting policy, available-for-sale investments are stated at lower of cost or market value (market value being taken as lower if the fall is other than temporary). However, International Accounting Standards (IASs) 39, "Financial Instruments: Recognition and measurements" dealing with the recognition and measurement of financial instruments requires that these instruments should be measured at fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 30 June 2012 would have been higher by Rs. 0.18 million (31 December 2011: Rs. 0.80 million).

10 INVESTMENT PROPERTY

This represents the carrying amount of two offices in Islamabad Stock Exchange building, classified as investment property based on the management intention to hold the property for earning rental income and/ or capital appreciation.

	Unaudited 30 June 2012	Audited 31 December 2011
	Rupees	
Written down value	50,980,833	52,290,833
Depreciation for the period/ year	(655,000)	(1,310,000)
Carrying value	50,325,833	50,980,833
11 FIXED ASSETS		
Tangible and Intangible		
Opening written down value	43,153,339	41,366,006
Additions during the period/ year		
- Furniture, fixtures and office equipment	646,049	3,312,268
- Motor vehicles	13,500	1,892,401
- Tracking devices	30,938,360	3,103,327
- Leasehold improvements	356,878	3,385,547
- Software licenses	-	6,233,239
	31,954,787	17,926,782
	75,108,126	59,292,788
Written down value of disposals	-	(3,431,479)
Depreciation for the period/ year	(9,315,923)	(12,707,970)
	65,792,203	43,153,339
Capital work in progress	10,872,702	4,836,203
Closing written down value	76,664,905	47,989,542

Notes to the Condensed Interim Financial Information (Unaudited)

For the period ended 30 June 2012

12 SEGMENT REPORTING

Class of business-wise revenue and results have been disclosed in the condensed interim statement of premiums and condensed interim profit and loss account respectively, prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 and IFRS 8 - "Operating Segments". The following table presents information regarding segment assets and liabilities as at 30 June 2012 and 31 December 2011.

(Amounts in Rupees)

	Fire and property damage		Marine, aviation and transport		Motor		Accident and Health		Miscellaneous		TOTAL	
	Unaudited 30 Jun 2012	Audited 31 Dec 2011	Unaudited 30 Jun 2012	Audited 31 Dec 2011	Unaudited 30 Jun 2012	Audited 31 Dec 2011	Unaudited 30 Jun 2012	Audited 31 Dec 2011	Unaudited 30 Jun 2012	Audited 31 Dec 2011	Unaudited 30 Jun 2012	Audited 31 Dec 2011
Segment assets	145,057,880	156,096,190	63,812,135	61,600,082	393,237,961	342,501,037	150,999,831	166,153,184	101,277,996	81,021,102	854,385,803	807,371,595
Unallocated corporate assets											740,653,964	737,608,490
Consolidated total assets											1,595,039,767	1,544,980,085
Segment liabilities	155,873,391	174,535,676	61,362,427	66,740,775	429,828,501	409,077,412	173,163,904	214,058,139	120,364,678	93,206,270	940,592,901	955,618,272
Unallocated corporate liabilities											185,854,469	157,154,418
Consolidated total liabilities											1,126,447,370	1,112,772,690
Capital expenditure	58,604	873,549	52,988	766,070	37,687,799	12,067,978	124,572	1,868,984	67,323	904,607	37,991,286	16,481,188
Depreciation and amortization	537,131	344,072	485,654	301,739	6,534,352	4,100,372	1,141,744	736,153	617,042	356,305	9,315,923	5,838,641
Unallocated depreciation											655,000	655,000

13 CONTINGENCIES AND COMMITMENT

There is no change in contingencies and commitment as reported in the annual financial statements of the company for the year ended 31 December 2011.

	Unaudited 30 June 2012	Audited 31 December 2011
Rupees		
14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Balances at end of the period		
Associates:		
Premium due:		
Balance at beginning of the period/ year	27,421,026	10,085,287
Insurance premium written (including government levies, administrative surcharge and policies stamps)	62,942,723	89,555,453
Receipts during the period/ year	(60,614,822)	(72,219,714)
Balance at end of the period/ year	29,748,927	27,421,026
Balance in bank accounts	90,901,071	72,509,562
Investments	41,688,587	59,948,352
Commission payable	2,915,447	2,235,205
Other balances due	91	124,387
Other balances payable	9,760,678	14,319,160

	Unaudited 30 June 2012	Audited 30 June 2011
Rupees		
Transactions during the period		
Associates:		
Insurance premium written	50,757,497	45,234,042
Profit on deposit accounts	1,275,603	1,677,505
Investment made	41,688,587	24,500,000
Bank charges	286,104	706,255
Insurance commission expense	680,242	597,782
Insurance claims paid	12,278,965	30,256,203
Purchase of listed securities including brokerage fee	-	14,670,450
Sale of listed securities including brokerage fee	1,426,398	14,980,496
Bonus shares issued - number	911,749	1,321,598
Services acquired	4,854,938	9,756,279
Services rendered	2,577,484	6,486,000
Others:		
Directors' fees	160,000	140,000
Remuneration to key personnel	10,955,786	8,148,168
Contributions/provision for staff retirement benefit plans	4,378,946	6,531,188

	Unaudited Quarter ended 30 June		Unaudited Half year ended 30 June	
	2012	2011	2012	2011
15 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax (Rupees)	16,342,781	14,353,604	36,385,002	30,806,468
Weighted average number of shares outstanding at the end of the period	32,362,003	29,262,331	32,362,003	29,262,331
Earnings per share (Rupees)	0.50	0.49	1.12	1.05

The corresponding figures of weighted average number of shares outstanding and earnings per share have been restated to include the effect of bonus shares issued by the Company subsequent to 30 June 2011.

16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on 29 August 2012 by the Board of Directors of the Company.

17 GENERAL

Figures have been rounded off to the nearest rupee.



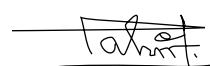
Abdul Waheed
President & Chief Executive



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Chairman

Head Office

4th Floor, AWT Plaza,
The Mall, Rawalpindi, Pakistan

P +92-51-927 2425-7

F +92-51-927 2424

E info@agico.com.pk

www.agico.com.pk